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ORIGINAL TRANSCRIPTS

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SESSION 1

Russell Brunson: So what we're gonna do today is go through a lot of the questions that people had asked, you know, further information they wanted on the book or some more clarification and kind of a business outline where they can take it and start running with the information right off, you know, right out of the gate.

That's what we're gonna be talking about today - and I'm just excited because I've been trying to build up my direct mail business with what I'm doing online. And so a lot of the questions are gonna be focused a lot towards how to implement this type of thing if you have an online business or an information type business, selling information products and things like that.

So I'm pretty excited for _____. I'm glad that you agreed to do this one, Vincent, I appreciate that.

Vincent James: No problem.

Russell Brunson: Well let's start out real quickly and kind of give a little recap of your story and exactly how you got into direct mail and how you started, obviously, having such huge success with it.

Vincent James: Okay. Well basically, what I did is I moved with a family member out west. I was originally from New Jersey. And I was about 19 years old, and I had a family member that was moving out west, and you know I was looking for a fresh start. So I said, you know, what



the hell and I went out west in 1993.

And the job market out west was horrible, I mean I'm talking Arizona when it was like, you know, \$4.00 or \$5.00 minimum wage, and you know, and I just didn't, you know, I couldn't see working for somebody, you know. I mean no matter how hard I would try to get a job or whatever, it just wasn't clicking, and I figured it was in my fate not to do it.

So you know, I was really heavily into the car stereo scene back then. You know, a 19 year old kid, you know, and that was like a really big thing in the early '90s. And what I did was I got a hold of a, like a car stereo distributor, like a wholesale distributor in Ohio and basically, I, you know, lied my way and said that I was a dealer to get their dealer price catalogue. And basically, the whole point of me getting a job out west was that I could basically just put a car stereo into my car for like half as much money as it would cost, you know, from a retailer.

And one day I went to a job interview and I was just so frustrated, so frustrated from the job interview, that I came home and it just clicked. I said, you know, why don't I just sell this stuff, you know, why don't I just sell this stereo stuff, you know, outright to people through magazine ads, and I did that.

You know, I scraped together a couple bucks. I borrowed some money. I think it was like \$1,500.00 I borrowed from a family member, and basically, it was one of those, let me borrow \$1,500.00 deals and I, and it was, you know, it was oh no, that's too much money. And I was just, well, I'll just go sell my car. And I guess they saw how interested I was, you know, how passionate I was about getting this thing started, so that person ended up becoming my partner in the business and his \$1,500.00 investment, you know, in 1993-1994, you know, was the guy who made the million, all the millions with years later, so, pretty good ROI.



But, you know, we came out with this catalogue, and I placed little advertisements in like, I think back then the big magazines to put the car stereo stuff in was like Truckin and Mini-Truckin magazines and magazines like that, because the car stereo magazines wouldn't allow you to advertise mail order in there and that kind of stunk.

But, you know, we had an advertisement that gave away a free catalogue, and we - everybody and their mother requested these catalogues but nobody bought anything, and I was kind of depressed and you know, we were out like, we were out some serious money by producing all these catalogues and nobody bought anything. It was really just really depressing.

But I came up with a concept where basically what I would do is I would charge like a \$39.00 membership fee, and this is still a valid concept to this day, and you know, it just - you fit it pretty much around any type of product. And what it was was I charged a \$39.00 membership fee, and for that \$39.00, I basically gave you Xerox copies of my suppliers' dealer price sheets, okay.

And then basically, so you send me 39 bucks, I send you out this catalogue that was basically all these Xerox, you know, all these, all the price sheets that were, you know, dealer cost. So you get the, you were able to buy the a dealer without being a dealer. And I had a relationship with my supplier that my members of my club would basically send me an order form for like the car stereo stuff they wanted, I'd fax it to my supplier, and he'd dropship it COD to them.

So, you know, we ended up selling like, oh my God, like 65,000 memberships to this club.

Russell Brunson: Wow.



Vincent James: And you know, the car stereo magazines - what was that?

Russell Brunson: Monthly memberships, right?

Vincent James: No, actually it was annual. I wasn't so smart to do monthly memberships.

Russell Brunson: Okay.

Vincent James: So it was an annual membership, like the car stereo magazines only had like 30,000 and 40,000 subscribers, and they wouldn't let me touch any of their names or anything. But, you know, they should've done some kind of a joint venture with me where they could've given away three free issues or something, because they would've like exploded their subscriber base.

So that's how we ended up getting started. But I really didn't discover, I really didn't get started in direct mail, what I got started in was actually in magazines, because I didn't even know there was such a thing as direct mail, you know. I mean who thinks that you can get Victoria Secret's customers or, you know, or subscriber's list. I mean it's just not something many people, many people think of.

But when I was in like in Truckin and I was in like Mini-Truckin magazine with those membership advertisements, basically it was like a three-month lag before the book came out, you know what I'm saying. So I placed the ad and it wouldn't come out for two or three months and I'd be frustrated.

And then, just out of the blue one day I asked my advertising rep, I said, "Do you guys have



your subscriber list available?" And he goes, "Yeah, we do actually." And you know, and you know, it was on the, it was in the SRDS and everything with a list manager, but they said they'd give it to me, like, and they were like yeah, we'll send it to you. You've placed enough ads, we'll send it to you. And I was like, wow, so basically, what I did is I took my advertisement and just printed it as like an oversized postcard and I mailed a subscriber list before the magazine physically hit the newsstands and it did well. And then that's how I discovered direct mail and direct response advertising, you know, all in all.

And then, you know, when that audio club, I mean it came to a peak. I mean there wasn't many more than 60,000 people I could've signed into it. Like I was saying, it was already, you know, the audio magazines themselves only had 30,000 and 40,000 subscribers at the time, you know, and I'm over there with 60,000. I had to pull them out of like Car and Driver and Road and Track and Motortrend and stuff like that.

And then we just basically fit that same concept onto computer stuff, like computer hardware and computers, laptops, printers and stuff like that. And I sold 45,000 memberships for the computer club. And that was actually like a \$59.00 or \$69.00 membership. It went a little higher. Then when I maxed that out we moved it into software.

I used to have deals with a lot of these software companies that, you know, if they had like a, you know, like _____ the Beac - Mavis Beacon teaches typing, or you know, 8.0, and they were coming out with a 9.0, you know. In three months, they'd have like 8.0's, you know, filled in their warehouse. And you know, they'd still be on the racks for, you know, for 50 bucks at the time. And they'd sell them to me for a buck just to clear out their warehouse. And I did the same kind of concept there where basi - and that was my first monthly club, where, you know, for like 20 bucks a month I'd send you two pieces of software. And then things just evolved



and that's pretty much how I got my start with the audio membership clubs and into the computer clubs.

Russell Brunson: Great concept thinking, because I mean people are getting a huge discount for - _____ the inside edge to be able to buy at a huge discount.

Vincent James: That's funny, because that's the name of the company. The company used to be called Insider's Audio.

Russell Brunson: Really.

Vincent James: They get to, like they get to buy like an insider. And it was before the internet and before Froogle. I mean, you know, before, you know, people could really do a lot of searching, basically. You know, the only alternative people had was like Crutchfield and some of those little guys and like the back of the car magazines they sell radar detectors and stuff, and you know, they're still - I found it was easier to just sell it at a zero percent market and let all the window shoppers pay to get a membership than it would be - because if you just sold it outright, you were, you know, I had to turn my product from a commodity into my own product. It was the membership I was selling, I wasn't selling audio.

And it was so hard to sell audio because you know, when I first came out with my catalogue, it'd be like a \$200.00 dealer cost, \$400.00 retail. I'd have it for like \$300.00 and the guy would have it for 260 bucks and they're calling me, beating me up to lower it for 40 bucks or beat their price, and I'm like oh my God, it's -. You know, I said, oh screw that, I'll let - you know, we made every single person pay 30 bucks or 40 bucks it was.



And you know, the one out of ten people that actually bought something out of it I made zero on, but I got ten people at 40 bucks. That was 400 bucks, where before I only would have made, you know, 60 bucks on a unit. So you know, it was just turning a commodity into an exclusive product. And actually, our supplier was in Ohio. It was a company called the Wholesale House, and we were - they had like 10,000 stores they sell to. And we were the largest singular account that they sold to. It was pretty cool.

Russell Brunson: I'm surprised no one's done that with affiliate programs online. Sell memberships and then give the people back their affiliate commissions, some kind of discount or - that can be applied a lot of ways.

Vincent James: Yeah. Like I said, when I used to - Jay Abraham, when I - it was nice to talk with Jay. Jay said I was what he called a donut concept, because you could pretty much fit it around any type of product, you know, whether it be computer stuff or -.

I mean you could fit it around dietary supplements. I mean if you, you know, like GNC type. Like MuscleTech and all those types of supplements. If you put an ad like in a muscle, body building magazine, where you charge \$39.00 or if you charge, say 10 bucks a month, \$9.99 a month. And basically, they get, you know you hook up with a supplier that was able to drop-ship, you know, all the protein powders and all the stuff to the people's doors, you know, and you just don't mark it up at all. I mean you know, you could fit that concept around anything.

Russell Brunson: It's not hard to get a thousand members that way.

Vincent James: I know.



Russell Brunson: I mean 20,000-30,000 bucks a month pretty quick.

Vincent James: Yeah, no kidding. I mean, like I said, the biggest hurdle with that type of concept is that you want to try to keep your supplier, you know, as one supplier so it's easier. Otherwise, you're pulling your hair out going to five different distributors and there's always different shipping fees. And it's easier when it's one distributor. But that could still be used nowadays. I mean that's a great concept.

I made, you know, I was 21 years old and I had a Rolls Royce from that company.

Russell Brunson: That's awesome.

Vincent James: Yeah.

Russell Brunson: That gives me a lot of good ideas.

Vincent James: Yeah.

Russell Brunson: Dang. What happened, now, you were doing that for a long time, and what made you move from that over into the supplement industry?

Vincent James: Well, basically what happened was I retired, and I was sitting home, I just was, you know, it was like 1999, and I didn't want to go to work anymore. I just was burnt out. I had enough money behind me, and that was it and it was time for me to throw axe a little bit, let my hair down.



And I, you know, and my - I was living in Vegas, and you know, I was going out with a lot of these, you know, I was a single guy, I was going out with a lot of Vegas-style women, you know. And I met this girl that was, that wasn't a Vegas-style girl, and that's why, you know, I stayed with her. I'm still with her actually.

Russell Brunson: Mm hmm.

Vincent James: And you know, she was telling me about, you know, about some dietary supplement that you know, all her friends had been taking, and you know, I said, you know, hey, you know, that kind of, you know, let me go look into that. And I went and I looked into it, and you know, it got me excited to where I wanted to maybe give it a whirl. I never really marketed a dietary supplement, and you know, I was kind of a, you know, it was a good position for me because I wasn't like, you know, needing to pay the bills the next month. So I wasn't like super stressed, and you know, I didn't have that real big financial worry on my head.

So it was just something I said, let me, you know, let me give it a shot. And I felt, you know, I mean the most important thing about when you try new products is you have to be like interested in them, you have to be, you know, passionate about them. I mean if you can't be interested in them you're not gonna write a good sales letter. And I was interested in this one. And when I get interested in them, you know, I usually give them a shot.

So basically, I went and found the pill that she was talking about, and I looked at the - it was \$60.00 for a bottle, and I looked -. I said, oh, this thing has to cost, you know, \$15.00 to \$20.00 to make these things. I mean because that's what you expect. You don't think that, you know, like if they're \$60.00 they have to be, you know, a high, you know, big money to make them.



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So what I did is I looked in my phone book and I looked under vitamin manufacturers, and I found a vitamin manufacturer, and I basically, called him and says, "Hey, look, I'm interested in making these pills." And he goes, "Oh, I know exactly what you're talking about. I actually have a house blend of them." Which is basically, ones that they already blend and people just private label them. And I said yeah, it's all the same ingredients. We went over the ingredients, and he says \$4.00. And I was like, whoa, \$4.00, that's killer, you know. I mean it's a consumable product, it's 4 bucks and it has a perceived value of 60.

And I mean in the long - you know, later on in the company, I was making these things for under 2 bucks a bottle in quantity. This was like, you know, the 4 bucks was like a couple hundred bottles. So I think we paid more money to make the plate for our labels to go on them than I did for the pills themselves, because I think the plate was a couple hundred bucks for the printing.

But you know, we just basically, I wrote the letter and we tested three different lists, and one broke even and two lost money, but you know, I was still intrigued. It was just one of those things where I didn't, I - you know, I knew I could have fixed it, because sometimes you can fix things that don't go right in direct mail and stuff. You can fix it and make it work.

And I, you know, like I was telling you before, that computer membership I had, when I was running my audio one and I was doing the computer one, actually Dan Kennedy wrote me the computer one and it didn't work. And then I did a split against it, and I got mine to work but it was very marginal, it wasn't a lot of money. So I threw it into the drawer of my desk. I didn't touch it, and then it came to me like six months later, like, oh why don't you tweak this and change that and up the price. And I went back and I changed it and I got it to work. And you know, like I said, there was you know, 40,000 customers, I think it was 44,000 members I sold.



And you know, sometimes you got to go back and you fix things.

So, basically, with this dietary supplement I tried a couple things to get it to work better. What I did is I, I tried up - I had the phone operator upsell, you know, try to upsell to numerous bottles, you know, okay, the bottles \$59.00, we're having a special today on a 4-pack, you know, it's a \$240.00 value, you can get for \$139.95, \$100.00 off.

It wasn't working too good, because what I learned with a lot of dietary supplements is that if one, you know, if one bottle works, you know, they don't want, you know, they'll want, you know, they'll want ten bottles. But, you know, when they're skeptical off the bat and they don't know if one bottle's gonna work at all, you know, they don't, they really don't care too much about getting a deal on four bottles if it all doesn't work.

So then, so I was a little discouraged, and I was flipping through one of my fiancé's magazines, and there was an advertisement for ProActiv skin care and they're still marketed nowadays. I mean they got like, they got all these celebrities, Jessica Simpson and all these people doing their commercials. I mean back there was a little 30,000 autoship a month company. You know, nowadays, they're doing, I think they're doing like \$600 million a year selling that acne treatment.

And I remember at the bottom of their advertisement, they had this little thing saying, you know, _____, you know, you'll lock in the discounted price of \$39.00 and you know, you get put into the preferred Clear Skin Club or something like that. And I said, uh huh, that's a pretty good idea.

So I reworded a paragraph, and I, you know, and that's - you know, I call it the \$60 million



paragraph, which is in the book. And I just simply smacked that paragraph on the back of that sales letter that broke even, and I told the phone operators not to mention, you know, don't mention anything about it, because sometimes your phone operators could actually unsell things for you. Somebody can call primed, pumped, ready to go and have somebody on the phone undo it and that's horrible. So I try to, you know, I try to keep them to the script as much as I can so. Because they're not salespeople usually, you know, answering the phone.

So they didn't mention anything about the automatic shipment club that they were being enrolled into, and you know, we worded it as if it was a good thing. You know, and that's the whole secret to that paragraph was that, you know, you'll get the discounts and convenience and all this stuff. And then, you know, I mean it does, it is a \$20.00 discount for them, and it is convenient to get a bottle very month. You know, but on the flipside it's really good knowing you have 100,000 or 50,000 people that are letting you build on 50, 40, 50 bucks a month. You know, you can go to sleep real easy at night. And you don't have to reinvent the wheel with your business all the time.

Russell Brunson: Uh huh.

Vincent James: You know, you don't have to constantly generate all new customers. You expect, you know, guys, you know, you sell ten books, you know, next month if you want to eat the same way you got to sell another ten books, and it, you know, it just, you know, it's kind of a pain in the ass a little bit. Bit if you -.

Russell Brunson: Exactly. That's why I built - I have two memberships that I run, and that's the exact reason. I got tired of selling, waking up and trying to figure out where the next pay-check was gonna come from.

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Vincent James: Exactly, exactly. So if you had a way that you sold ten books, and you found that, you know, you found that each customer took an average of four months with additional shipments, you're only gonna generate two and a half books next month to fill in your _____, and you know, I mean it's just, it's just a lot easier.

And you know, when we tested that I basically was like don't mention, you know, don't mention the automatic shipment paragraph. And the girl didn't mention it _____ the first order coming in. And then I remember the girl calling back on the same phone and asking for that rep that she was on the phone with, and I went and listened to her, and the - I heard her mentioning about the preferred customer club, and I was like, oh, and I knew that wasn't gonna fly. People aren't gonna let you bill their credit card every month. I knew it wasn't gonna work. But on the contrary, actually the girl was calling to make sure that she was in the club. And I was like, oh, shit, we're rich, you know. Because I just knew it because they viewed it as a positive and I knew it would work.

And basically, we just started hammering out that mail piece that was breaking even, which I didn't care, it got me over that first hurdle. I recouped my advertising cost, my printing cost, all my costs. And basically what I did is I acquired a customer that was gonna let me bill them, you know, \$60.00 for the first month, which I broke even on, and then \$40.00, \$40.00, \$40.00 on average. So I would make roughly three times my cost. And there were some pretty big lists, which was nice.

And then, you know, we tweaked that supplement a little bit and we got a couple of other supplements and you know, our best supplement we ended up doing like six times cost. And you know, we, you know, that's just how it exploded. We just knew big lists and you know, we had that automatic shipment. And customers stayed on it for an average of four months. And it



was the easiest money because like I said you didn't have to generate that new sale every month.

Russell Brunson: Then did you keep selling - I mean how long did you sell that product for before you moved on to some of the other ones?

Vincent James: Well we -.

Russell Brunson: _____ of it or did you just keep -?

Vincent James: Yeah, we pretty much sold that, you know, for the whole time we had that supplement company. But yeah, we stumbled upon one of these herbal Viagra type products that had, you know, I could sell a lot more than that. And the funny thing was, was that where the one was only breaking even on the front end, this one was doing double-over on the front end. So for a \$60.00 sale it only cost me 30 bucks in advertising cost to attract the customer.

And then when I still had that same three additional months of shipments, I had a total of six - I did a total of six times my money. So basically, for \$0.60 I'd invested in a sales letter to mail, you know, I'd made \$3.60 back over the course of the four months. And you know, basically, what happened was I grew out of the direct mail because I was hitting the maximum subscribers, I was hitting Adam & Eve buyers. I was hitting the Playboy subscribers. I was hitting every Goddamn subscriber list and buyer list out there until there was no more. I was mailing 400,000 letters a month. And basically, what I had to do was I had to take it to print media.

I had an ad - because what happened was Penthouse magazine called us, and you know, they wanted to give us a really good deal on a remnant, and a remnant is basically when someone pulls out and they have like an extra magazine page and they'll sell it for a lot cheaper than



what they normally would sell it for. So I think it was like a \$20,000.00 advertisement, and you know, and basically, they were like, yeah, we'll give it to you for like 10 grand. And you know, I said okay. Well, you know, I didn't think much of it. Gave them the advertisement, just slapped it together in two minutes, and I didn't think about it.

And then like three months later the rep called again and he goes, you know, "Do you guys want to rerun that ad?" And I said, "I didn't even think about it. I forgot all about that advertisement, let me go track the results." Because I had like these dry erase boards in my office and I, you know, one of the girls that tracks all the orders marks it up for me. And I don't even remember really paying attention to that.

And I did the calculations and I said, okay, well, for the money we paid for this ad, you know, at full price, I said, you know, if it was normally like \$20,000.00 or \$22,000.00, I don't know, I think we needed like 270-some orders to break even, and that's all I was really interested in, it was just breaking even. And I looked at the board and I had 1,300 orders. So I said, oh, maybe I do want to run that ad. So I kind of stumbled upon it by accident because I was so busy with the direct mail.

And then, what we did is we just started putting our ad in every freaking magazine out there, and it got to the point where I had, you know, four-page ads in Maxim, four-page ads in In Style, four-page ads in FHM, three, four-page ads in Penthouse and pretty much every men's publication out there, even computer magazines and car magazines. We were everywhere.

And basically what we ended up doing was, this is how I figured out my \$100 million math was that I figured if I brought in 40,000 customers a month and they stayed for four months on average, I would peak at 160,000 customers on automatic shipments in my database. And



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basically when you figured in all the shipping and handling fees, and when you figured in all the gross revenue off those four bottles, you know, it would equal like 99 point something million dollars just off the credit card sales alone. So I said, oooh, that's \$100 million a year. If I could get 40,000 customers in the door and make them stay for four months. I knew they'd stay for four months because I was having, you know, marginal success mailing the 100, 200, 300, 400,000 sales letters.

So I knew they'd stay for, actually they stayed for 4.4 months. And then I just knew I had to bring in 40,000 customers. And I watched the company grow from 8,000 to 12,000 to 15,000 to 22,000 to 30,000. All the way till one month, in January, I brought in 50,000. So basically, I averaged it out at 40,000. But I brought in 40,000 customers, peaked at 160 and built it to \$100 million dollars, which was pretty crazy.

And that's, you know, people ask me all the time, you know, what is it like when one of those things explodes? You know, and that's like the, you know, that's like the tagline on the chapter. And basically, you know, you could be ass out, you could be broke, you could be having a hard time, you know, you could be a homeless person, but if you can get those numbers, you know, basically, you're a millionaire, you know, you're a millionaire, just, you know, you've got to wait for the money to come to you from mailing it.

But, you know, I was living - I had like a, I think it was like a 3,000 square foot house, which, you know, to me, you know, back then was big, to me now is small. And you know, and I was in this little house on this, you know, little orange IMac computer typing out this letter trying to figure out what kind of teaser copy I wanted to use on my envelope.

And you know, it's crazy when you think back in retrospect that you were holding basically, you



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know, \$100 million, \$200, \$300 million, you know, in revenue. And you know, that stuff, you know, that simple letter, you know, could buy you Bentleys and you know, mansions and you know, all kinds of crazy, crazy stuff. I mean I used to live next door like Jennifer Lopez and shit, you know, it's just crazy from a sales letter.

Russell Brunson: Amazing.

Vincent James: You know. And Shug Knight, too, which was -, which generally I didn't mind. Shug Knight, you know, you come through the gate and the first house on the right was Shug Knight's house, and I tell you, it's one of those, you know, it's one of those, you're like, why the, why the hell, you know, why the hell didn't the realtor tell me about this. The guy's in the street and you're like could I please get through, you gotta be careful you get freaking shot or something, but, you know.

Russell Brunson: That's amazing.

Vincent James: Yeah. So, yeah. You know, and the result, you know, the response that I got, you know, in the direct mail, it wasn't like it was the greatest response, you know, on the first product we only got 1 percent to buy at 60 bucks, and that's why it got me \$0.60, you know, pretty much breaking even. The second one we got like 2 percent. You know, I mean it's not like, you know, I'm talking that you need like 8 percent to, you know, to do good here. I mean the secret is is finding enough names you could mail to or with enough publications you can go in to, having a strong enough front end promotion that could get you over that initial hurdle of breaking even, and having a strong back end. And I mean, yeah, I mean, if - you know, it's just, you print money.



Russell Brunson: Awesome. Well, that's a good overview of the whole thing. Now I know that on the outline that we have here, we're gonna go into a lot more detail about each section of it. But that paints an awesome picture, so I'm ready to kind of unravel that now a little bit and go into the exact details of every aspect of it.

Vincent James: Okay.

Russell Brunson: The first thing I wanted to talk about was the product creation, and basically, talk about two things. First, supplement creation, and then also, information product creation and how to, you know, how you use both of those with direct mail.

But first off, let's say you had an idea for a supplement or you know, whether it be weight, you know, strength-training or something else. I mean how do you go about even trading a product or finding people to make it for you?

Vincent James: Well it all depends on how I become aware of the product. If basically, if I'm, if I'm aware of like a similar product.

Russell Brunson: Mm hmm.

Vincent James: You know, like say like those NO2 capsules were really big a couple of years ago. I don't know if they're big anymore. But, you know, if there was an already existing product that is pretty popular, I'd basically buy it and then just be able - you know, most of the manufacturers have their own blends of these things because a lot of people are making knock-offs. And I would just simply knock it off and create a better advertisement or an offer or whatever, and just go about it from that standpoint.



Russell Brunson: You call the manufacturer that's on the bottle or -?

Vincent James: No. The manufacturer, no basically, the good thing about, the best thing about dietary supplements is that you don't have to use the same exact manufacturer that they use. So, you know, if you, say like, say like if you look at like TrimSpa or something, basically, you know, there's you know, guarana and there's, you know, there's you know, there's like five or six main ingredients in it.

And all you have to do is call any, you know, all those - it's really just herbs. Those aren't anything that's really hard to come by. Any manufacturer could basically reverse-engineer and totally knock that whole thing off and you could make it for a buck or two. Any manufacturer. I mean any dietary supplement manufacturer. So you don't have to go to their specific one.

That's why there's such a large drug industry in America, because you know, you really can't patent or try to - you can't really protect a dietary supplement. I mean anybody could knock it off. I can go into GNC and pick up any - you know, go in there with a blindfold on, pick up eight different products off the shelf, and I could make all eight my own. And you know, when you can make them for 2 and 3 bucks a bottle, you know, that's, you know, basically it's all about marketing.

That's why dietary supplements are, is like a marketers, like heaven, you know what I mean. If you're a really good marketer, you know, and you could out market what I call the granola nuts. You know, the granola nuts are the people that, you know, are all into their herbs and they're all, you know, reading like their you know, all -. You know, if you could out market them, which you usually can with some killer sales copy, and just know how to out maneuver them, you know, with back ends, autoships and stuff, you could, you know, you could literally dominate an



industry.

But yeah, I mean that's how I, you know, I just would find something and if it's an already existing product, I would just - like if there's a guy in - there's a company in New Jersey called Universal Nutrition. I could basically either call up or email my guy over at Universal, or like there's a guy in Las Vegas that's NVC, I think, National Vitamin Company, and basically, you just give them a - copy down all the supplement facts that are on the side of the bottle and have them quote it. And you say, you know, it's 120-count bottle, you know, and here's all the ingredients, and they'll give you a quote. And you know, you just basically have to name it, and it's your own.

But you know, if it's a - now that's the easy way to create products, ones that are already existing and already selling and all that stuff. I mean but sometimes you might say, oh, I have an idea for a pill that could do something, and then you actually have to physically go to the - but there's no existing -. What I do then is I'll Google search and I'll see if there's a pill that does anything like that out there.

Because people have pills - there's a lot of people out there with different types of pills that do a lot of different types of stuff. And you know, if you could find like somebody who's already selling it, you know, do a little bit of research into how they came up with, you know, the blend and if there's any - and research the ingredients. And just basically just try to find something that, you know, if you were ever in a - taken to a court, that you could have a doctor get up there and say, "Yeah, according to the New England Journal of Medicine and," you know, whatever, "this ingredient has been found to whatever." If you can't get some kind of proof like that I would - you know, I wouldn't just take their word for - you know, the manufacturer, the retailer's word for that stuff.



But sometimes if you have like something that you want to like an effect on the body that you want to have, you could call the manufacturer and tell them what you want your pills to do and, you know, see if they could make something that goes that route.

That's a real hard route, and you know, blazing new trails in the dietary supplement business is hard and it's expensive. Because if you're the first person out with a product, I mean you basically got to put it through your own clinical study, and you got to go to like a company called Marshall Bloom and you know, for like \$80,000.00 they'll do a clinical - a double-blind clinical study for you that, you know, will be able to keep any regulatories off your back from having unsubstantiated claims.

So I don't really like to mess around too much with, you know, hey, look, if I take this pill it makes gray hair, you know, brown. You know, it's a great idea, you know, but, you know, if you could even get it done it's just an expensive, _____ expensive process.

Russell Brunson: Yeah.

Vincent James: So -.

Russell Brunson: But like something that's already been done before, you don't have to go through any of the clinical studies.

Vincent James: Oh no, you don't have to. Basically like -.

Russell Brunson: Can you use theirs or do you just -?



Vincent James: Yeah, like there's one on TV called Propolene right now, you see on TV.

Russell Brunson: Uh huh.

Vincent James: And basically, I mean I'm very surprised they don't tell what this pill does, because it's a pretty interesting ingredient. Actually, I think it's called glactomannan, I think it's called. And what is it's an all-natural fiber that when you ingest it, it actually expands in size up to 50 times, and it's, you know, up to 50 times it's size in your stomach. So it makes you feel full. So it's like an appetite suppressant, but it does it without stimulants and without, you know, ephedra, or any of that stuff, caffeine.

And, you know, I mean, glactomannan, you go type that in a Google search, and you'll pull up 50 different, you know, 50 different sites, you know, from medicine medical journals and all this different types of stuff that have done studies on that raw ingredient. And then guys like us will take that raw ingredient and put that into a pill and market it under our own brand name and basically, we could take the clinical study results and use them as ours.

Like you know, you know, like I remember like Hydroxycut, it used to say burn 612 percent more fat and it had a little asterisk and it had like a study that was done on an ECA stack, which is the ephedra, the caffeine, and the aspirin, which was a big, which was big, you know, five years ago. I mean half the, you know, the ephedra is obviously banned right now. But you know, they basically just took the results from an ECA stack that was tested by some medical journal and they basically modeled their pill after it.

So, you know, and that works pretty - and that's some pretty good scientific proof. I mean, you know, like I said, you just can't come out and say, you know, hey, this thing does this because



you'll get slammed.

Russell Brunson: So after you get the supplement then - and I guess you have to buy a lot of them at a time, don't you, to get the \$4.00 or \$2.00 a bottle?

Vincent James: No, actually, well, the \$2.00, well when it got down to \$2.00, yeah, obviously, I was buying, you know, boatloads of these things. But when it was 4 bucks, I think it was maybe like 400 bottles I bought. I think it was like maybe 4 or 500 bottles. I think it was like a \$2,000.00 order, and he gave me like 500 bottles.

And we were so ghetto, we didn't have time to like get our labels printed. So what we did is we just like went to like OfficeMax and got like full sheets of like adhesive paper and you know, and we just like made, you know, made one label and threw it on quick, and like put like five on a sheet and printed it out and color on. And then just like got the big cutter and cut them and put them on the bottles.

You know, and people were, you know - because we just wanted to test it, you know, and those labels were gonna take forever to, you know, it was easier just to get the bottles because like I said they were already made, you know. I mean he just says, hey, you know, they're already made sitting here, just without a label on them. And we just went, you know he just dropped them off and we smacked our labels on it and boom, you know, we had our product. And you know, it was funny.

Russell Brunson: That's cool. Now after you have the product do you guys, would you ship them yourselves or did you have dropshippers that worked for you or how does that work?



Vincent James: No, we did all of our shipping in-house, actually.

Russell Brunson: Okay.

Vincent James: We, I always handle all - you know, I mean, like I said, when I did the audio club, you know, back in the early, early, you know, mid-'90s, actually, you know, the last thing I wanted to do was touch, you know, big, heavy amplifiers and big subwoofers and incur a double shipping charge. Because then the supplier would have to ship it to me and then I would have to ship it to the customer. That wouldn't have worked good because I was doing a zero percent markup. And not only that, but I just didn't really want to touch all of that car stereo. So I got a dropshipping arrangement with them and that's definitely what I needed because you know, there was no money being made, the units are heavy. I - the last thing -

You know, it was funny because we used to joke that I - I'm the largest, the guy's largest customer, you know, we think we did like \$7 million a year in car stereo stuff, you know, singular account, which is like \$14 million retail, and we never touched any of it. So it was kind of funny and that's how I used to laugh and say, you know, the power of marketing, you know, a smart marketing mind.

You know, that the ordinary guy will open a storefront and will sit there and slave and you know bust his ass every day at a storefront, and you know, I'm over there selling price sheets and making, you know, and making money and not even touching the stereo so that's -

You know it was funny, because I remember there was a stereo company in my town, and I had, before I got the Rolls, I had this little _____ 500 Mercedes. That's what I talk about in my book, the guy dropping the girl off out front. I saw this freaking Mercedes and I was like, I got

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to get my stuff together. And that was like the second luxury car I bought, but I put this like really big stereo in it, and I remember going to like the stereo shop. And you know, I didn't want to let them know who I was because, you know, we were hated, you know, I mean these guys are selling \$500.00 and we're over there saying yeah, we'll sell it to you for \$250.00 but you got to pay a \$40.00 fee, you know, and they didn't like us. And we were pretty popular, I mean we, you know, especially amongst the retailers.

But I remember when I paid for the, finally paid for the install and I gave him the corporation's credit card and it said Insider's Audio on it and he's like no. He's like that's you. And I'm like man, that's why I didn't let you know until the car was done. You know, I would've had - you know, it would've been a disaster. But you know, I ended up giving him a little marketing lesson that day, and you know, he was saying that - he was like I got to stay here in the store, you know, all these hours, you know, and I make like \$40,000.00 a year out of here. And I'm like, well, you know, obviously, you know, that's not the way, you know, I mean it's admirable and all, but I mean you know if there's easier ways to do it, you know, whatever.

Yeah, so for dropshippers like with that, I always refer to audio stuff I did. But when it came time for the pills, I mean they were so small, the bottles, I could warehouse them fairly easily. And I just, you know, basically with that company I opted to do everything in-house, from answering my own calls to, you know, shipping my own product.

And you know, what I would do to save me on some warehouse space was, being that I had an automatic shipment, I knew - my database could always tell me how many orders had to go out, you know, the next day, right. So basically, what I would do is I would keep about six to seven days worth of pills in my warehouse. Like I'd have my supplier, which was down, you know, downtown, but I made sure I got one in the same state so I didn't have to pay the shipping and



handling fees for the pills.

And basically, what I did was I made them warehouse for me. I said, "Okay, as part of the deal, you guys got to warehouse for me, you know. I need always at 160,000 bottles, you know, always, you know, in inventory. I need that many a month, and I need like you know, 7,000 delivered to me on a daily basis." So basically, they, you know, they'd, you know, they'd bring me like 35, 40, 45,000 bottles a week, and I just kept like a week's inventory in-house and that'd save me on a lot of warehousing. You know, I used their stuff, and it was free, which was nice.

Russell Brunson: How many employees did you have running this whole thing?

Vincent James: Oh yeah, we had, we had about 80 during the day and like 20 overnight. So a total of 100 employees.

Russell Brunson: I guess most, the night ones were they basically a call center calling people or where they're taking orders and stuff?

Vincent James: Yeah, basically, the whole purpose of the nights were just for our television commercials.

Russell Brunson: Mm hmm.

Vincent James: And you know, some nights we'd have 20, some nights we'd actually keep some people from the day and they'd want to work some overtime, and you know, basically, what we'd do is we'd, you know, shut down the shipping department at night and shut down, obviously, the customer service at night and the accounting office and everything. And basically, what I



did is I had like, I had like sort of like two offices in one building. Basically, it had like a side entry, and it was almost like a call center, you know, how it would've been set up. It was like locked off from the main building, and they had to use a side door to get in. And you know, and that's basically how we ran that company.

But when I first started the company, I used to take the calls all day myself, but at night and on the weekends I'd forward it to an answering service, which is like a call center. But I like to use an answering service a little bit better because they're smaller and you know, it's, you know, they can get trained easier for the product.

But you know, we were spending so much money on these night call centers that, you know, basically, me and my partner did the math and said, you know, the hell with this, it'd be cheaper for us to hire some employees and for us to just, you know, go from renting this office space to moving in to this building and buying the building. And the price of the mortgage and the price of the employees was less than it would've cost us to rent the old place and actually do the call center at night, and it was cheaper. So we bought a building and we brought it all in-house, which was cool.

Russell Brunson: What would you do about, like when the commercials are going on if all 20 operators were on the line, did you have a call center pick them up after, you know, if the lines were - or were they just put on hold or how did that work?

Vincent James: Yeah, they pretty much were on hold. And, you know, when it got to the point where, you know, we were doing big commercials, we'd have sometimes 40 people back there at night. You know, and I remember, I had like a mother panel that, you know, that had basically all the lines on it, and I just remember looking down at that thing and saying, oh my God,



it had like, you know, 50, and I had like the side panel that would attach to it, you know, the phone and every single freaking red light would be on.

And I'm like, oh my God, I'd be looking at the phone saying, oh my God, there's 70 people or 80 people on hold, you know, I mean 80, you know, total in the queue. And I'm just looking down saying this is insane. I mean we used to have like our phone system guys come, you know, at night, to try to like update our phone system because we still had like this little \$20,000.00 phone system, and you know, by the time we were done this thing was like a \$200,000.00 monstrosity. It needed its own, whole separate room and air conditioner vents and all this crap.

And you know, I mean, I don't know if anybody on the call has got like, you know, a phone system, but you know it clicks, click, click, click, click, you know, when the calls come in. And he'd go in there, and he was in there one night when one of the spots hit, and you know, click, click, click, click. You know clicking like 500 times, he's like, oh my gosh. You know, that things in there smoking.

But yeah, I mean that's, you know, I mean basically, that's how it goes, you know, when you're doing TV, TV yeah, you'll get all, you know, the phone lines will jam and then it'll be, you know, and ten minutes later you'll be, you know, you'll see tumbleweeds going across the office.

Russell Brunson: Yeah. That's interesting. The next question we had a lot of people asking about merchant accounts. What did you guys use for your merchant accounts?

Vincent James: Well what we did is we actually - well if you have like an internet-based business now, you just take the orders over the internet, I mean?



Russell Brunson: Mm hmm.

Vincent James: I'm really liking this PayPal stuff now, I mean just for like simple stuff, because it's just so easy, you know, you log in, you verify, you go make a button and then you get a code and you got a button. I mean they didn't have stuff - I mean if you're like an internet, like if you're selling like an information product and it's a one-shot deal, I mean, you know, that's a great immediate, an immediate fix to get up and running.

But I mean as far as our large processing, we used a company in Michigan called North American Bankcard. And they were pretty good. And we used these guys in Omaha, Nebraska, called DPI, I think they're Data Processors International, I think. And we used to basically process through them, and they were like, you know, traditional merchant account type people. And it was a, you know, I mean basically, you just got to call them up and apply and then, you know, if you look good enough on paper, you know, you could get a small account and grow it.

I mean merchant accounts are like the biggest headache to direct marketers, especially when they're, you know, swipeless transactions, you know, where it's, you know, phone sales and you know, mail sales. I mean, the internet, surprisingly, it's a lot more lenient, like I said, with the advent of like PayPals and stuff where you know, anybody could have, you know, you could be a, you know, an axe murderer, you know, who hasn't paid taxes in ten years, you know. And as long as you got a bank account that you can verify \$0.12 deposits or whatever you know, they'll give you some code to put a button on your website, which is phenomenal.

But yeah, when I got started in this business, oh God, it was next to impossible to get a merchant account for credit cards.



Russell Brunson: Mm hmm.

Vincent James: You had like a \$25,000.00 account and then you know, I mean, merchant accounts just suck all the way around. You know, because, you know, if you get an account - I remember one time I had an account with Card Service International, and they're pretty easy to get approved for. But you know, they're gonna, you know, it was like a \$500,000.00 account and like you know, I think we hit, we did like \$100,000.00 in like our day, like the first day, and like they get, you know, they get a bug up their ass and they shut the account down and they have to analyze it and critique it.

And they say, oh, well you know - but - and there was obviously nothing going wrong with the account, it's just sometimes people, you know, you have like a splurge and you do pretty good. And you know, and then they, you know, if they terminate your account, they try to hold your money for 180 days and, you know, there's a lot of companies I know that went, you know, out of business.

I remember one guy was selling like jewelry, and he did like a half a million dollars in sales in jewelry and the merchant account held the money for 180 days, and basically, ran him out of business. Because, you know, when you're talking, you know, a physical product like jewelry, I mean you're not keeping 100 percent, like, you know, like guys like us in direct marketing, we're basically just paying for our advertising. You know when you get, you know, you're not really, well, you know, 4 bucks for a bottle of pills it's not like you sold it for \$60.00 and you charged \$30.00.

But, you know, basically, they're getting a lot more lenient and easier to deal with. If I had to pick two merchant account places, I'd give a shot either with DPI or I'd give a shot with, you



know, with North American Bankcard. And they're pretty easy to get approved for. And they don't charge too much ridiculous reserves or like a rolling reserve. They'll charge like 5 percent every month of your - they'll keep 5 percent of all your charges every month to -.

You know, I used to recommend a guy in Amsterdam called MultiCards International, but I mean - I mean he was really easy to deal with a long time ago, but like I said, he's charging like 5.9 percent and like a 10 percent reserve, and it's like my God, that's like 16 percent of every - you know, \$0.16 out of every dollar that you know, your lo - it's just ridiculous.

So if you're a small guy, I just like doing Pay Pal stuff, but you know, if you're gonna be like a big shot -. And I think Pay Pal even has like an option now, where they're gonna let you start taking phone orders.

Russell Brunson: Yeah, they just added that, just recently I just added it to my account.

Vincent James: Yeah, which is beautiful. So why do you - you know, there you go, you know, I mean. I mean Pay Pal, like I said, they're gonna kill everybody. I mean they're gonna either loosen everybody up or they're just gonna take over the whole thing because it's so much easier with them and -.

Russell Brunson: They only take 3.3 percent, I think it is, and it's even lower if you get approved for the on the phone ones.

Vincent James: Wow.

Russell Brunson: And they don't even, there's no reserve or anything like that either, so.



Vincent James: They're phenomenal. I mean that's - it's just, you know, it's just - they're just helping people out so much. And it's one, two, three. I mean, yeah, I think like on - yeah, I think it's like 3 percent they're charging. I mean it's, you know, you're gonna pay that anyhow and some -. You know, and I just saw, they sent me an email for to take the orders off the phone.

I mean, you know, I mean I don't know how you could integrate if you have like a recurring billing. I don't know if they do recurring billing or -.

Russell Brunson: They do have one. I'm not sure if you can do it through the phone or not.

Vincent James: Okay. Yeah, I know through the phone, through the email you can put like, the person puts like a password in and they can go in and change their shipments whenever they want and stuff but, yeah, they're easy.

Russell Brunson: Okay, so your recurring, did you do that in-house and then just rebill the credit card through the merchant account or did the merchant account kind of run the rebilling?

Vincent James: Well a lot of the merchant accounts, they like to use like authorize.net and you know, the gateways and stuff that they have software, it's all set up. But I found that those things are horrible. They, you know - it wasn't working really good for me. And I have a client who's doing a recurring, and you know, he tried using the, you know, the phone, you know, I mean the software from the merchant account, and it's not working too good for him.

But what I did is I basically had like Excel on steroids, you know, I had this programmer and



he put, he built all this crap into Excel. And you know, we basically would pull all the people who needed to be billed, you know, on a daily basis out of the computer and we basically just send that file over to the merchant account manually. We'd do like what we used to call manual batches.

And then, you know, I don't even know how it worked because I didn't really handle that part of it. But basically, you know, yeah, I mean if it was, like say if it was the 7th of the month, you know, we'd pull all the 7th people out of the database who needed to be billed. And we'd send it off to the merchant account and then they'd process it and they'd send back two files, one approved and one declines.

And then they'd go back into the database somehow, and the people who were declined would go in a declined file, and we'd hit that once a week and you know, and try to recoup some of the money. And if it, once it didn't go through then what we'd do is we'd send them a postcard saying we need a new credit card number if they want to continue to get their automatic shipments. And we'd have a separate line for that and they'd call and they'd update and they'd get put back into the cycle.

But, you know, I mean basically, it was pretty much - I mean it wasn't manually one at a time, you know, like we didn't try to do 160,000 people manually. But, you know, I mean if we had like 7,000 people a day, we basically had the new sales and then - you know, which were maybe 2,000. And then we had like the recurring, which might have been like you know, like 5,000. And you know, we'd just send batches off of the 5,000 a day and charge them.

Russell Brunson: Okay, and then I guess when you had people cancel orders, they would just call or could they ship in things to cancel or how did you run that part of the -?

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Vincent James: Well we had to invent some stuff for that. Basically, what we did is we would obviously have an 800 number that they could call and cancel whenever they wanted to. And when the lines - when we got really big and you know, people would be on hold for like six minutes sometimes.

And you know, you guys got merchant accounts, you know, you got to keep your chargebacks under 1 percent or you're gonna lose your merchant account, and you know, it's real difficult to lose a merchant account. You know, because you're on like the watch list and they give you like three months to get your act back together back over, under 1 percent in chargebacks. And you know, if you can't do that, you get terminated.

And then it's real difficult to around saying, hey, you guys, could you give me a merchant account. You know, I'm charging \$8 million a month, and I just was terminated. You know, I mean, it's next to impossible to get a merchant - you know. You know, and if you get - what's worse is if they TMF you, which is a terminated merchant file. And you know, I mean if you do something wrong and you get put on that TMF, it's basically like the black book in Vegas, you know. It's impossible to get a merchant account.

And sometimes they'll just put your company's name, you know, which ain't a death sentence, but sometimes when you're like a fraudulent person, you know, and you go charge like you know, money or whatever, they'll put your name on that list. So basically, you know, you'll never get a merchant account for the rest of your life, and that's not a good thing.

But basically, you know, we always wanted to keep it under 1 percent obviously, because we just had so much to lose, you know, \$8 million a month. I mean it, you know, you know, I mean give the people back the damn money if they're not happy in their 30 days or cancel them out of their autoshop.



So what we did is we invented like a cancellation coupon. And what I would do is I'd include that like in a second or a third month shipping. That they basically, if they couldn't get through a phone line or if they didn't even want to call the phone line, all they had to do was put their name, address, and their customer number on this form and date it, sign it, mail it into us. And basically, we would have that go to a separate department that a lady sat in front of a computer all day and basically just went through her cancellation coupons and pulled people out of the autoship. And that's why, that's how we were able to stay under 1 percent.

Even when I talk to guys like Gary Halbert, he asks, he goes, "How the hell did you stay under 1 percent with 160,000 people?" And I said, "Believe me, you know, it was like fasting, it was like being on a liquid diet." You know, it was real tough to stay under that 1 percent, and basically, yeah, toll free cancellation lines and you know, and cancellation coupons and we were able to keep it under 1 percent.

Russell Brunson: All right. Now were you worried about putting cancellation coupons in, it obviously can't help retain the customer, but I guess it's - it saves you on the end of keeping your merchant account, huh?

Vincent James: Yeah, basically, the way it works it this, I mean it wasn't - the cancellation coupons weren't so much a money back device, it was basically just stop my automatic shipments. So there wasn't really money lost as far as like refunded money. But what it was was you know, you're losing a customer out of your database that you have to recoup a new sale. But I mean the last thing you want to do is be - you know, it could -.

I used to sometimes buy from these companies that did supplements and I just wanted to see what their supplement were and they'd freaking draw me in these automatic enrollment clubs,

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even when I would say no. Like, because basically, when you call, like my company sold it, like defaulted on, you're gonna be in the club. That's the way the product was sold. I mean if somebody really bickered about it when they were on the phone, you know what we would do is we'd try to upsell them to a four-pack, you know, and try to at least get more than one sale out of them. And sometimes you only can get 60 bucks from somebody, that's just the way it is.

But I mean, I don't give them the option, because if you give them the option you're only gonna get like 50 percent, you know to opt into it, you know what I'm saying. But basically, it's an opt out, and that's the secret to it. And that's the way all the companies do it. I mean Columbia House doesn't say, you know, ten CDs for a penny and then, you know, if you want to buy, you know, four more CDs you can. It's like no, you have, you know, in order to get, you know, that's the way this promotion works.

But I'd physically tell these companies no, like I don't want to be in the automatic shipment club, and I'd get pills every Goddamn month from these people. And a lot of people have problems with that, like with, like companies like Enzyte, and that's why he had some problems recently, because they're saying that, you know, people can't cancel out of the automatic shipments.

And I know like on some of the Girls Gone Wild stuff, they ran into a couple problems like that because they have really blurry on their television commercial that - you know, then be the first to preview other titles, you know, whatever, and you know, they're not saying that as clearly as they really should be saying it. And you know, you get complaints and you know, that's the last thing you need.

Because you know, when you have a small company and you're making \$1 or \$2 million and you



get, you know, three complaints a month or two complaints a month or even one complaint a month, that's no big deal, you know.

You know, but if you're doing like \$100 million and you get 20 complaints, although pound for pound it's much less complaints, you know. But you know, the regulatories don't see it that way. They just see a net amount of complaints. And they don't say, oh, well this guy got ten times more because he's a thousand times the size of them. They just see ten times more complaints and you know, as you get bigger it's just, it's just tough being a big company in America today, you know. If you're a small company it's fine, but you know, just want to keep those merchant accounts going.

[End of Session 1]



SESSION 2

Russell Brunson: Well let's move a little bit over into some information product creation and information publishers. And now did you - have you sold much information through direct mail and through direct marketing or have you had ____ clients you worked with or -?

Vincent James: Oh yeah, oh yeah. I mean the two best products in the world are dietary supplements, not meaning just diet products, but dietary supplements overall, any kind of pills or skin creams or you know, or any kind of like product like that, and if I had a second choice, it would be information products.

You know, information products are great products because you know, I mean, I don't know if people are like me. I'm like a, you know, I call myself like a serial, you know, buyer. You know, I'll keep buying stuff on that topic, and most people are like that. They'll buy like every single product out there for, you know, to satisfy their quest for information on that topic.

But, I mean, in 1995, you know, my first information product, probably was, I sold a book. It was called Direct Mail Trade Secrets. And I sold that in print space ads. And we sold 18,000 copies just through ads in Car and Driver and Road and Track. And you know, I, you know, that was like my first information product.

But I mean, yeah, I'm involved with clients. I mean that's probably the biggest product most of my clients are selling are either direct marketing how-to, you know, real estate investing, you know, pre-construction condos, pre-foreclosures, tax liens, tax deeds, types of other real estate



products like that.

You know I have a guy in the United Kingdom that sells, you know, stock market speculation courses that teach you how to speculate on the stock market and you know, I mean there's guys that, you know, they're making \$20 million a year on the internet selling courses on how to meet women. Like, who is that daviddangelo.com whatever. You know, how to meet women, making, you know, \$15, \$20 million off information products.

Russell Brunson: On the information products do your - I mean, what kind of back-end do you usually do for those or is there a back-end? I mean obviously with the vitamins it's the autoship. I wonder what would be, you would recommend for these information products.

Vincent James: Yeah, well, you know, with information products, back-end products could be, you know, if you sold say a \$20.00 book, you could have like an adv - you know, I mean, it's just, as far as back-end mailings, you know, which are great. I like what I call like automatic back-ends, like where's it's like a recurring.

But yeah, I mean when it's, when you're like, I have a client that he sells real estate courses and he'll sell a course for about a hundred bucks. And then he has like seven other courses that deal with all different types of real estate investing. And what he does is he, you know, he just - you know, he hits them with all the different types of course.

But you know, you can make, you could turn an information product into an automatic shipment product real easy. I don't know if you're familiar with Joe Polish. He's -.

Russell Brunson: Yes.



Vincent James: He's kind of a buddy of mine. He has the Genius Network, which are interview CDs, and you know, he - it's an information product because he interviews, you know, a different person that deals with young business, various forms of business. And you join, you know, you join the Genius Network and you'll get, you know, I think the way he's doing it now, it's like, you know, you get four, any four interviews for a dollar or something, and then every month he'll send you a new CD, and you know, it's a \$39.00 CD. So you know, that's the way you could put an automatic shipment on that.

I mean you could put an automatic shipment on videos. I mean, we were talking about Girls Gone Wild a couple of minutes ago. You know, you have the TV commercial. It's a \$9.95 video that they buy, and if they use their credit card they get another video for free. And basically, that's just a ploy to get the credit card number to put it in your computer so you can automatically send them a fresh video every month. And basically, he just goes around from different, you know, he has, you know, Spring Break Mardi Gras, Spring Break Dayton, or whatever and has different videos that he'll send you on a monthly basis.

I mean there's tons of, you know - and that's the way I develop products now, is that when I develop a product, I try to put that, you know, that component built into my promotion so I could, you know, I could get, you know, I can get the recurring billing. I mean that's just, you know, that's where you want to be.

Russell Brunson: Okay, that kind of finishes the product creation section, the questions I had. So let's move on to - this next one has just a bunch of questions I got from people, just basic direct mail questions, and I'll kind of just run through these.

The first one was when you're selling through mail orders, through magazines and newspa-



pers, would you recommend using like a two-step technique where they, you know, they call a number and get a free report or something, or would you recommend going right for the sale initially, or what - and what's usually the best way on doing that type of thing?

Vincent James: Yeah, well basically, when you're doing direct mail, I mean to get a two-step to work in direct mail is pretty tough because you know, you're - unless you do like a postcard, I mean I really don't recommend two-steps too much. Two-steps are good when there's not a list or enough people in a magazine to justify doing a full-page ad, okay.

So if there's like say like say if you're selling something that like regrows hair, let's as an example off the cuff, and you know, you advertise it in you know, a men's magazine. Now there might be people in that magazine that are losing their hair that would be interested in that product, but is there enough people in that magazine interested in that product to justify selling on a full-page, and there's probably not. So you would need something like a two-step where you could either get them to call a recorded hotline or to go to a website or to request your free report.

So, you know, when there's not a lot of people in the publication, I would probably say look towards the two-step. When you don't have a lot of money and you are relatively green in the experience department, you know, it would probably be easier to sell customers that came off of a two-step because they're, you know, they're identifying themselves through a positive response that they are, they're interested in, you know, in what the subject matter might be. So they might be easier to sell.

You know, and if you do postcards, you know, the only time I like to do like two-steps in direct mail sometimes with a postcard that could get you to a website. Like I have a client that has a promotion where he's giving away like a free website, it's like basically just like a - and you get



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like your own personalized website off of his main website and he gives away the free website by postcards. So he'll send a postcard out and it'll basically be a two-step to get you back to the website.

But you know, I mean if you're good enough - if you have enough money and you're good enough to sell directly off the page or directly in the mail, you know, go for it. But, you know, I mean, if there's not a big list and you want to generate a list with a two-step, you know -. I usually stay away from the two-steps, but they're a little bit easier for the beginner to get to work.

Russell Brunson: I heard a lot of people use that like in classified, I guess, because wider -.

Vincent James: Yeah, well classified ads, you know, I mean, classified ads -.

Russell Brunson: _____ or do you stay away from them or -?

Vincent James: Yeah, they're a tough one. That's real, that's, you know, you know it's like every time I hear that word I always think of Don McCree for some reason.

Russell Brunson: I've got -.

Vincent James: It's _____ classified ads in 65,000 newspapers, and if each one makes you a dollar, you know, it's - you know, I just remember him - you know, but -. I mean like, you know, I don't really do too much, I don't do any classified ads to be honest with you. I really, like I said, two -steps are cool when there's a lot of competition in the book and you want to try to make a guide or something that, you know, that would take, you know, like if it was like a lot of say creative type products and you know, and your ad, you know, you don't have a strong



brand name to go up, compete against those guys, and if you don't have the money to compete, you know, you put an ad in there and give a creatine report away. And basically in that report it'll basically, you know, bring out every advantage your product has. Not necessarily even over the other products, but you do it a Claude Hopkins, you know, style of thing, where, you know, with the Schlitz beer when you talk about all the different processes that your product goes through that, even if the other products might go through as well, you know, it makes your product sound, you know, leaps and bounds better than the other competitors and you try to steal some competition that way. But you know, I usually don't do two-steps.

Russell Brunson: Next thing here was it's, let's see on postcard marketing, obviously, you've mentioned that a couple of times. So you do, do some type of postcard marketing. Is there times better or worse for that?

Vincent James: Yeah, there is times that it's better and there is times that it's worse. I'll give you an example. A software company, one of my software suppliers was going out of business about seven years ago, six years ago. And he had a like Microsoft Office, I think it was Office 2000. It was like the hottest program then, but it was basically like a liquidation sale and he gave me these programs like a hundred bucks. He just needed to get rid of them. So I'm like, oh my - yeah, a hundred bucks. And I mean, these things at the time were like \$500.00. I don't know what they cost nowadays, but they were like 500 bucks.

And you know, I did a postcard mailing and I did a sales letter mailing. You know, I tested it. And the postcard mailing pulled better response than my sales letter did. And my sales letter, I said, let me come out with the stories of how my pal went out of business and I bought all this crap, and you know, it pulled, sure it worked, but the postcard worked better because people really don't care about - you know, it's like Microsoft Office 2000, it's not an upgrade, it's the



professional version, it's Excel, it's Access, it's Publisher, it's Word, you know, it's PowerPoint. Everything on two CD Roms, you know, \$179.00. And you know, I went to the store and bought a copy from like Comp USA for like 500 and something bucks. I blacked out my credit card number, scanned it, put it on the postcard and just put a big circle around it and magnified the \$560-something and says look, 560-something bucks in Comp USA it's \$179 or whatever it was. And in that time, the postcard out-pulled the sales letter.

So if I had to say postcards versus sales letters, here's what I think about that. Postcards are good for offers that are if it's a well-known product and you're solely competing on like a price or you know, free pizza, you know, or you know, you're not gonna write a sales letter if you were a local pizza place about giving away the pizza, you'd probably just send out coupons on a postcard. Or if you're selling a product like Microsoft Office, that's 570 bucks for 170 bucks.

Or if you're just trying to get people to your website, like my one client, how I was saying he gives away a free website, but basically, sends this postcard out, it says free website, you know, it has a paragraph a copy about, you know, how you can make money with this free website and there's no fee. And you know, and drives them to his website so. That's the times when I would say a postcard would come in handy.

Russell Brunson: All right, cool. My other question in, is you know, when you were doing your magazine ads, did you focus mostly on magazines, I guess, or do you do - I mean do you do other kinds of publications also or are magazines kind of what you stick with and work with.

Vincent James: What as far as mailing lists?

Russell Brunson: Yeah.



Vincent James: Yeah, basically, when I first started, I didn't know there was mailing lists of companies out there.

Russell Brunson: Mm hmm.

Vincent James: All I would do is I would get the subscriber list of the magazines that I was in.

Russell Brunson: Mm hmm.

Vincent James: And you know, or going into. But as far as, you know, there's basically three different types of lists, there's, you know, and in the order of how responsive they are. The first lists that are the most responsive are gonna be the buyer's lists, you know, companies that actually, you know, that you know sold a customer. And the second most powerful lists are the subscriber lists of magazines, and the third are obviously compiled lists that are, you know, just basically from like warranty card data and stuff like that that these companies all compile, like, you know, people who bought radar detectors in the last 24 months or they filled out questionnaires and stuff.

By you know, I usually stick with buyer's lists before I do subscriber lists. I just - we just did a promo on a skincare product and it was the list - one of the lists that were tested was In Style magazine. And you know, the list broker was saying, oh, In Style magazine is, you know, it's a great list, and you know, it was the worst performing list of the whole batch, and you know, it was a subscriber list, and you know, so I usually like to stick with the buyer's lists first.

And I have like a little formula that I use when I pick you know, data cards for lists to test is that, first of all, I like to know the company. You know, if it's a company that I've heard of, you



know, basically, you know, it's like you know a little bit better about how their integrity level.

You know, and the second thing I usually look for is their usage report. I ask my list broker for the usage report for the particular lists that I'm looking at. And it basically, a usage report is basically just a list, like a logbook almost, of who tested that list and who continued on it. And you know, most of the people, it would be listed with a C or listed with a T next to it. And the C's are obviously people who have tested it and continued using it, so that's a good sign. And then the T are people who tested it and never came back to do it again, and chances are it's because it didn't work for them. Well, I mean that's probably the only reason.

So if you get a data card that has no usage on it or low usage, that's not a good sign. If you have a list that has 80 percent T's and 20 percent C's, that's probably not a good sign either, that too many people are testing it and not continuing. You know, it's nice to have a good 50/50 balance of continuations to test, if not a little bit more in the favor of the continuations. And you know, a lot of things I like to do is in our - if there's like a competitor of mine who's using that list, what I like to do is say - you know, I like to look on other usage reports on lists that I may be testing or maybe not even looking to test, and if he's also listed on those other lists, you know, that's how I could kind of do it as a reverse-engineering, and see what other lists might be applicable for my, you know, for my offer based on that.

And, you know, the third thing I usually look for is I don't waste my time with these little lists. I have a friend in Florida, and you know, he came out with this male performance enhancing supplement. And you know, he sends me the sales letter and it was a good sales letter. I thought it was really good. And he's new into the business, and he tested a list called - I don't even know what the list was called, and I probably wouldn't say anyway, because he mailed it successfully.

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So he sends me over the data card, and you know, I'm looking at it, and I didn't say anything. It was 19,000 quarterly names, so that means every quarter they have a new about 20,000 names added to the file. So he rents his 5,000 names, and he puts 1,000 of the 5,000 in the mail and gets, you know, like 1.4 percent at about 140 bucks, which is pretty good, pretty damn good. And he mails out the remaining 4,000 and he gets the same response. So he's all excited. And he goes to rent the rest of the file, and he's got like 13,000 or 14,000 names. And I'm like, wow, that's kind of like having a Ferrari that's on a dead-end block, you know. I mean, you know, if it doesn't have a, you know, big deal, he might make \$20,000 or \$30,000 which is nice, but why even waste your time, you know.

I mean I laugh at my list broker some - my list broker pisses me off sometimes. I'll send him over a list - a letter, and he'll send me back a bunch of these lists, and sometimes the lists are like 6,000 hotlines or not even 6,000 hotlines, sometimes 6,000 quarterly. And I'm like I have to rent 5,000 names. That's the minimum order usually for most list brokers is 5,000. And I'm like okay, well, if I rent the 5,000 where do I go, you know, where do I go back and, do I get a thousand names. You know, I mean it's irrelevant, it's useless.

It's, you know, there's no purpose because you know for you to pull the trigger and give it a shot for a list that has 100,000 monthly hotline, it takes the same amount of effort and takes the same amount of cost to test the list that has only 5,000 a month. So why don't you try the one - you know, why don't you just focus on the big ones, because if you can get one of those big ones to pan out, aw, forget about it.

I remember when I had my software membership club, I used to mail a list called Parsons Technology. The list used to be about 120,000 monthly hotlines, and I used to get pretty good response on it. And I used to love it when the list broker would call me and say, "Vince, I'm



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sending you over the new batch of names this month. They have 157,000." And I was like aw, beautiful, it's more than I'm used to getting. I knew I was making more money that month. I used to love it because it was fresh, guaranteed money, you know, every month, even if it was just a front-end only product that you could profit on. It's guaranteed money every month. They're gonna give you fresh new names to mail to. I mean you can't beat that.

But you know, I mean, and the thing is I looked at that data card a couple of months ago, and that company's up to like 250,000 hotline a month now. So, I mean if you stuck with them, you know, and your promotion continued to work with them, you know, you could grow along with the company. But, you know, when it's a dead-end list I don't get too excited about it. I want lists that I can test and remail every month and get a phone call from my list broker every month saying you know, there's, you know, 400,000 fresh names this month, and 420,000 this month, and 410,000, and you know that you can basically, you know, you could have like an entrepreneurial business with the, you know, with the kind of with the stability of a paycheck, because you know you're gonna get those fresh names every month.

Russell Brunson: What if you, should you be working with a list broker? I guess that's pretty common to hire someone like that?

Vincent James: Yeah, I mean basically, the good thing about list brokers is that, you know, they don't cost you anything. You know, I mean, you know, if you went directly to the list manager and rented the list, they're not really gonna give you any kind of a discount unless you know how to get a discount.

You know, so basically, you know, they're just good at, you know putting all you - because if you're gonna test like five different companies' lists, you know, you have to go to all five different



companies. If you go to a broker, they could handle it all and get you all of the lists from all the different companies and put it all together real nice and easy for you.

But you know, you wish that it could be, you know, you wish that a list broker really could recommend a good list. You know, they really don't know too much about, you know, recommending the right list. And I could go as far as saying that in my entire ten years, ten plus years in this business, a list broker never has recommended a list that worked for me. The only lists that I got to work were ones I picked.

Russell Brunson: So where do you find list brokers at?

Vincent James: Well basically, you know, there's a - there's Country Marketing. I mean that's pretty much who I use, Country Marketing. And there's, you know, Mackrell Mark, and you know, these are just names you can go Google and find them. But you know, basically what you do is when - what I like to do is I like to go look at the list myself first. I like to go, you know, get my SRDS book and if you don't have an SRDS book, you can go to the library in the reference section.

And I like to pick my own lists, you know, that are, that I like and I think are relevant. And then I'll give them to the list broker and have them send me the data cards and any recommendations that they could make. And you know, when they usually recommend the list, I mean if you want to hear silence, you know, ask the list broker why they recommended a specific, a particular list. They're like oh, uh, you know, God, you know, you know somebody using it? Do you know, do you know, is the guy, is your list broker sitting next to you renting this list to a very similar product? I mean what do you know? Do you know something that would -? you know, I mean basically, because they're looking at the same stuff you're looking at.



I mean the only advantage they could have sometimes if is they know who - say if it's like a company that is managed, the list is managed by a certain company that in the industry is known for being kind of a sleezy list management company. I mean that's like the only type of stuff they're really gonna know. You know, and they'll steer you away from that one because of the list management company or whatever. Or, you know, maybe if they know people who have tested it and it hasn't worked for them.

But usually, they're really not giving you any kind of really good information. Go with own gut. You'd be surprised even if you don't really know what you're doing. You'll still pick a better list than usually the list broker's lists. So yeah, just go to the library, you know, find lists that, you know, either you heard of or have big hotlines that fit your product or you know, reverse, fit your product to those lists.

You know, go to - you know, copy down, I think it's the MID number that they have to list. So copy down the MID number off the listing of the list and the title of the list. And then what I'd do is I'd go to my list broker, send him an email and say, "Hey, I need, you know, I need data cards on the following lists, MID 5416921." You know, whatever, Parsons Technology. And then just go down and shows PDF, usually they'll just PDF them to you and you get the usage reports. And you know, pick a couple of lists, you know, depending on how much your budget allows and give it a shot.

Russell Brunson: I have two questions I want to kind of get in here before we go more into the testing of it, but.

Vincent James: Okay.



Russell Brunson: The first is now, let's say you're selling a product or service that you can't find in magazines or something that have a hot, you know, high hotline count or whatever, I mean should you look - I mean does it have to be the same, you know, like if you're selling car stereos, need to be car magazine, or supplements and use an athletic magazine or, you know - would it _____ other types of publications or you should just stick with the same niches?

Vincent James: Well, it all depends. Sometimes you can get away with that. I mean sometimes you need to do that because like, say if you were selling like a wrinkle cream, say. And you know, sure there's lists like a company called Yves Rocher and there's like Beauty Boutique, and they might be really good lists, but there only might be like 30,000 hotlines, you know, a month, and what are you gonna do with 30,000 hotlines.

And you know, you'll get a higher response, but you'll low volume. And that's why, you know, sometimes you might have to go outside of the box and test a mailing list, you know, like say like a Victoria Secret. That you might not, you know, my analogy is you're not gonna be fishing deep, but you'll be fishing wide, you know, in wide water not in deep water.

You might not get as much of a response, but my God, the volume is there. You know what I mean. I mean you can't go wrong with 700,000 names a month if you can get them to work, even if you know, even if you happen to breakeven, you know, but a back-end. But sometimes you have to go, you know, into different areas where, you know where it's not targeted.

I mean obviously, you know, obviously you're best situation would be a huge list that's dead on bulls-eye. But you know, a lot of, you know, in direct mail and direct marketing in general, it's very, very rare to get, you know a huge list that's dead on. You might have to get a huge list that's a little off-target and hope that it works, or you can get a dead on list that doesn't really



have the volume behind it to do big numbers.

And you, you know, it's like TV, you know, I mean, you know, TV, you know, when you flip through the infomercials at night, you know, I mean _____ commercial guys aren't saying, oh, we're on fitness TV versus C-Span or whatever it is. It's just basically just, you know, just general, just to try to sell - you know, to sell, because that, you know, you'll be hitting millions of people on the TV, but you know, it's not - it can be very wide, but very shallow. I mean you're not gonna be able to say, oh, we're getting skinny - you know what I'm saying, to get big, you have to get more - the more and more vanilla and more and more general, the bigger forms of medium.

Russell Brunson: It reminds me -.

Vincent James: _____.

Russell Brunson: If you know Tom Bell or not. He was talking about this. Because he works with these huge lists of email subscribers, but they're not specific towards any, any niche. And he's like, well if you want us to mail to these millions and millions of people you have to have a product that's not really niche specific as much.

So if you're selling a business opportunity, it's something that's more appealing to everybody, you know, like the magic pill. And then from that you can upsell your more niche specific products or services, you know.

Vincent James: Oh yeah, well, yeah, I mean anytime you have a product that you know, has a wider mouth on its funnel, so to speak, you know, I mean you could such more, you could get



more people into that funnel.

Russell Brunson: Mm hmm.

Vincent James: And then you know, business opportunity, I mean the whole world is money. You know, I mean everything from the phone that you're talking on to the shoes that you're wearing to you know, the pen that you're writing notes with. Everything revolves around money, and you know, in business opportunity products, they're always, you know, that's a definite wide appeal. But I mean, yeah, I mean if you're over there selling a product on, you know, something very, very, you know, fishing, you know - fishing, it could be more difficult, you know.

So yeah, I mean, you know, when you find products, you know, that's the difference between niche marketing and mass marketing. You know, I mean, mass marketers aren't gonna have an ROI as much of like - as much of a niche marketer's gonna have that, you know, that hits, you know, a pool of 20,000 people that are insane for the product. You know, I mean that's great and all, you know, you could bang that list of 20,000 that are insane and sell the - sell the hell out of them.

But you know, sometimes you have to - you know, sometimes that's - you know, you graduate to the next level when you start selling products that, you know, that could be sold to anybody like a diet pill or business opportunity stuff. I mean it's a little bit harder to market them because you know you're not relying on, you know, like a, you know, like when I used to do the car stereo stuff. I mean I knew that car stereo stuff like the back of my hand, you know. I'd be able to, you know, there's such a passion index that was through the roof amongst all these car stereo guys, that you know, it was real easy to sell them. But when you go to like a mass market when you're trying to sell diet pills and stuff, it gets a little bit harder. But you know, obviously,



your, you know, your reward, you know, your rewards are gonna be ten times greater just in sheer volume of prospects to advertise to.

Russell Brunson: My other question about lists was like, let's say you were looking for a list of - well, let me give you my example why I'm asking this question, I guess. We were looking at doing some local seminars here in Boise where we live, and you know, I get mail all the time from people like Robert Allen and different guys that are coming in to Boise or coming in to whatever city I'm in. And they're promoting a big event before they come and then they come and do it.

And I was wondering, I mean when I've called the person trying to get a list of business opportunity seekers in Boise, I mean it was hard for him to find any kind of list like that. So how do you get a list of - that's specific to a city or to a state or an area?

Vincent James: What I would do is, well, obviously, the first question would be like when you get like these Robert Allen mailers, do you have any idea of where they're getting your names from?

Russell Brunson: I tried to look and they don't have any information I can call on or -.

Vincent James: I mean that's pretty, I mean basically, what they probably did is you probably bought something, and you probably bought something from somebody and what they do is they're just doing like a sub - I mean do you subscribe to any business magazines?

Russell Brunson: No, not subscriptions. I buy them at, you know, newsstands and things.



Vincent James: Yeah, because I mean if you were like, if I had to pick - like there was a guy that I used to buy my cigars from, you know, a really great cigar shop. But you know, he was like going out of business, and you know, I really stocked because it was really cool cigar stuff and he had all the cigars I like and his prices were really good and he was right down the block from me and I was so mad. But you know, I was, you know, I was in there one time and he says, you know, there's all these cigar shops all over town that are killing him. And you know, the ones he named were like so far all over the place. I mean the guy obviously was delusional.

So I said to him I said, "Why don't you go put together a mailer that's some kind of like a smoke night or some kind of, some kind of event or deals or something and go to like cigar aficionados, you know, subscriber list and just rent either your state or your zip code. Because you could rent like zip code areas, you could rent states based on, you know, you don't have to rent 5,000 from across the country, you can rent 5,000 just, you know, just in your area.

So I mean basically, I mean, I don't know as far as like a business opportunities type stuff. But if I had to try to get business opportunity people into a local seminar, I'd look at like Fortune Small Business, Forbes Fortune, Entrepreneur magazine. All those types of business publications and do like a select that you just want the, you know, the Idaho residents and other style, other type of companies too.

I mean if you had - I mean you go look in the SRDS book and there's like, you know, you pick some guys that you've heard of before like, you know, I don't know, what it is like the LeGrand guy or whatever, and you know, and Robert Allen, and he might have his list available. Maybe Carlton Sheets has his list available if you were doing real estate stuff.

But you would basically get all those companies that you've heard of and you would basically do



a state select. That way you could get an opportunity seeker buyer, an opportunity buyer actually in your state. Because you could rent, you could rent the names based on zip, based on state, based on sex, based on tons of different things you can select. You could select down to who paid with a check, who paid with a credit card.

Russell Brunson: Really?

Vincent James: Most of the time.

Russell Brunson: Wow. Well, good, that answers my - those are my two main questions I had about finding lists, so. The next section we have here is about testing lists. Now one thing that it seems that whenever I talk to people about direct mail is their big fear is, you know, the fact, well I don't have \$100,000.00 to go out and to start a campaign or you know, and so, if you could just kind of address that like how to start and how to test the list and how to get into that whole _____.

Vincent James: The beauty, yeah, well the beauty of direct mail is that as soon as you could generate 20 orders for your product, you have a scientifically, statistically valid response. You know, you mail out a thousand postcards and you get three people to buy something, you know, that's not really enough to go basing your life on. But if you could mail enough to the point where you could get say 20, 20 orders, that's good enough to basically bet your life on. I mean that's what I found.

And you know, when you rent a mailing list, you don't have to rent the whole list, and a lot of people don't understand the difference of renting and buying. I mean you're not buying the list. Basically you're just getting a usage. When you rent a mailing list, if you've got like Playboy



magazine March subscribers and it's April, you're only allowed to mail them once. So that's why they call it renting. Basically, you're supposed to dispose of them and not ever use them again, and most people do that.

But the beauty of direct mail is that you have to rent lists in a minimum of 5,000, okay. So say if I'm doing a business opportunity mailing, and I'm mailing the Entrepreneur magazine subscribers, and I, you know, I have to - there's 50,000 a month that come in new. So that tells me oh wow, if I get this to work there's a lot of names to mail to.

So basically, I got to order 5,000 of the names. And they'll send me 5,000 of the names. And like I usually mail half of them. I usually, what I do is I usually open them up - it's like a _____ file. And then I put them into Excel. And you know, there's 5,000 names, right. And what I do is I go to the last field and I'll go 1, 2, 1, 2, 1, 2, 1, 2 all the way down till I hit 5,000 so I get, you know, so I don't, because they come in zip code order. And you know, if you sort them by zip code, you're only gonna mail from the east coast to like not even halfway through the country if you just pick them in zip code order.

If you pick them in - by like last - if you sort them by like say like their last name, you know, you're gonna get you know, I don't really like to do that either. If you pick them by their first name, you know, you're gonna get everybody with A through like M, and all - you know, it's not really valid as much.

So what I do is I go 1, 2, 1, 2 all the way down the 5,000. I sort them by 1's or 2's. I take all the 1's and I'll mail 2,500 of each list. And you know, you - sometimes like Gary says, you know, he advises you to mail a thousand, just to - you know, it's not gonna be scientifically valid, but it will give you an idea, you know what I mean. If you mail a thousand letters and you do okay,



you know, that's a good sign that you know, you mail out the remaining 4,000 then.

So there's two different methods you can go. If you went with Gary's method, you mail the thousand and if you get decent response you mail off the 4,000 to confirm it. You know, but what you would do then is you would go 1, 2, 3, 4, 5, 1, 2, 3, 4, 5 on your list and pull all the ones. So - and then when you go to remail it, you mail the 2, 3, 4, 5's. So the 4,000 to confirm the 1,000 response.

Or you can go my route, when I just mail 2,500 and I don't even waste time remailing stuff. I just mail it once and if I get good off the 2,500, you know, so be it. Because most products are 60 bucks. You know, most products need 1 percent to break even, and you know, 2,500 at 1 percent would be, you know, 25 orders and that's above my 20-order minimum that I save to be scientifically valid. And then, you know, I just roll it out in multiples in 10. If I got 2,500 to work, I roll it out to 25,000, and if there's still more names after that I roll it out to 250,000.

Russell Brunson: Are you just putting your profits back in to cover the cost?

Vincent James: Well in the beginning, yeah, like my company that, you know, we talk about, the supplement company that I made \$100 million with. I only mailed - to start that company I mailed three lists, 3,000 a piece. Why I did 3,000, I don't know. But I mailed 3,000 to three different lists. There was 9,000 pieces in the mail. I think it cost me 6,000 bucks. I got my numbers, and you know, I mean yeah, you could reinvest your - reinvest and reinvest and reinvest it.

The good thing is that once you get going, you know, your printer and your letter shop will usually put you on credit terms which means that you have to pay in 30 days, you don't have to

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pay immediately. And your list broker will put you on credit, which is good, so you have to pay in 30 days. And you know, if you have a good credit card, you could put your postage on your credit card.

Russell Brunson: Mm hmm.

Vincent James: And try to get 30 days, you know, to - so that way you could. You know what I'm saying. I mean if you know it's gonna work - like I did this plenty of times. Like if I mailed say 25,000 and I knew it was gonna work and I wanted to put 100,000 in the mail, basically I would know that the list broker would give me credit on the 100,000 names. The printer would give me credit on the 100,000 letters, and the letter shop, and if I needed say \$37,000.00 for postage, and if I had a credit card at the time that was big like an American Express or something, you know, I'd put the postage on the credit card and bite the bullet. And you know, if you got good numbers on your test, there's a good chance you're gonna live another day.

I mean if you want to get real big, real quick, that's how you do it. I mean I was so bad when I first started out, I remember that my offers - get a load of this one - my offers would be so powerful that I would measure how many days it would take me to recoup my postage, okay. So say if I knew I was gonna recoup my postage six days, like not totally breakeven, but just enough to recoup my postage, okay.

So say if it cost me \$0.60 to mail a letter, I didn't say I needed my \$0.60 - you know, if I put 100,000 pieces in the mail, I didn't need my \$60,000.00, I needed my \$37,000.00 right. So, and I probably wouldn't do it on levels of 100,000, but if I new I got back at least that at least that \$37,000.00 within four or five days after I mailed it, you know, if it was a good response, I'd write the check without even having the money in the bank and then by the time the money



came in with the merchant account, you know, and they charged, it was enough to cover the check. But you have to know you're gonna bring the money in otherwise, you know, you got the post office knocking at your door with a big, you know, return for insufficient funds checks and you can get yourself in some hot water. But you know, when you know how many days it takes you to recoup, you could gauge, you know, you could gauge your risk.

Russell Brunson: Mm hmm.

Vincent James: And you know, the beauty of direct mail is, you know, a couple thousand pieces. Anywhere from a thousand to 2,500 pieces in the mail per list, you know, hotlines, you know, you could basically figure out whether it's gonna work for you or not. You don't need to rent the whole batch.

Russell Brunson: Have you ever had one where you tested and it was successful and then you rolled it out and it wasn't?

Vincent James: Nope, nope. The biggest problems I had were slight fluctuations, you know, I mean if you get like 1.4 percent on a test. You know, the 1.3 versus the 1.4 percent might only be two orders say. Say if it's 17 - you know, 27 versus 29 orders, and it - you know, that balances out to 1.3 to 1.4. When you roll it out you know you could fluctuate a couple tenths of a percent, maybe two-tenths of a percent is what I noticed it'll fluctuate the most. And that's based on the fact that you know, where two orders is enough to knock it up a tenth of a percent on a test, I mean, you know, I mean those two orders aren't gonna be enough - you know, that's not gonna be valid on such a big number.

So I mean if you get 1.4 on a test, you know, look for anywhere from 1.2 to 1.6 on a roll out.



And usually if you're dealing with a credible company they're not gonna give you dummy names, you know, they're not gonna give you like the best names. And you know, I've heard about a lot of stuff like that before, but basically, I've never had a list that did well for me and didn't perform well.

I mean I had a couple of tricks played on me. And that's why I stick with just hotline counts. I mean I went with a company called R. L. Polk a couple of years ago. They were compiled list company. They basically got their data from warranty cards of you know, warranty card of people who bought computers.

And my computer club, believe it or not, I rented a list that basically it was, people who bought a computer with a CD-Rom drive. Now at the time CD-Rom drives were like having like you know, I don't even know what it would be like having nowadays, you know. It's like it was one of the most advanced things to have on a computer, you know, in, you know, in like '96, that was just coming out, CD-Rom drives.

And I'd rent their names. So basically anybody that bought a computer, filled out a warranty card, and mailed it in and checked off that they bought a CD - computer with a CD-Rom drive, I'd rent their names. Now I got the list to do pretty good. It was 12 million names every two years or every year it was 12 million names. A million new added every month to it.

So they didn't do like a hotline. What they did is they did like an equal pull, like an ____ name pull they call it, where it's an equal pull. You know, if it's 12 million names, they pull one every - and you want you know, they'll pull one every million or whatever. I don't even know how it works, but you know, they divide it by how many names you want - how many names the total is and how many names you want. They divide that and it tells them how many every other



names, you know, if it comes to number seven, they'll pull every seven names one name to get you an equal pull of the database.

And that's the way they were telling me they were doing it, and I was fine with that. But what they were doing is they were frontloading it. They were giving me the most recent to the most oldest names, which, if I knew, it would've been okay because I could've braced myself for a, you know, a ski slope style response curve, you know, and it's 2 percent, it goes, right down to 1 percent as the names are getting older. But they didn't tell me that, they wanted to tell me that it was an equal pull.

So I went and based, you know, months of projections on that response being what it was gonna be for a long time and in reality it wasn't and it just kept sliding, and you know, I was looking to beat everybody up from my letter shop to my printer trying to figure out who was screwing me, and it turned out that it was the list company. So I mean I never really had too many tricks played on me. But - and most of the time things don't happen your way, it's because you don't know the right questions to ask.

Sometimes when you rent a magazine subscriber list and you say, "Oh look, Muscle and Fitness hotline subscriber." They're _____ hotline subscribers. Say, okay, I'll do like - then they'll say 30-day hotline paid subscribers, right. So you say okay. So paid subscribers, how do you guys measure paid, you know. They say paid is bill me later. In my book, paid ain't bill me later, because 80 percent of those bill me later, never pay, you know.

Russell Brunson: Yeah.

Vincent James: And you know, so I say to my list broker, I want the paid paid subscribers, and



he's like oh no, they're paid. Well I got the paid subscribers, I got another bill and about a month later saying that it was a paid select. I had to pay on top of the paid. So you couldn't get paid subscribers, you had to get paid paid subscribers. So it's just like errors, you don't know what to ask for.

And a lot of times with magazine subscriptions, subscriber lists, you don't want to do, you don't want to mail the sweepstakes-based names, because you could get the source too, how they were generated. Direct mail sold subscribers, they're great, sweepstakes sold subscribers, they suck, you know, so.

Russell Brunson: _____ card trying to get their sweepstake.

Vincent James: Yeah, exactly, you know. And it's baloney and it's not really a you know - sometimes when you call these call centers, you know, they'll - what they do is they'll try to give you a free three-month subscription to Motortrend or whatever, depending on what you're buying, and you're like yeah, yeah, whatever. Well I'm gonna go mail you now if I rent Motortrend lists, and you don't really care because you didn't pay for it. You were just upsold on the phone.

And you know, I don't even want that. I want straight direct mail, meaning you got a piece of direct mail in the mail or you physically tore out one of those cards in the magazines and ordered it through the mail. I don't want a sweepstakes, and I kind of don't want a telemarketing sold. I mean you're chopping your names down a little bit, but I mean that's the way you get a subscriber list to work. I mean if you're over there mailing the sweepstakes sold, forget about it.

Russell Brunson: That's good to know. Is there anything else about the list or testing lists you wanted to cover or is that kind of -?



Vincent James: No, basically that's it. I mean basically, you know, you got to rent 5,000, you know. You don't mail the whole 5,000. You do it either Gary's route, the thousand, if you want to take your time and go real slow, or you can go my route and just mail 2,500.

I mean, I think you were asking me a couple days ago about how to - if people want to save on a list, how could they save by renting a list, and you know, the only way you could really save on renting a list is, you know, the list manager -. So the company originates the list, okay. The company then goes to a list manager and a list manager then takes that list and he earns a commission and puts it on the market on the SRDS book.

And then guys like me go to a list broker and the list broker, who could also be a manager but - it's sort of like real estate market, the listing agent and the selling agent and sometimes they're dual agents, you know, they do both, they're listing and selling. But he'll - my list broker, will go to that list manager and rent me that list, and he can earn 20 percent on that list, okay.

Now the way I learned how to save money on lists, there's two ways I learned to save money. And the first way, I mean if you're doing your own stuff, what you could do is you just list with the direct marketing association, your company. So say if it's, you know, VJPR Direct, whatever, and you just list yourself with the direct marketing association and then you don't go through a list broker, you go directly to the list manager who is listed in the SRDS book. It tells who the manager is. You go directly to the manager and say - you know, and act as say, you know, you're acting as an in-house brokerage and you want the 20 percent commission. So you could save 20 percent there, which, you know, could be, you know, it could be \$0.02 on a \$0.10 name. You know, and that's sizable when you know, \$0.02 on a direct mail package.

Or another tactic I use is that if I'm using say a letter shop and I know the list already works,



say if I tested it in-house and I'm mailed it myself and I'm going to a letter shop, what I'll do is I'll go to the letter shop, and you know, the letter shop will say, okay, well, you know, we want a penny every time, you know, we want \$0.04 to insert, stuff, seal your letter.

And you say, okay, well I won't bicker with you on your price, but what I want to do is I want to rent my list through you, because they're a list, they're a mailing house, so they'll be able to qualify for the commission. And you just basically tell them, I'll rent my list through you, and then you pass along the commission on to me, you save me the \$0.02 or whatever, or the \$0.03 per name, and you know, and I'll use you as my letter shop. And sometimes your letter shop might only be charging you \$0.05 say, you know, to stuff and seal your letter. And when you could offset with that two-and-a-half cent savings on your mailing list, you've basically slashed your letter shop fees in half. That's another trick I like to use.

Russell Brunson: I have a lot more questions about mailing houses, but that's good to know for now.

Vincent James: Okay.

Russell Brunson: Cool. Well, the next section then, actually, is we're gonna talk more about is more about the printing and the postage and your mail piece. And I know you have a lot of experience with this, so this is gonna be really good.

But first off, for printers, is there a printer you recommend for printing everything or do you do it in-house or how do you do that usually?

Vincent James: Yeah, well, basically, you know, you're gonna need two different printers. You're



gonna need a small run printer and you're gonna need a large format printer. You know, obviously, for testing and rolling out. I mean for large roll-outs, I like a company in Las Vegas called Creel. They do really clean, really good work in large quantities. And they have an attached letter shop. And you know, they're pretty good. They did really good work for me in the past.

But if you've got like, you know, 5,000 pieces, don't even go anywhere near them because your price is gonna be like three times the cost it's gonna cost you at a company in Kansas City called, oh God, it's skipped my name - City Blue Print, City Blue Print, and they're in Kansas. They're real cheap. The girl over there you probably want to talk to is a girl named Cindy. But they're real cheap. I mean I've had jobs bid by them and they do low quantities real cheap and real good quality, and it's real - you know, you just shoot them a PDF, you know, a good. I don't know if you - I just put it in PDF Distiller and make a high resolution PDF and just email it to them. And they're ready to go.

But yeah, they've been really cheap, really good. And you know, even with the shipping fee for them to ship it to me, you know, it's always less than the sales tax I would have to pay if I did it locally. So you know, if you're gonna do small quantities, City Blue, and big quantities go with Creel. You know, I haven't used Creel in a while. So you know, those are pretty good printers.

Russell Brunson: The next part was in Chapter 17, this was really interesting to me when you talked about how you format the mail piece. I was hoping you could over that a little bit. The things you're putting in the envelope, and how you, you know, position them and everything.

Vincent James: Well, yeah, you know, I mean a lot of times, I see a lot of these direct mail guys, what they do is they'll make like two 11x17s, and it'll be like an 8-page sales letter. Because



you could stick like four sheets, four 8-1/2x11 sheets, into a No. 10, which is a standard size envelope for about one ounce, .9 ounces. And you know, what you don't want to do is you don't want to go over one ounce in a No. 10, because then you're stuck paying \$0.60. You know, if your piece goes over one ounce - I mean, what I've learned is that I could do a 9x12 envelope, which is those huge envelopes, with about seven sheets, seven to eight sheets of 8-1/2x11 paper, and I'm under two ounces.

So you know, you pick your format, you know, I - you know, the big format's nice. I usually just stick with No. 10s when I'm testing, you know. You know, you don't have to get crazy with the magalogs or you know, mail pieces that are, you know, beyond the scope of, you know, of what we're talking about here.

But what I do is I usually break my piece up a little bit. Like I was saying before, a lot of guys like to just do like two 11x17s nested together, which is basically an 8-page letter. I mean that's nice and all. It's really easy for your letter shop, they just insert one piece and you're ready to go.

But the bad thing about that is that if you're not really, really, really good you know, on your headline -. And you know, you only got that one chance to hit them off your main headline of your letter, and if you know, if you're not, if you don't do it, that whole piece goes in the garbage.

So what I like to do is I usually like to break my piece up a little bit. So, and it looks like, you know, there's a couple of pieces in there. So my sales letters are usually a No. 10 envelope. They're usually an 11x17, which is basically, you know, four sheets, you know, a 4-page letter, sometimes, you know, like an order card, and like a 7x10 sheet. I like to break things up a little bit.

So I mean, you know, every format is different. I mean in the book I tried, you know, just trying



to show people so they don't have, you know, a bunch of half-sheets or something in there, but you know, basically, you know - I did one for a wrinkle product, recently, and what it was, it was a No. 10, and it was a No. 10 window envelope, and basically the address was directly imprinted on the order card. It was a send no money deal.

So basically what we did is we just basically printed directly on the order card, which was just, you know, like a sales, you know, it was like a postcard, like a magazine subscription thing. But it went the whole width of the magazine and it was perforated where you peel off the little side. And you know, it was - I think the names were ink-jetted directly on the order card, along with what list it was, and then it was, you know, slid into the sales, into the No. 10, the name showed through the window. There was a little brochure in there. It was basically just to - I like to break off the questions and answers for products. And there was like a little 7x10, it's a mon-arch size, just like a secondary note that just goes over some other stuff, and it might have some testimonials in there and stuff. And then just basically the main 11x17 sales letter.

So when you open this thing up, you know, you first of all you got, you know, you got the sales letter hitting you and that's a headline. And then you got the 7x10 hitting you and that's a headline, and then you got the, you know, the little questions and answers brochure, that's hitting you with a headline. And then you got the order card. So there's different, you know, where one thing might not appeal to somebody, you know, at least I try to, you know, better my chances by breaking up the pieces to a couple of different pieces, you know, instead of just going all with one-page letter, but, you know.

Yeah, you just basically want to keep it under one ounce, because you know, you go over - you know, in direct mail, you know, your biggest, you know, it's hard to recoup your postage. That's your biggest hurdle. And you know, to be hitting it over two ounces, you know, sometimes, oh,



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I want to use this glossy paper and it's like yeah, well that's 1.3 ounces. That glossy paper just made you go, you know, this one little insert piece made you go from \$0.37 to \$0.60, and you know, you basically just committed suicide.

Russell Brunson: Now two things. Do you put, you know, copy on the envelope and then what do you thing like labels, I guess labels are probably bad, and ____ rather to have them printed right on the envelope?

Vincent James: Yeah, yeah, labels are garbage. I mean, you know, I mean - you want to hear something funny. What I did is I just did an envelope test a couple months ago, and you know, I like to think that I'm a pretty good teaser writer, you know, I've been doing this for a while, I know what to write, you know.

So I wrote this teaser envelope and, you know, I mailed it, and I split it versus a closed-faced plain Jane, No. 10. What I did is I went to OfficeMax and I bought like one of those handwriting fonts CDs for like - with 300 handwritings on it for like 10 bucks, and what I did is I went to Vistaprint and I bought some of those return address labels. I think they're little stickers that you put in the corner like the foil.

Russell Brunson: Mm hmm.

Vincent James: And what I did is I had the - my computer simulate handwritten blue the names on the envelopes. I stuck the Vistaprint return address card up in the left-hand corner and a first class stamp versus a first class stamp teaser copy envelope and the one with the handwriting pulled 50 percent more orders than the teaser copy one.



So from now on what I would definitely advise people to do is don't go with a teaser copy envelope because I thought, you know, definitely when you're starting out, don't go with a teaser copy envelope, especially when you're starting in the business or if you're not really familiar with direct mail. And I've been doing it for ten years, I've been doing direct mail. You know, I know how to write a damn envelope. And I'm even out-pulling myself by just doing a you know, a personalized envelope.

So I would definitely tell people, you know, if you're gonna do something that's like, you know, if it's not like a medical or something style supplement type product, you know, but that's not even really true because it was a skincare one and it was like a Botox alternative. And it was, you know, simulated handwriting, you know, with the return address.

So I basically, if I had to pick an envelope to bet my life on, blue ink, simulated handwritten, one of those \$10.00 CD's, first class stamp, OfficeMax envelope, you know, \$4.99 for 500 of them. It's cheaper than your printed envelopes anyhow, and a Vistaprint or any style return address sticker. And that's the best envelope in the world.

Russell Brunson: It makes it seem like it's coming from a friend or something as opposed to -.

Vincent James: Yeah, well, yeah, well that's the whole point behind it. I think it takes it a notch above typewritten. It takes it a notch above typewritten with no return address. I mean people are used to all of that stuff now. But if you hit them with a return address sticker in the corner, as simple as it sounds, there's not too many direct marketers doing return address stickers, because it is, it's kind of a pain in the butt to you know, to go put a return address sticker on all of the envelopes.



Russell Brunson: Yeah.

Vincent James: And I don't know how you would do that in quantity. But you know, I guess if you get something to work in 5,000 with good numbers, 50 percent more than a teaser copy envelope, you'll figure out a way to get, you know, figure out a way to get 200,000 Vistaprint stickers on your envelopes.

Russell Brunson: Yeah.

Vincent James: You know. But yeah, that was, I was floored when I saw it. I thought maybe, you know, I didn't know how much it was gonna out-pull. But I was floored, I was floored because it was 50 percent more orders. Meaning the difference of 10 versus 15 orders, 50 percent, I was on the floor, I couldn't believe it.

Russell Brunson: That's good to know. Now I guess I'm assuming this is what you said, but always use first class postage, don't cheap out on the postage, right?

Vincent James: Yeah, no, I really don't, I don't do anything with the postage other than first class. I mean what I've learned is that, you know, I've went with letter shops before that said, "Hey, Vince, I could presort first class it for you, you still get first class treatment, but I'll presort it and instead of, you know, it's \$0.10 less." You know, well, if I got, you know, if I paid \$0.60 to put a letter in the mail and I got a buck twenty back, so say if I had a 2-to-1 ratio, and if I saved money by going presort for \$0.50, I'd only pull a buck.

So everything's relative I think, and I think trying to save money on postage is sort of like, you know, having -. Okay, say if you have an advertisement in a magazine and it cost you

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\$10,000.00, and it makes you \$20,000.00, how you gonna make that ad make you more money? You're gonna make a bigger ad aren't you? You're not gonna go smaller. You're gonna say, oh, I have a full-page ad that makes - that costs me \$10,000.00, that makes me \$20,000.00. I want more money, so instead of going to like a multi-page advertisement, I'm gonna cut it to a half page and try to save money.

And you know, when you're going with the postage, I mean that's like sort of a backwards thing. If you got a piece that's working, you know, by taking away from it it's not gonna make it work better, and you know, that's the same for pieces inside too. It's like, oh I have four pieces that I'm inserting in my letter. I want it to work better and - so - I want to make more money, so I'm gonna take away from it. You never make money in this business taking away stuff. I mean the only - you know, by cheapening the postage, you're not gonna get a better response, so just keep it at the \$0.37 and the \$0.60 if you go over two ounces.

And you know, I never, ever, ever had standard rate or presorted first class rate, ever, do apples to apples, ever. It always diminished my results. I know that contradicts a lot of direct mail that we get nowadays. A lot of direct mail we get is standard rate, but for some reason it - you know, maybe they're not measuring it as much as I am. You know, I just leave it with the \$0.37.

Russell Brunson: Okay, the next section is something I have a lot of questions about because this is the point that we're at with our company is database management. We're going through all of our old customers and extracting all their shipping information and phone information to put them into these customer lists to start some of our campaigns with just our in-house stuff. And I was wondering, you know, how do you manage your - how are you managing your lists? Is there, you know, some software you're using, were you outsourcing it, was it all in-house or what's the - how are you guys doing that part of it?



Vincent James: What to hear something funny? What we had is we had like a programmer that it was basically just Microsoft Excel.

Russell Brunson: Mm hmm.

Vincent James: It was just basically Excel that we had this programmer. You know, he just you know, made like a really easy order entry page for us that, you know, when customers would come in they would get manually inputted and they would go into the main database. And as people were canceling, and customer service had like a different type of database, but they all basically connected on the same one, and they would update every night.

But it was pretty simple Microsoft Excel. We didn't really have anything too high tech. I mean we didn't have business cards until we were doing like \$75 million. I mean it was definitely like a - we kept it - you know, keep it simple. And you know, we didn't do any Oracle or any stuff like that. It was just basically, you know, Microsoft Excel on Windows Professional Operating Systems and, you know, and I know the programmer added a lot of features to that program.

But I mean I don't know like the in-depth stuff that he did to it, but you know, basically, put a customer in the computer and we picked, we had it drop down what product he bought. That tagged him as what product it was. Our first bill cycle was like 28 days, and then it knew to pop up again in 28 days and then, you know, every 30 after that, because we did like a Federal Express shipping. So, you know, it was, they didn't really, you know, it was less than 30 days that they would get their product. And that's basically it. It was just like Microsoft Excel on steroids.

Russell Brunson: Then when you're mailing - see that's your customer list, right?



Vincent James: Yeah, that was my customer list. I mean, oh, as far as the list that I'd get from the list brokers, basically, what they would do is they would send me a zipped comma delimited file just in the email. And I would send that to my letter shop and my letter shop would open it up and then I - you know, they would fax me over you know, a couple different fonts until, you know, until like you know you put a font, like a Courier font or an Arial font or whatever. And we'd come up with a font that they would just basically spit it onto the envelopes or they would spit it onto the order cards.

But when I do a test in-house, like when I do my in-house test, every time - my thing with direct mail is this, the first time, always do it yourself, always test everything yourself, mail it yourself, make sure it goes to the post office yourself, stuff them yourself, answer the phones yourself, do everything. Because I've had probably five instances with direct mail products that were winners that, you know, I didn't find out until later or whatever because something, you know, something .

I mailed a golf driver letter one time, it was for a golf club, and you know, I didn't get any orders, and I couldn't believe why I couldn't get any orders, no orders, it was horrible. And I called my 800 number and it just rang, no one picked it up. So I had to go to a call center, and the call center that I used didn't have it programmed. So I had to remail it. Had I have not known that, you know, had I - you know, if I didn't discover that, you know, who knows, I might have just left it alone. But I remailed it and I answered the phones myself and I did four-times cost on it or whatever, and you know, it was a promotion.

But when I mail my own letters, I usually address the envelopes or I address the order cards that I was talking about that go through the window, right off my home computer usually. You know, you could pop those comma delimited files open right in Access or with Excel, whatever



it is, and you know, you'll put the dividing lines to separate it. You know, you name your zip code field as text so the zeroes show up on the zip codes, and you know, you open up, you know, Microsoft Word and do a mailmerge and just print it right out of your computer. Probably kill your printer after a while, but you know, you could - I go buy those \$50.00 like Hewlett Packard, you know, little pieces of crap, because you know you're gonna burn them up. You print 10,000, you know, you print 10,000 order cards and you know, say if you do four lists, 10,000, you know, 2,500 a piece. You know, by the time you get to that 10,000th, you know, that printer's basically in the garbage.

Russell Brunson: Yeah.

Vincent James: But for 50 bucks I mean really.

Russell Brunson: That's cool. It's usually cheaper to buy just a brand new printer with the sample ink cartridge than to go and buy new ink.

Vincent James: Yeah, no kidding, no kidding. That's one thing I make sure too is I make sure the printer, you know, if I do stuff like that I get the cartridges that are - I'm able to reload them and stuff, because yeah, you'll burn through those cartridges in no time.

[End of Session 2]



SESSION 3

Russell Brunson: The thing I was researching was – would – you know, when you have your customer list or whatever, you're mailing to them, however often that you send stuff out to them. And, you know, people move and they change. Is there a way to – I mean, there's one company that had approached me and said that they do have to handle the changes. Is it – you know, so someone moves, they can update their address on your list.

Vincent James: Yeah.

Russell Brunson: Is it good to hire someone like that or do it yourself, or is there even a way to find out if people are moving usually?

Vincent James: Well, you could – I think you're talking about the NCOA, right? And basically that's like the national change of address file. And basically when you – you could send your list to companies every so many months or whatever, and what they could do is they could, you know, run your file against the NCOA file, and if there's, you know, John Brown who used to live in Michigan, now John Brown moved to whatever, it will pick up his forwarding order and automatically update your stuff.

You know, usually – you know, you could do that with, you know, outsource companies. I – I really don't – I never even got into it that much. Basically what I do is, you know, as names fall off of my list, I just usually just let them fall off and, you know, I was usually adding customers so rapidly that I really didn't worry about people that were falling off. But sometimes – some-



times you'll get it back – the bad address you'll get back with a yellow sticker on it, and it will tell like, you know, notify sender of new address, and it will give the new address. And you can update it and re-mail it if there's no forward or whatever.

But, you know, there's companies you can go through for that. I really – that – you know, that's nice if, you know, you don't want your database – you know, you want to fight the ____ as much as you can in your – in your customer count, but, you know, as far as me personally, usually I was so focused on just getting new customers in the door, and you know – and you know, keep- ing – you know. And all my customers were pretty much current customers because they were in an auto ship database. Basically when they fell out of the auto ship, they went into a dead database, and I really never even did anything with them, because, you know, they – they pretty much wouldn't – they ____ on a very responsive list.

Russell Brunson: Okay. The next thing I want to talk about was lifetime value of customer. And the reason I want to do this is I was listening to an interview with Dan Kennedy the other day and he was – it was him and Corey Rudl were talking. He was laughing about how the internet guys have no idea about lifetime value in customer and how to calculate those type of things because we're just, you know, living on the – how easy it is to do stuff on the internet. And so I was hoping you could talk a little bit about that. And for someone like me who's trying to learn the direct mail way.

Vincent James: Well, it's not just you. I have a client who – who's in a real estate how-to business, and he has two different lists. He has his customer list I bought for \$100 off of him, and he has his newsletter list that people subscribe to the newsletters. And, you know, he did a blast to his – to his customers, to his whole list. And I asked him, I said, "What's the difference in response of your, you know, one list versus the other list?" And he goes, "I don't know. I don't



track it.” And I just – and I’m like, oh, man, you internet guys are crazy. It doesn’t cost you anything so you don’t care.

You know, you only – you know, but direct mail, like I – you know, I mailed out, you know, four lists for a wrinkle product. Two lists worked, two lists flopped. And, you know, the whole key to success is knowing which list worked and which list didn’t work. I mean, because as an overall picture, you know, you can’t – you can’t do that in traditional direct marketing because, you know, you’ve gotta measure every single source. I used to be in like 40 or 50 magazines at the same time. I tracked every single magazine.

And what I would do is every time a new issue would come out, I would – I would slice – you know, I would basically cut it off and start at zero again and would basically just – you know, just to maintain – not really to track each individual magazine, but I was tracking each individual magazine for each individual month. Because you have to track everything, and that way you basically – you know, you – you know, you see something going wrong, you could rectify it immediately before you’re – you know, before you’re in red ink.

But I mean as far as lifetime customer value, you know, there’s two different ways you could do that. Lifetime customer value – if you’re just hitting like back end letters – life if you sell a customer 60 bucks – comes in door, 60 bucks. Okay. Now, you mail them. You have a series of four different letters that you mail them. What you do is, you know, you have a thousand customers, say, right? And they came in the door, 60 bucks a pop, there’s \$60,000.00 in customers. That’s irrelevant right now. You surrender 60 grand you made off those customers, 60 bucks on average. And now you have a letter for \$1,000.00 of a product that you’re selling, and you get, you know, 10 percent with whatever.

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And you divide up how much – how many letters you mailed based on your revenue. So if it was in a 10 people, say at \$1,000.00, you made \$10,000.00 of that thousand names. It's 10 bucks. So you made \$10 plus that letter. Okay. So that letter, when you mailed it, made you \$10 on average. And say if you've got like three letters like that, and the three letters all are similar, so if it's \$10.00, \$8.00, \$12.00, and you know, you say, okay, so it's basically an extra \$30.00 in sales I make off those customers, plus that original 60, it will say, okay, I've got a life-time customer value of 90 bucks.

So when you have a customer – you know, that's like when I first sold my book. When I first sold my first book, direct mail trade secrets, which I don't even – I don't have a copy of anymore. I can't even find the thing, but it's funny because so many people who bought mine, they'd send me – you know, I got the first one. You know, I'm like, oh my God, you're doing this 10 years ago, but look, you know. And what I would do is my advertisements – my book sold for \$19.95. And I would break even, basically.

And, you know, most people would think of it as, you know, stop selling it because you're only breaking even. But what I did is I had a couple back-end offers. I had a letter I'd mail them for one opportunity, and I get back, on average, \$10.00 for every letter I put in the mail to the customer count. And about three weeks later, I'd mail them another one. And I'd get back 8 bucks on average.

And I'd mail out another one, another 3 weeks later, and I'd get 12 bucks. All in all, I ended up getting about \$40.00, you know, four letters generated me about \$40.00 per customer on average in sales. Now, I added that plus the original 20 that I got for the initial book. So where – plus the front end, I was doing 20 for 20; meaning, I spent 20 bucks to acquire a customer, and I got them to give me 20 bucks, and it was just a break even. But when I hit those four letters on the back-



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end, that made me 40 bucks. I know had \$60.00 in total lifetime customer value.

So by the time I knew I acquire a ____ customer at a break even, in the long run, it would be \$60.00 in gross sales, or a \$40.00 profit. And that's how you figure out lifetime customer value with a traditional product like that. Basically just measure how much money you make back in gross sales on how many letters you mailed. So, you know, if I had a 1,000 people who bought my book, and I sent them a letter that sold something for 1,000 bucks, and I got 27 people, well, I'd take \$27,000 divided by the 1,000 people.

And I mailed it to them, and I say, okay, that's a \$27.00 added to my lifetime customer value and so on. And basically, you know, you do that for like how many ever back-end offers you have. I mean, obviously, you could track lifetime customer value. You know, if you continue to mail them letters and letters and letters and letters, and you waited, went back two years later, you know, and you measured all the – you know, all the money over the course of the two years, sure, you can get like – you know, but I really don't focus on lifetime customer value, literally meaning lifetime.

I figure, you know, lifetime customer value meaning how much money could I suck out of this guy within a six-month time frame. Because I don't have five years like – some of these direct marketing guys, they try to sell people on, oh, you know, break even or lose money on the front end. And, you know, in the course of a year or two – like I heard like Nightingale-Conant, that they'll do it. They'll lose money on the first sale, obviously. They'll try to break even in the first year and profit in the second year and so on. I mean, you have to have really long and strong money to do that.

And, you know, I don't even know if I'd want to be in a business that takes two years for me to



make a profit. You know, what I like to do is I like to just measure how much money can I suck out of you in six months. Like I did – when I did my first book, \$20.00 sale, \$40.00 in back-end sales, total lifetime value is 60 bucks. 20 bucks to acquire. I've got 40 bucks in my pocket for a 300 percent ROI. Now, it's different when you have an auto ship. When you have an auto ship, basically what you're trying to find out is lifetime customer value in month. And what I do is I – okay. Say if I mail this out, say if I got, you know, 1,000 customers in my database for the month of January.

What I would do is I would keep an eye on those people over – and I'd come back in six months. I'd come back, say, in June, and I'd say, okay. Remember we sold those 1,000 people? And I'd basically say, okay, it was 1,000. Then it was, you know, 800. The next in February, then it was 700, and that just kept going down. I add up all their sales and divide it by – and I'd divide it and I'd find out how many months, on average, they stayed with me. And that's how I figured I have an average of a 4.4 month customer life.

I would just say a four-month customer life. So it was the first – and I know it's pretty complicated off the top of my head, but I know the first sale was like 60 bucks. And then those three additional shipments that they got on average were 40, 40, 40. So it was 120 plus the 60, 180 total, and it costs me 30 bucks to bring that – 30 bucks in advertising off the \$60.00 to bring that customer in.

So I did six times return on my money, and I just know I had – you know, every time I brought a customer in, I knew it was 180 bucks over the course of the months to come. And as long as I spent, you know, less than the initial 60, which was the purchase price, I was – I was really happy.

Russell Brunson: I mean, this – as I try to get away from my internet background and try to get



into this, it gets me excited because I think about me and how people I know that when they're doing their promotions, you know, they'll spend \$100.00 on an _____, and you know, they'll make five sales and make their money back. And then they stop at that, and that's it. And if you do that, but you're missing 99 percent of the profits and the whole boat, you know.

Vincent James: Oh, yeah. Oh, yeah. A lot of people – yeah, a lot of people – even experienced marketers. They don't – I don't know what it is sometimes. I'll buy something off – you know, I'm a big fan of Bob – Bob Proctor. I remember – you know, I have pretty much the expensive courses that, you know, that he sold in the years – you know, from the 80s and stuff. And I remember on TV, they had like an infomercial product, and it was a _____. You know, it was 200-something – no, it was \$9.95 trial – send it back or otherwise it's four payments of 59 bucks, whatever. Like 99 percent of the people, I'm lazy and I didn't – I don't cancel it so I just kept it. And I never got one – one letter from any. You know, I'm surprised sometimes because I buy a lot of products. I'm on a lot of magazine subscriber lists. I really don't get too much – I don't get any direct mail, to be honest with ya. I mean, the only direct mail I usually get is, you know, sometimes people – you know, bad addresses that come to me. You know, it's somebody else's. You know, the postman puts it in the wrong box or something. But you know, and I really don't get – you know, I'm surprised how many lists I'm on, and I don't get, you know, a lot of, you know, back-end offers and stuff.

And a lot of – you know, they're letting a lot of money – a lot of money that they could reap just go right out the window.

Russell Brunson: All right. That's why I'm trying to learn the stuff so well because I see the – the huge potential in that and that I'm missing out on. I hope everyone else takes advantage of that and thinks of ways to apply that. Because, I mean, it makes – you're saying you spent



\$30.00 to – to bring in one customer. If you pay 100 bucks for an ezine ad, you bring in 10 customers. I mean, that's, you know, what – however much money it is for a customer. If you can draw it out over four or five months or, you know, a year. That's amazing. That gets me excited so –

Vincent James: Oh, yeah. Definitely. You know, I mean, that's where all the money's at.

Russell Brunson: Yeah. Awesome. Well, the next part we're going to move into a little about ad copy. I know you have a few chapters about ad copy for your thing, and I don't want to spend a ton of time on it, but hopefully you could go over a little about your formula for writing a good sales letter and how you – you know, what do you do when you're writing your sales letters? How did you learn how to write sales letters so well?

Vincent James: I'd say, yeah, well – well, basically, you know, my formula for – for writing sales letters is – well, hopefully I'm really hyped up about the product, and hopefully I believe in the product. Because those are the easiest sales letters to write. Like when I can really, really, really get interested in a product where I almost – I almost would want it myself. You know, like when I – I do one for a real estate guy that was – on short selling. And basically that's – you know, it's like when you pick up a house, then you basically go to the mortgage company and try to negotiate the payoff down, you know, from what it originally was, you know. And I thought it was kind of fascinating because I say a lot of testimonials from this guy's company, you know, about how much they were – you know, how the people were doing.

So it sounded like a really interesting way to make money so I can get real excited about that. And that's – you know, that's one of the main things. You don't want to write a sales letter when you're in a bad mood. You want to write a sales letter when you're in like the best mood,



you're really hyped up. And what I do is I usually start by writing a lot of notes. I do a lot of research and I write a lot of notes.

And I like to let it like incubate for awhile and let it sit and just simmer, you know, all the different notes I have and all the stuff. And all of the sudden, you know, a headline idea will come to me. But, you know, I usually like to go with like a star, a story, a solution, and that's something I learned from Halbert a long time ago. And it doesn't necessarily have to be like a star, meaning like, you know, a star.

Usually a star is the letter, who's – you know, a star, a story, a solution. You know, it's about a woman. You know, and the woman's writing about all her problems of losing weight, and you know, that's her story. And then her solution is how she stumbled upon, you know, the product or how she created the product or whatever. And that's usually the type of ad that I – you know, the sales letters that I like to start with. You know, first person, personal story, personal problems they had.

You know, if it was hair loss, you know, oh, I might wake up in the morning, my pillow was this and that. And you know, you tell your heartaches or the person's heartaches that would – that – that would – who was writing that letter. And then basically, you know, you try to harmonize with the people who would be reading it, you know. And they'd be like – because I remember one time, you know, I – one of the products I sold was these bust enhancers.

Like you take them and they make – you know, they make like breast ____ like women's breasts. And they were clinically proven at the breast ____ research institute, you know, and it was like 82 percent said that they worked. You know, whatever. I'm double blank putty. But whatever. When I wrote the letter as if I was a woman who had really small breasts. And I said stuff like,

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you know, oh, when I lay on my back, you know, my breasts disappear into my armpits. And, you know, I'm tired of women who are less attractive than me getting more attention from men because they have fake breasts or they have bigger breasts than mine, and I want to be able to wear certain types of clothes that I can't wear. And it was just – you know, all the women who are read – who would be going into that sales copy are totally saying like, no kidding. That's exactly how I feel. That's exactly how I feel. And then I hit them with the solution. And the solution is well, I was getting my haircut, and my hairdresser was telling – you know, I was telling this story to my hairdresser, and she also – you know, and I was noticing. I asked her if she got like a new bra or something or if it was like a new padded bra she got. And she said no, actually, she started taking this dietary supplement called whatever, and yada, yada, yada. And then, you know, and then she went on to say, and I started telling her. And then the person is actually like being educated about it as – as if it was a story being told. And then it goes into the product and how it's guaranteed, and you know, it could even be like a person like that, you know, writing as if they're endorsing the company's product.

Or it could be do it yourself saying like, you know, I had the problem, and then you know, with – with whatever, and I created my own solution. You know, I was fat and I was having a hard time losing weight no matter what I tried. You know, no matter what I eat – I eat the diet. I do the calorie count and all this stuff. I just couldn't do it until I – until I read a book on whatever about this herb.

And, you know, and then basically I – I decided to make myself some of these little capsules, and little do you know, you know, yada, yada, yada, I lost 18 pounds, whatever. And I thought it was such a good idea that I'm bottling this – you know, like having a professional, pharmaceutical grade laboratory, you know, bottle this stuff up, you know, and I'm bringing it to the general public, you know, to people like you who are – you know, who may have similar problems.



So, you know, basically, I've gotta believe in it. I've gotta be hyped up about it. I like to write a lot of notes and incubate and just let it simmer. And you know, it will come to you when it's ready. And like I said, the format I usually stick with is a star, a story, a solution. And, you know, basically you could fit anything around that. You know, the guy who's losing his hair talks about, you know, about losing his hair and his heartaches and his solution.

You know, the girl with the small busts, her story of, you know, you know, not – her frustrations with the product. And you can find your frustrations just by asking some who are target or somebody would think like I – you know, I would – you know, what do women who have this – you know, what's their thing? You know, for women – you know, if it was a cellulite product, say, I'd go ask a woman saying like what's like – what's the problem with cellulite?

And they'll be like all right. Well, you know, you can't really wear short shorts or you can't wear short skirts because the back of your legs have a lot of cellulite. Or when you sit down, you know, you have to put your hand on the side of your leg to hide it. You know, crunch and crinkling and stuff, and you notice a lot of celebrities, you know, in the magazines, they're sitting, and they've got their hand right on the side of her leg, and that's because they don't want to be showing any of their cellulite, you know.

And the frustration is that, you know – it's like abdominal fat in a man. You know, it's the hardest thing to get rid of is cellulite on a woman because their skin is just – you know, the dermal level of their skin is just different than a man's structure with their – their layer at the fat ____ and makes a rippled effect. And, you know, I mean, so what you want to do is you want to find like, you know, things that are really gonna – you know, what really affects the person. You know, like – and when you state it as if it was you who has that problem, it's not a direct insult either saying, you know you can't wear short skirts. You know you have ugly feet or you

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know you walk backwards out of the bedroom when the lights are on so your husband can't see it. You don't say stuff like that. You say I do. You say, you know – you know, well, me and my husband are being intimate, I like when – you know, I like when we – if the light is too bright in there, you know, I – you know, I find myself walking backwards out of the room so I don't, you know, become embarrassed or whatever, self-conscious.

And when you write it as if it's you, you know, it's funny because – you know, remember when women used to call for the – for the _____ pill. And I remember one time a woman called and she was crying. And she was like, oh, my God, that lady who wrote that letter, she knows exactly how I feel. And you know, we were – and everybody was – you know, like we took – you know, it was me who wrote it. You know, I don't – you know, but that's what you want to do. Basically what you want to do is you want to become an actor. You want to get into the role of that person. And, you know, a star, a story, a solution. Find the biggest things – and, you know, even like with – even with business opportunity stuff – a star, a story, a solution. You know, I mean, look at Joe Karbo's ad, you know, for the Lazy Man's Way to Riches. He used to work hard, real hard, all those hours, you know, just to barely pay the bills.

And now, you know, discovered – you know, you want to harmonize, you know. I mean, the biggest thing people want to do is they want to quit their jobs. People hate working for places. I mean, I never had a job my adult – my whole adult life. And what I see is I see people, you know, who have jobs, they hate them. And you know, their biggest thing is to have a doctor's or a lawyer's pay with the stability of a job without having to go to work. And basically, yeah, your star, your story, your solution would be, you know, how your job sucks.

How you got laid off – you know, like Jeff Paul's story even when he used to have the Making Your Money in Your Underwear book that Dan Kennedy wrote in the mid 90s, and it was basi-



cally, you know, he was in credit card debt, living in his sister-in-law's basement with his children and all that stuff. And he tells a story and how basic – you know the story. He went to the Dan Kennedy seminar and ate peanut butter sandwiches in his hotel room, and Dan Kennedy supposedly showed him a different way to – to change his products promotion around. And he came back home, and he changed the promotion and felt a totally different approach to mail order and how, you know, just that simple little change put \$100,000.00 in the bank and then 12 – 120,000, 150,000 – and this year we're going to peak out at 4 million dollars.

And, you know, you could buy – you know, and then you basically go into the close of how you – you know, how you can get your hands on that secret and take away the risk and that's pretty much the pattern that I go after.

Russell Brunson: I noticed on a couple of letters I've received from you that formula so it works very effectively. That's cool.

Vincent James: Cool. I mean, it's real hard to sometimes battle and tell how you write something.

Russell Brunson: Oh, yeah.

Vincent James: You know, usually you just get a feel for it. You just – you know, you just do it and you say, oh, you know, attention, interest, desire, action. It's like, oh, you thought about – you know, after awhile, the writing, it comes automatic to you. And, you know –

Russell Brunson: I think that's why swipe files are so big, too. The more you're reading other people's stuff and seeing it and seeing stuff that's effective, you're able to start applying that and



seeing how it works and –

Vincent James: Oh, yeah.

Russell Brunson: Start doing it in your own – in your own –

Vincent James: Oh, yeah. The swipe file is definitely important. I mean, I have – I have a pretty elaborate swipe file. I mean, you know, sometimes – not even so much to – you know, to learn – I mean, definitely when you're starting out, definitely you want a swipe file just to learn the structure of direct mail. But I mean, sometimes like – even to me, the staff, I have a swipe – I keep a swipe file and sometimes I like the way people write things that I can say, oh, I could like list that.

You know, like I remember there was a – a thing I think Michel Fortin wrote, and it was saying, you know, shut the door, lock the door, you know, take the phone off the hook, get your favorite beverage and whatever. And I said, oh, I like that. And I used that on a couple of my promotions when I'm trying to hype up something that it's really important, you know. Shut the door. It's – there's not – I think I used it on my main sales – on my main sales letter for the book. And it says – you know, it says, you know, lock the door, take the phone off the hook, grab your favorite beverage and pay attention to every word that I have to say because it's just that damn important. And, you know, I took that from one of his letters. And I – you know, I'm not looking to _____. Sometimes people have little sayings that are – that are – that I like. And it's funny because a lot of people send me sales letters to critique, and they take stuff from my letters. And you know, there's no point in reinventing the wheel.

You need a swipe file. I mean, don't plagiarize where you're saying, you know, copying the whole

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guy's golf – golf letter or something. But, you know, you can borrow little tidbits and stuff. You know, it's funny. I have a client I just took up, and he's actually a pretty well known marketer in Texas. And I – you know, I remembered him from a couple of years ago because he used to – I used to be on I think it was Jay Abraham's business breakthrough subscriber list, because I used to subscribe to that newsletter, you know, eight, nine, ten years ago.

And I remember getting this guy's sales letters, and he emailed me and wanted to – you know, wanted to become a client. So I figured I'd give him a little bit of, you know, saying hey, I remember you ten years ago. You used to sell, yada, yada, yada. And, you know, I tried to, you know, help me get that consulting fee, too, you know. If you can remember the guy, that's gonna really stroke him. And so he emails me back. He goes, oh yeah, well, I remember your ad. And he recited my ad and he goes, you know, when I got him on the phone, he says, yeah, that ad, I remember seeing that. I said, oh yeah, I wrote that. That was about eleven years ago. And it was even, you know, more obscure, and you know, hidden than the one that – you know, he's like, yeah, I wrote – he goes, I would basically get that advertisement, and I would handwrite that advertisement many, many times over just to get inside your thought process of how you were writing – writing the sales letters.

And a lot of experts like that, like Gary Halbert will say stuff like that. You know, get yourself on – get your hands on a good letter and physically hand write it – hand write it out and then get yourself – you know, because I guess basically, you know, you wrote a multimillion dollar sales letter, just did it. You know, get your – you know, you'll start understanding a pattern of writing and stuff by your hand writing out the sales letters that – that are really good. And that's the problem is that with the internet right now, there's so much garbage out there because it takes – it doesn't take anything to slap some ad copy on a website. You know, and they set their font, and they put their quotes around their headline, and they have a subhead.



And they – you know, in the courier font, and it looks like – it looks like it could be – you know, if it's laid out properly, you know, that the copy – the copy's horrible. So I don't generate too many of my swipe file ads from the internet. Usually it's, you know, print ads and direct mail that I see run. Because you've actually gotta spend a couple of bucks, you know, to mail them.

Russell Brunson: Sure.

Vincent James: And you're not going to be mailing them if they – if they don't make your money, and that's not the guy who, you know, threw it up on his website or something. But –

Russell Brunson: I had some product last – or about a month ago. It was three huge binders full of this one guy's – this direct sales ____ over the last like 30 years, and it's –

Vincent James: Wow.

Russell Brunson: -- just awesome looking at all these old ones and newer ones.

Vincent James: Oh, yeah. Is that the guy down in Tucson, Arizona?

Russell Brunson: It might be. I'd have to look again.

Vincent James: Yeah. His name is like Rothbine, or something, his last name is or something?

Russell Brunson: Yeah, I think so.

Vincent James: Yeah. I saw that. Yeah, I wanted to get my hands on that, too, because he



shows a lot of – a lot of examples of some classic ads that – you know, the cool thing about that product I mean is that he doesn't own the copyright to those ads. Those ads are ancient. So you can invest a couple hundred bucks and, you know, build your own swipe file off of the ____ and resell them as your own product, you know.

Russell Brunson: Now, when you were doing your test to figure out your ad copy, I mean, I know on internet, it would be split test really easily to test, you know, headlines and things like that. Did you guys do a lot of testing on your copies through direct mail? I mean, how would –

Vincent James: Basically –

Russell Brunson: -- to do?

Vincent James: Basically what I learned is that, you know, I only test like huge, huge things. But nowadays, you know, like I said, you could become, you know, an obsessive tester. You know, every word – you know, I think I was – I was just listening to Mark – Mark Joyner say something about that. But you can go over the top on testing. And sure every – everything – every letter in your sales letter is a variable. But, I mean, is it a realistic variable? You know, and most of the time, it's, you know, big things you want to go for in direct mail is you definitely – your biggest thing, things that scream, your lists.

That's your biggest thing. You know, your price, your product, your headline. You know, in magazines, you know, your headline. The magazine – how much you pay for the magazine. You know, basically all magazines will work for you. You'll get response out of any magazine out there. It's just basically are you gonna get enough response – enough revenue to justify the ad costs? You know what I'm saying?



So I mean, you know, basically in magazines, you want to make sure you're paying – you know, you're getting your price as low as you possibly can get it, and your headline and your price and your product. And when you're doing direct mail, I mean, the biggest variable is gonna be your list, and you know, the second biggest variable is gonna be, you know, your headline and your price. I mean, I did – I did a price test for a piece of software one time, and it was actually that postcard I was talking about earlier. And it was 149, 169, 179.

Well, 179 pulled half as many orders as 169, and 169 pulled the same amount of orders as 149. So obviously the price, it was doubled, it would be the \$169.00 because the 149, you're leaving 20 bucks on the table. And the 179, for being greedy with an extra 10 bucks, you're getting half as many orders. So I mean, price testing is huge. And price testing is – is really big. I mean, that's like the easiest thing to test. Envelope tests – like I was just saying, you know, the sales letter was the same on the inside. The offer was the same. The list was the same. Just the damn envelope got me 50 percent more orders. So, you know, envelopes, lists, price, headline.

Russell Brunson: And you do all that kind of pretest before you role out to the -- you know, times ten or the --

Vincent James: Yeah, well, what I would do is -- what I do is I usually give my best shot, my best shot initially, you know. And now, you know, I know what type of envelope to go with. There's a very slim chance you're gonna beat the envelope that we were talking about with the -- with the sticker.

Okay. Now, basically, you know, a headline is not gonna triple or quadruple your orders, you know, as much as some of the direct marketing books will let you think they would and -- in print anyway. In print, yes. You know what I'm saying? In print, your headline will have a



profound effect; meaning, in your -- in magazine advertisements.

Because, I mean -- and an example of that would be if you pick up the New York Times. You know, all those -- all the -- all the body copy is -- all the articles look the same. The only thing that's going to make you read or not read an article is the headline. So the headline in print is huge. But, I mean, if you get a letter in the mail, the headline is not as important. You know what I'm saying?

So the biggest thing when I do direct mail is that I go with my best shot for a headline with the biggest benefit. And -- and you know, the envelope, and I mail it. And if -- I mail several lists. And the lists that pan out -- you know what I mean? If a list is bologna and pulls horribly, you know, I don't really think by me bettering it much is really gonna make a bad list work good.

Basically what I'll do is I'll take the list at marginal, close to breaking even, or breaking even or even profiting, and then I'll try to better that. And I could either do that with a price test -- or what I've learned is not so much a price test immediately but an increase in my offer. Like sometimes if you give something away for free or if you -- if you add some stuff to it or if you, you know, do a combo deal, you know, sometimes, you know, if you -- if you give a bonus or something just to hype up the offer a little bit more, guarantee, you know, that will help you.

And then I'll retest, and then I'll retest it again, split versus the original versus before I start, smack it out in multiples of ten. But, you know, sometimes, you know, results are just so damn good, and you're just -- you're like, I don't even care if -- you now, I just want to mail this thing. You know what I mean? When I did a lot of my supplement, I made my supplement 59 bucks.

Why? I don't know. Because I figured I -- my letters cost me 60 cents to mail and 1 percent



is a realistic, you know, response. And 1 percent at 60, 60 bucks is broken down to 60 cents a letter. So I said, oh, what the hell, I'll do it at that price. I mean, I don't know, maybe 89 might have pulled more. I never price tested.

Russell Brunson: One question I have from a couple people is if they don't feel comfortable writing copy, when should they hire one, a copywriter, versus doing it themselves? Usually is there like a standard for that or –

Vincent James: Well -- well, basically, you know, it's funny because people hire copywriters that like two totally -- basically, you know, when guys are first starting out, and they don't have a lot of money, they usually hire -- they usually do it themselves. Then when they make a lot of money, they usually start hiring copywriters. And, you know, you would think it would be -- you would think it would be the reverse, you know.

And, you know, I -- I only hired a copywriter -- you know, I think I hired like Dan Kennedy once or twice, and I don't think I ever had anybody else write copy for me. But, you know, obviously if you have a lot of money and you want to maximize your chances of success, and you're new to this business -- let's say you're a successful day trader, and you've got, you know, \$100,000.00 that you want to mess around with, and you have the money.

Well, for guys like that, I would say, you know -- you know, I'd hire a copywriter before I start -- before I wrote my own copy, if you have the money. You know, I would -- I would hire a copy -- I would like to hire a copy -- and I don't just say a copywriter. I mean like Z-copy-writer. I -- you know, I wouldn't be hiring anybody.

You know, if you don't -- a lot of times, a lot of guys hire me that have money, and they have

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businesses, and they just say they don't have the time. You know, it kind of makes me feel like a housekeeper sometimes. It's like, you know, you don't have the time to clean your house, but, oh, I can clean your house for you. You know, they make you almost feel like -- like a housekeeper. Because they just don't have the time to do it or, you know, which is crazy.

But, you know, a lot of times people are insecure with -- they can't get enough security there to mail their own letter, you know, to -- to you know -- I mean, unfortunately as -- you know, you hate to say that, but a lot of people -- a lot of people that send me letters to critique, you know, they suck.

And, you know, these guys like, you know, that they mail -- they do direct mail or they'll place an ad, and it won't work for them, and they'll say the whole business sucks. And what I say is -- I say the business doesn't suck. You suck. You know, your words suck. The letter's not good. You know, you're falling in love with a product that, you know, is not a good product. You're not offering that the right way, or you know, direct marketing is so -- is to a point nowadays where you really can't make big money by just saying, hey, look, I have this, you know, arthritis pill. You know, MSN and whatever and it's arthritis pill, 59 bucks.

You know, you're not gonna -- you know, you have to have an offer, you know, and a sales package, like I said, that basically kicks them in the balls. You know, when they get it, they're like, oh, you know. It's like really -- you know, it's like really powerful, profound offer. I guarantee, you know, copy, package deal, you know what I'm saying?

And you just really -- and a lot of times a lot of beginners don't know how to get all that synergy going together so it's a real electrified package. But basically if I had to -- if you had the money, I'd hire a copywriter. I wouldn't just hire any copywriter. I'd probably hire me. No,



probably -- you know, and I don't even really like to write copy anymore to be honest with you.

I really -- you know, because I'm at a point where I don't really want to be hired to write copy anymore because if I got a -- got to sit and learn about a product, I'd rather do it for the pay out than do it for 15 grand or 10 grand or whatever, whatever your fee's gonna be. It's more worthwhile for my time to -- to actually get in the business, you know, than it is for me to sit.

I did a financial speculation course for some guy, and, you know, it was \$15,000 package. And, you know, it was like pulling teeth because I had to learn about all this, you know, 4x, and all this stuff. And I was like, oh, this is great, you know. It's just a lot of work.

Russell Brunson: Uh-huh.

Vincent James: I'll have to learn a whole new business. But I mean if it's a biz or if it's a -- or if it's like a supplement, yeah, I can back those out in like 10 minutes, you know, because I'm so used to doing them. But if you've got the money, you know -- if you've got the money, you know, it's best to -- and if you don't hire somebody, at least have somebody to critique the damn thing for ya. At least give it a once over to -- to fix it up --

Russell Brunson: Also --

Vincent James: -- when you want to --

Russell Brunson: Also if you -- people are always like where can I find a cheap copywriter? Well --

Vincent James: A cheap copywriter.



Russell Brunson: ____.

Vincent James: You know, that's another thing. Basically this is my theory with that. You know, people will place -- like it's not a lot of money. You know, people buy an ad in Maxim magazine, say -- let's say you've got a lot of money, 50 grand, and they don't think twice about spending the 50 grand to get in Maxim. But then they're gonna bicker with the copywriter for 5 or 10 or 15 thousand dollars? And it's like, that's like buying like a Malibu oceanfront lot is the ad in Maxim, and putting a friggin trailer on it. You know, what I mean?

The -- the space that you're buying in that magazine, that's your land. You know, that's your lot. You want to put the best built house on it because you know, I mean, you know, at least real estate, you can you can tear the damn house down and rebuild again. That magazine ad evaporates. You know, that next month, it's not like, oh, you still have -- oh, I have an ad in Maxim. No, you don't. You had an ad in Maxim. It's gone. The next issue's out. Forget about it.

And the same with -- you know, the same with direct mail. It cost you 3 cents to mail it. It costs you 10 cents to print it. It costs you, you know, a couple of cents to stuff it and seal and get the mail, you know. I mean, God, why don't -- why would you mail them dog shit when you could -- when you could put -- you know, when you could do -- you know, and cheap copywriter is exactly what -- you know.

Russell Brunson: Exactly what you're asking for.

Vincent James: You know, when your copywriter is struggling to pay his rent, don't hire him. There's a copywriter that, you know -- and there's a lot of other things I notice a lot of these so called gurus and stuff is that, you know, I have a saying, never meet your heroes. You



know what I mean? And I didn't get into this business to be a guru or whatever, you know, on how-to information.

You know, I basically did this for -- for ten years, and I came to a point in my life where, you know, I had a lot of this stuff -- a lot of knowledge in my head, and I used to go out to dinner with a lot of my direct marketing buddies. And we'd go out for dinner for four or five hours, and we'd be out -- you know. I know this guy -- one of the guys I met through Gary is this guy Chris that we'd go out -- he lived in my state.

And we'd go out to dinner, and we'd be closing down the restaurant at 2 o'clock in the morning. I'd get home. My fiancée would be like, which strip club did you go to? And I'm like, I didn't go to a strip club. Me and this guy were just rapping direct marketing the whole night. And, you know, I just -- you know, kind of stumbled upon there, and I wrote the book.

And then the book just kind of got like a little -- like a ____ kind of like a little brush fire, you know, amongst the people. And it's not like I don't promote it and, you know, I kind of just fell into the business. But like most of the people on the call who buy the book, I was in their position. I used to like, you know, think big Jay Abraham was a God and think, you know, Gary Halbert was God. And these guys must have been living the lifestyle. They must have Rolls Royce's and, you know, I mean, it's really good because, you know, to think that.

But when you start meeting them, you're like, holy shit, you're -- you're not who I thought you are. So I have a thing. Don't meet your heroes. And that's a lot of -- a lot of that's true with a lot of the copywriters. So this guy's copy -- you know, there's a guy -- there's a guy out there that everybody says -- there's two guys out there right now that everybody's screaming are like the best copywriters, and, you know, direct response, old school-style copywriters.



And, you know, I have a couple of clients that have paid the one guy like 15 grand for a letter. And I said how did it do? And they're like, oh, it didn't do good at all. And I'm like send me a PDF of it. And they sent me a PDF, and I'm like, holy shit, I can't believe this guy charged them 15,000 bucks for this thing.

You know, it's -- you know, and -- you know, so if you do go with a copywriter, you have to go with one, you know -- you know, like Joe Sugarman says, the best copywriters aren't __ America are the ones that you can't hire because those are the guys that are actually writing their own copy and, you know, doing their own stuff. The guys -- you know what I mean? If you make \$15,000.00 writing a sales letter, I mean, that's great. If you're such a great copywriter, and you're charging 15,000 bucks to write a sales letter, I mean, isn't it better to say, no, I don't want the 15,000 bucks. I want to write this thing for myself, and I'm going to make millions of dollars.

You know what I mean? That's my theory anyway. But -- when you're hiring a copywriter, you've got to make sure you hire the right one.

Russell Brunson: That's good. You had a chapter in your book you talked about -- it was the four reasons why people don't buy.

Vincent James: Yeah.

Russell Brunson: Can you go into a little bit about that? That was some neat stuff there.

Vincent James: Yeah. Sure. Yeah. Basically, when you break it down, there's four main reasons why people don't buy your product. And, you know, the first reason, obviously, is they don't



know of your offer. They don't see it. And this could either be in a magazine, that it wasn't an eye catching layout, or it could be in direct mail that you made it look like junk mail that they threw it out without really, you know, without really looking into what it is, or the post office threw it away or whatever.

So the first reason why is they don't ever see it. They don't even notice it, and that's just usually just -- you know, you're not -- you're not very good at getting attention. The second reason why they don't -- they don't buy is because they don't want it. And that's basically if you're targeting a poor list or if you're just selling a product that, you know, not a lot -- not a majority of the people want.

A third reason is that they can't afford it. And, you know, I think if a Ferrari 430 cost as much as a Pontiac Trans Am, I think the world would be full of Ferraris. It's not. Not because, you know, people don't like it. It's because, you know, they can't afford it.

Or another reason why they don't buy is that they -- they can't justify the price you're at. They might have the money to afford it, but they but they can't justify the price. I mean, you know, when I was in a pen store last night, and there's pens in there for 1500, \$2,000.00 for a pen. They're beautiful pens, I'm sure. I'd like to have it, but you know -- and I have to \$2,000.00 to buy a God damn pen, but I just can't justify spending that much money on a fountain pen that somebody's probably gonna -- I'm probably gonna misplace anyway.

And the final reason why somebody doesn't buy it is that they don't believe ya. And, you know, I've heard people say that they -- you know, they put an ad in the newspaper, and it says send me a dollar. I'll send you a thousand. And they got no responses because people don't believe it. And, you know, that's another big -- a big issue that you have to deal with, that your copy



has to raise objections and answer them in a way that, you know, could -- you know, you could convince your prospect into believing what you're saying is true.

So, yeah, you want them to see it. You want to make sure they want it by targeting it. You want to make sure they can afford it by not being too crazy with your price, but also making sure that, you know, if you mail a list, that people -- that mailing list, it will say the purchase price.

If you rented like Carleton Sheets' mailing list, it will say that his customers bought on average 360 bucks worth of product. So, you know, if you're over here with a \$30,000.00 product, you know, that's maybe -- you know, that's not gonna -- you know, if it's a \$300.00 product that matches what his customers bought, there's a good chance they could afford it.

And like I said, as far as believability, testimonials, money back guarantee, you know, some kind of credentials, you know, proof, before and afters, affidavits, celebrity endorsements, a review from a respected -- a respected source, you know. Like my -- because even with my book-type products, you know, the biggest plug on it was Gary Halbert said it was the most valuable marketing product ever put together. I mean, and that's a pretty powerful statement. I mean, I don't know how much people really think about Gary Halbert sometimes, but Gary Halbert's been in direct marketing back when his -- you know, his sales letters were engraved in stone, I say.

You know, that guy's been around for a long time. You know, I think Fred Flintstone's gonna be on his friggin mailing list. But, you know, so you know, a respected authority in the field that's used to help get believability. But, you know, when you break it down, it's pretty much four reasons.

Russell Brunson: That's cool.



Vincent James: I think if the book -- I think, my God, what do I have there? I have like 37 or 45 different ways to get the believability, and you know, there's many, many -- I don't even remember them off the top of my head, but there's so many different ways you could try to get more believability.

Russell Brunson: Okay. Let's go to the next section then. The next section, we talked a little bit about it earlier so I don't know how much we'll need to spend on it, but it's talking about having call centers and telemarketing people, you know, both people answering the phones and people calling out trying to make -- make sales on behalf. You know, it's your customer list or things like that.

Vincent James: Yeah.

Russell Brunson: The first was, you know, when should someone look into start using telemarketing in different areas of their -- of their business?

Vincent James: Well, basically, you know, as far as outbound telemarketing, meaning, you know, like -- like calling customer lists and trying to sell them products, I never really was involved in that. I tested it once, and I wasn't too happy with the results. I hired an outbound telemarketing company, and, you know, I -- my phone -- I made the mistake of not putting myself on a do-not-call list, and I swear to God, I get like 10 phone calls a night from telemarketers wanting to know if I want to refi my house and, you know, from a million things.

On a positive note, you know, to be getting those 10 calls a night, I'm getting a lot more telephone calls than I am getting direct mail nowadays so maybe there is, you know, a profitable medium there for certain types of offers.



I really don't think you can call them and try to sell a diet pill. But, you know, if it's something related to, you know, like the mortgage refinancing or something like that, I think it might be worthwhile. But I never did successful outbound telemarketing.

But as far as inbound telemarketing, meaning call centers and stuff and people call me, the only time I really used a call center is for nighttimes and for weekends, you know, out -- you know, when my company was small. When I test -- when I'm testing the new list or a product or something, I answer my calls 24 hours a day.

I mean, you know, if it's a direct mail project, you're only gonna get 10 days' worth of response anyway, and that's if you're lucky. You know, if you have a crappy product, you're not gonna -- you're gonna get like two days' worth of people calling, and then they'll never call you again.

So, I mean, basically, when I do my test, I'll make sure I answer my own calls 24 hours a day. I'll have somebody in my house or somebody I know, a friend or somebody who's close that I could let the phone ring in their house and throw them a couple of bones and have them answer the calls for me, and I can trust them as if -- you know, as if my life depended on it.

And then once you get good numbers, then you could roll it out a little bit. Yeah, I mean then you can look into taking a call center for the night calls and a call center for the weekend. You know, I mean, you know, I'm working with a client right now that I'm actually part -- a little bit on this project with him, but he wants to have a call center take all the calls.

You know, I'm not really crazy about that. But, you know, I mean -- I -- but if you do -- on another note, if you do TV spots, you're definitely going to need a call center unless you can ____ a place like I did because basically when my company started, we started with direct mail. We



went into -- we went into magazines, and then we went into radio and into television.

And I'll tell you, magazines are a steady flow of customers all throughout the day. Direct mail is a steady flow of customer calls all throughout the day. Radio and television, it spikes like you've never seen before. You could go, you know, five crawls a day throughout the whole day. Your spot hits, you get 500 calls. So when it comes to TV, you know, you might -- you might want to outsource that to a call center.

I mean, I didn't. I -- I had it all in house. But, you know, and the only reason why I had it all in house was because I was able to because I heard he had the existing company built off print and off direct mail. If it was straight TV, I mean, unless you're running TV spots throughout the day, I mean, if you're just doing it on a particular show or something at a particular time at night, I mean, it spikes. You're gonna need a call center for that.

Russell Brunson: How do you go about training people like -- I mean, even the most basic when you're training your friends who are answering your calls to training a big call center, do you have to give them scripts and things or how does that work?

Vincent James: No. Basically -- I'll tell you what I did. I'm working on a real estate product right now. And what I did is, you know, the biggest real estate guy right now is Carleton Sheets. He's all over television. He's -- and he had his calls answered at a company called West in Omaha, Nebraska, which sucks. They're horrible. They're a horrible call center.

So I look at his data card. His data card says he takes in 40,000 new sales a month for his real estate course off his \$9.95 trial. Now, what I did is I had my client call Carleton Sheets' order hotline and record it and basically, you know, they answered the phone. They say, thank you



for calling the Carleton Sheets no-money-down order hotline. Are you calling today to take advantage of the \$9.95 30-day trial?

And that gets them in a pattern of -- you know, if you -- because if you answer a phone, you don't say hello, how can I help you, because if you say hello, how can I help you, you're gonna get a question. You don't want a question. What you want is you want them to go directly into saying, yes, I'm calling for that. Okay, sir, and your name? And basically you want to be -- you know, you want to have -- you don't want the horse to be telling you where you're going. You want to be pulling on the reins, you know, telling the horse where to go.

Especially when you do like a call center because they're like robots, and they're not going to be able to know, oh, yes, sir, you know, you don't want to use this product like this or you want to do this or whatever. They're not going to get into the product like that, and they're not even gonna know.

So what I had him do is I had him call Carleton Sheets' order hotline. He recorded it and he transcribed it. And basically what we did was we took out everywhere where he talks about his product and talked about the product he has. And when you call his order hotline, they say, you know, are you calling for the \$9.95 30-day in-home trial, and you know, we just basically took his script.

Because, you know, I told him, you know, being that call center was such a poor call center, and if he could still generate 40,000 sales off that crappy call center that he's using, he has to have a killer script. So we just jacked his script and modified it for us. But that's what I usually do for like call centers. Because call centers, you've got to have them go by a script. You can't just have them answer the phone, hello, you know, how can I help ya. You -- it's a disaster.



You have to have a script for them. But if you're taking calls in house, you can answer the phone and say, you know, hello, you know, whatever the company name is, you know, how can I help you. And, you know, when it's in house, but when it goes to that call center, you definitely want a script.

And basically the way you train somebody is you just, you know, if it's in house, you just basically every question somebody might ask about that pill, or whatever product it is, you basically just have a frequently asked question sheet, and they train themselves basically right off the frequently asked question sheet.

And the frequently asked questions, you know, just like the internet, has to be part about the product, part about the shipping, part about the offer, you know, and just basically they have to know everything, and they just -- you know, they -- they train themselves by reading that -- that -- the frequently asked questions. And, you know, if a customer calls with a new question that's not in there, you know, make a note of it, and we'll add it to our frequently asked question sheet.

And, you know, after a couple of months of doing it, you're pretty much going to have every -- every damn question somebody could ask and you answer it, and I would say definitely the owner of the company should answer it. Because you can -- and then basically when the -- when the rep answers the question, you want to make sure they stick to the script and not have, you know, some of their own answer. But, you know, you'll just make a frequently asked question sheet, and you take it from there.

Russell Brunson: Are you taking -- what percentage of sales are you taking through the phone versus, you know, people mailing stuff back in from your direct mail or your magazine offers?

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Vincent James: Well, basically when I did my supplements, I didn't want any -- I don't want any check orders, to tell you the truth, because my product was basically sold, you know, 59.95, and it was sold with a -- with an automatic shipment. So I only wanted credit card orders. So I didn't even give them the opportunity to have an address to have a response ____ to have any of that.

Basically there's two ways they could have ordered. They could have ordered through the toll-free hotline, or they could have ordered through the internet. And I used to get about a 60/40 split -- 60 through the phone, 40 through internet, and which was really nice because I love the internet.

The internet is -- you know, I mean, the perfect business in the world would be a business that's advertised offline, generates traffic to the site, and the site captures the order. I mean, that would be the perfect business, I mean, you know. And sometimes I've used tactics like I'd make the bottle of pills \$69 when it's really 59, and I just jack the price up to \$69 for certain things. And I'd say, and you can save \$10 by ordering online.

And I'd get like 90 percent of my sales to go through my internet site, and the gross volume of orders would still be pretty much -- pretty much the same. And, you know, any time you don't have to have a big call room answering all your calls for you, I mean, that's just -- that's beautiful.

But, yeah, about 60/40. And, you know, when I first -- when I first started introducing websites to my -- to my ordering ____ because I used to have like a fax in that you could fax in your credit card information, and basically my website just took place of my fax in. And, you know, went from 80/20, and now it's like 60/40. And that was about a couple years ago. Probably right



around -- now it's probably about 50/50. I mean, when I do offers to people who bought my book, I'll get 80 percent to go through the internet and maybe only 20 percent to send a check in the mail so, you know.

Russell Brunson: Interesting.

[End of Session 3]



SESSION 4

Russell Brunson: This is part two of the – the teleconference with Vincent James. We started – we planned on doing it for – for three hours two weeks ago, and after three hours we only got about halfway through the questions we wanted to cover, so we're doing the rest of it today and hopefully another – another two or three hours worth of – worth of content will come out of that. I'm pretty excited. But, I guess to – to start we'll jump right in. The – the place we left off was about magazine advertising, and – and we discussed a lot about direct mail and – and ad copy and everything else at this point. So I guess we should jump right into magazines, and just find out exactly how you – I mean, you mentioned a story earlier about how you made the switch going over from – from direct mail to – to magazine. But could you say a little more about that about, you know, what it was that made you decide or if you had to change a lot of things to get into magazine or what the process was for you there.

Vincent James: You know, pretty much, when I – when I got started, I – I originally went to place a magazine advertisement. And, you know, I had my graphic designer, you know, make this – this display advertisement for me that obviously now that, knowing what I know now, you know, broke every – every rule of – every rule of direct response. But, and that probably, you know, when I discovered direct mail, I mean I discovered it by accident because I didn't – I didn't wanna wait for the three months for the magazine that I advertised to come out. And – and I just asked them if they had a subscriber list, and – and they did. But as far as, you know, early – early magazine ads or direct mail pieces, I didn't know any better, and I basically just made my ad onto like a – a coded card stock, like a oversized post card type deal. But – but nowadays, you know, I really don't think there's much of a difference between, you know, sales



letters copy and web copy and space advertising copy. I mean if it's – if it's gonna sell, it's gonna do it regardless of – of the medium. You know, I just needed I guess to lay it out to _____. I never – one thing I always wanted to try and never got around to doing it was actually printing – printing a letter in the magazine. You know, I think that would definitely be – be something that would – would get some attention instead of formatting it in, you know, 7" by 10", you know, three paragraph – you know, three – three column headlines, subhead paragraph, header type traditional editorial style layout. You know, I mean that's pretty much what I do is I just basically take my sales letter, and I, you know, figure a – a page – a page of whatever magazine I advertise is gonna take about a thousand – about a thousand words. So sometimes you have to edit it down. Usually you can get maybe like a three page – three pages of copy onto a one page magazine advertisement.

Russell Brunson: Mmm hmm.

Vincent James: And I always usually start with one page magazine advertisements from selling the product off the page. But, you know, it's three columns, you know, just like a New York Times article. And I basically just take the headline, and I – I put it on – on the ad – from the sales letter, I put it on the ad. Take the subhead, I put it on the ad, and then I just take all the body copy. I make take out the part that says dear friend maybe, and, you know, the thank you and the – and the signature at the bottom, or sometimes I don't. And basically they just run the copy in the three columns and hope I can get most of it to fit. And then some of the stuff I obviously can't fit, and I always edit that stuff out.

Russell Brunson: Mmm hmm. Do you put testimonials and stuff like that when you're doing magazine copy?



Vincent James: Yeah. Yeah. I mean I – I like – I like to try to fit – I like to try to – if I can fit ‘em, what – what I learned – what I learned is that _____ sales cup, you know, if I had a choice because – when you do direct mail, you know, you pretty much just – you just gotta worry about the weight of your piece being over one ounce.

Russell Brunson: Mmm hmm.

Vincent James: And, you know, you’re doing first class. On the Internet, I mean, my God. With the people on the Internet, you can have, you know I mean – did you ever see like that web site for like traffic secrets? It’s like 75 pages long.

Russell Brunson: Yeah.

Vincent James: You know, there’s – there’s nothing you can’t do. I mean you can have it as long as you want on the Internet, but when you go with – and the hardest places are TV and radio. That’s like the hardest because you have to fit everything in that 60 seconds.

Russell Brunson: Mmm hmm.

Vincent James: But, and a close second is space, and in space sometimes, you know, you – you want, you know – and the perfect spaced ad would – would have everything, testimonials, everything. But, you know, sometimes it’s just tough to fit everything in there, and, you know, I mean I don’t like to go below like 8 point type, 9 point type. I mean, you know, you’re getting real small.

Russell Brunson: Mmm hmm.

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Vincent James: You know, where a sales letter you might do like 10, 11, 12 point type, you know, with space _____ you could knock it down to 8 or 9 point. And you could fit a lot, but, you know, it's nice to squeeze a test – I mean any time you can fit a testimonial like, you know, I'm obviously gonna, you know, put it in there.

Russell Brunson: Yeah. One thing I thought was interesting in your book, you talked about how even if you could get color ads, you never would – would go after those.

Vincent James: No. No. I mean, well basically, I was in the magazine publishing business, and it's a hard _____ business to be in because I lost a lot of money in that business. But what I learned is that magazines are printed in what's called signatures, and they usually – I don't remember how many pages they were. I think they were like oh, 16 page signatures. And the way magazines are printed nowadays, but, you know, back in the old days, they'd be like black and white signatures and then there would be color signatures. And that's how, you know, when you go to place an ad in the magazine and black and white is \$10,000 and color is \$12,000, you know that's realistic because, you know, they'll just put your ad into the black and white signature, you know, that they're only printing black and white.

Russell Brunson: Mmm hmm.

Vincent James: And nowadays, all magazines are printed in color. I mean if you look at like a Maxim or a Cigar Aficionado or _____ Report, all those magazines are printed in – in color. So for a magazine, for a magazine company – for a magazine publisher to tell you that a color ad is gonna cost more than a black and white ad, that's not true. So I – I never pay for color. If they wanna give me color, so, I know. Sometimes I'm forced to take the color, believe it or not, because like I – I have a client. We just did an ad for Car and Driver Magazine, and it was a



full page editorial style layout advertisement, you know, black and white. And we were having a hard time getting the magazine – the advertisement approved for the magazine. None of the magazines wanted to run it. We went with – seven magazines we went to, and nobody wanted to run it because it didn't fit their style or, you know, saying about the editorial layout. And I'm – and I'm like, you know, I'd rather not place – place the ad because, you know, when you get sales, you know, they're not gonna give me the \$40,000 or \$50,000 back that, you know, they're idea of – of a pretty ad, you know, that that's gonna fail. You know, I'd rather have it pulled.

Russell Brunson: Mmm hmm.

Vincent James: So I was with a media purchasing company which I tried to buy – sometimes I buy my media through a media purchasing company, and they can sometimes get me a lower rate. And they said okay, Vince. Don't worry about it. You know, let – we'll – we'll lay it out for you again, and, you know, we do all the stuff for, you know – you know, little giant ladder system and all this stuff. You could – you know, they'll do your print ad for you. You just relay it out. So I said okay. I'll give you – I'll give it a shot. You lay it out and – and see what – see what it comes back like. And, you know, they laid this ad out and it – it was just so – it was – I – I was like amateur night at the Apollo. You know what I'm saying? I – I was so – I was so agitated because I waited a whole week to – to get this ad back, and – and it was just a mess. I mean it was – oh. I mean I don't know – you know, I don't know who they had to straighten it out, but it was just a mess. They cut up all the copy, and it was just horrible.

Russell Brunson: Hmm.

Vincent James: So I said, "Oh, hell no." I would never run that. I wouldn't run that with – with anybody's money. So what I did is I basically just said let me give this a shot now. I – I went back



to the original black and white advertisement that they wouldn't accept. And, you know, it wasn't risqué or anything. It was just for like an – a real estate investing course. It's nothing that, you know, it's – it's not like Adam and Eve adult videos or anything. You know, it's nothing.

Russell Brunson: Yeah.

Vincent James: You know, and then them not accepting them. I – I was just – I was amazed. So what we did is we just changed the – the four photographs to color photographs. We – we left all the body copy black. We made the headline red from black. All the paragraph header we made red. Instead of the back of the sheet being white, we just put a – like a 10% yellow screen. That's all it was. It was a yellow screen, red – red headline, paragraph headers, black copy and the color photograph. And we resubmitted it to the magazine, and they accepted it.

Russell Brunson: Hmm.

Vincent James: So where one guy wanted to reinventing the wheel at the media company to go producing a whole new advertising, we just threw a little bit of color in it and oh, now it's – now it's acceptable. But, you know, sometimes the magazine – that's the new thing I've been noticing is that they – they have a – they don't like taking the black and white. Or they, you know.

Russell Brunson: Mmm hmm.

Vincent James: They want the magazine to be pretty.

Russell Brunson: Other than that, do you ever –



Vincent James: I wanna make money.

Russell Brunson: Did you ever or do you ever do, you know, smaller ads, or do you always go just for the full page ads? And what would be the reason why or why not?

Vincent James: Well, usually what – what I've learned is that when you – when you're trying to sell something, you know, you need a thousand _____ a copy. I mean you're not gonna be able to sell, you know, you're not gonna be able to sell something off a classified advertisement or – or something like that.

Russell Brunson: Mmm hmm.

Vincent James: I mean when I do two step advertisements, I usually tell people to do like a one-third page box, like a square box. I mean there's one third page columns. I'm not really a big fan of them. I'd rather do like a one-third page box up in the upper right hand corner, and – and I usually do those types of advertisements for – for two steps.

Russell Brunson: Right.

Vincent James: But when it comes to – when it comes to actually selling on the page, I mean you have to go with a full page ad. I'd rather – a – a question I – I get asked a lot is that, you know, if they're budget – if your budget is slim, would it be better to place a full page ad in a smaller magazine, or a smaller ad in a larger magazine selling the product. And I always say it's better to go with the full page ad in the cheaper magazine provided, you know, the circulation. We're talking apples to apples here that it's not. You know, we're talking A, B, C. You know we're talking, you know, some kind of audited or some kind of verifiable paid circulation, not,

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you know, not the – not the weekly magazine that they give away the – down in the, you know, in the mailboxes or stuff, but it's a real magazine still. But I'd rather go with the full page ad in the – in the smaller magazine with less – less circulation, and then once I know that it works, I could step it up to the big magazine because, you know, even if you got it – if you're – if you're in a big magazine that has a lot of circulation, it's very expensive. And you go with small little advertisement, I mean, you know, it's better to have the – the full page. But what I usually do when I break into magazines is I'll start off – I'll start off with a one page ad. And if I get that one page ad to work, what I usually do is I usually bump it to a three page ad. And, you know, so it's a right hand page and then a left hand and then a right hand. So it's like a right hand and a spread, and usually you could fit about four to five pages of sales copy like sales letter style sales copy on those three pages. And that – and that's what I do. Most people like to take away from stuff. You know, I like to add to stuff. You know, people – I remember one time I had an advertisement that broke even, and I had this expensive graphic artist place laying it out for me, and it was only breaking even. And – and I asked – I said – I said to her, "What do you think I should do? It's only breaking even." She goes, "Make your ad smaller." I mean that's the opposite of what I would – you know, we – what we did is we, you know, we made the ad black and white versus the color and changed the headline and got it to do double over. You know, instead of taking away from things, and I like to add to things. If I've got a one page work – if I got a one page ad to work, I'm gonna push it to three pages. And sometimes if I've got three pages to work, I'm gonna push it to four. I mean I don't know. I used to run ads in Maxim that were four pages, and I had a – you know, I was giving away a Lamborghini on one page and – and, you know, we – we pretty much took a, you know, four page – you know a full two spreads, you know, left, right, left, right.

Russell Brunson: Well did you ad a separate – you know, like two separate ads, or was it one ad that ran, you know, for four pages?



Vincent James: Just this one big ad, one big ad. And, you know, I mean I – I have a thing against spreads. I never – I think nobody should ever do a spread. I – I’ve tested spreads so many times, and, you know, for some reason I seem – I – until now I used to – I seem to forget that spreads suck. You know? The cost you pay is as much money, but they only produce about 50% more orders. If your copy goes over one page, you know, go do a back page. So do a right page and then a left page. And if people wanna tear out – tear out that page, they could tear it out and they have your whole – they have your whole advertisement. But, I know – I hate to do spreads. I – I only do – like I said, if it’s two step, third of a page square, not a column. If I’m going to sail right off the page, full page advertisement. And the full page works, I usually bump it to a – to a three page advertisement. If I could – if one dollar can make me two, and if three dollars can now make me six, you know, I’m gonna – I’m just gonna keep going up until it stops. And I usually – I haven’t gone over four pages, but, you know, I’ve got four pages to make me, you know, eight.

Russell Brunson: Hmm. Now from those, would you – would you push someone to a web site to order or would you try to get them to call or both?

Vincent James: Well, some times I do a web – I usually do a web site. I mean sometimes I have – I mean a lot of the times I have to do a web site because I don’t want to have to handle all the calls in house, and, you know, and nowadays everybody’s got computers, so.

Russell Brunson: Mmm hmm.

Vincent James: And one thing I – I was – I was talking about on the last – on the last call was sometimes giving, you know, give them a bonus to go to the web site and order through the Internet, and, you know, you could – you could divert, you know, sometimes 80, 90 – 90% of your traffic to go to your web site.



Russell Brunson: Mmm hmm.

Vincent James: And anything you could take an order for free.

Russell Brunson: Yeah.

Vincent James: You know, that's one thing a lot of the Internet guys don't realize is that when you have the – when you have a call center taking the calls, it could get costly.

Russell Brunson: Mmm hmm.

Vincent James: You know, I was – I was talking earlier about how we recorded that Carlton Sheets order script.

Russell Brunson: Mmm hmm.

Vincent James: So we could basically model our script after it, and, you know, the recording was 11 minutes. That's how long it took the order taker to take the order, 11 minutes. And, you know, if you're paying a call center roughly 80 cents, I mean, that's almost \$9.00 just to take that order. And that's – a lot of the – a lot of the Internet guys don't, you know, it costs pretty much nothing to take an order over the Internet. You know, just submit, send, you know?

Russell Brunson: Yeah.

Vincent James: And it gets processed. But anytime you could – you know, anytime you could get away from the phones, and – and not hurt your response, I'm all for that.



Russell Brunson: Mmm hmm. Now it's when – in your advertisement in a magazine, would you put the price about that or would you drive them straight to the sales letter online to look at the price and find out about that do you think?

Vincent James: No. Actually what I did is the – the – my direct mail letter turned into my space advertisement.

Russell Brunson: Mmm hmm.

Vincent James: And then when you went to order, you could either order on the phone or you could go to the web site, and the web site was basically all the same copy. Just put on the site again, you know, just what a – what a, you know, click here to order button.

Russell Brunson: Mmm hmm.

Vincent James: And, you know, nice and simple.

Russell Brunson: Interesting. Now what are some ways that you do to – to track your ads? Obviously if you're spending that much money for an ad in a magazine, you wanna be able to – to track it and find out where – where the orders are coming from.

Vincent James: Well, that's the whole – that's the biggest – you know that's the biggest pool in – in direct response is being, you know, having the tracking devices. You could, you know, it – you know, even to this day, I'll put out 10 lists. I'll get three of them to work, seven of them to sale. You know, as an overall group, you know, it's a massive loss of money, but, you know, with three lists that – that worked, you know, they're – they're – they're money in the bank. But as



far as magazines, you know, there's numerous ways that I – I – I like to – I like to code my stuff. First of all, the most common one is a different 800 number. Every advertisement has a different 800 number.

Russell Brunson: Mmm hmm.

Vincent James: And, you know, that works – that works okay. You know, I – I really don't do that method that much because I like to get like my answers right on the fly and, you know, on a day by day basis. So what – what I do most of the time is I just have the phone operator ask them, you know, where they – where they heard of us from. And they'll usually say a magazine, you know, Car and Driver or Fig or Motor Trend or Entrepreneur Magazine or – or Jugs or whatever, you know.

Russell Brunson: Uh huh.

Vincent James: But if – if they – if they say they saw us in a magazine, you know, sometimes we'll try to ask them what magazine, but obviously sometimes if you're doing some – some of those adult magazines, you know, I mean, yeah, I saw it in, you know, Asian Fever. They're not really gonna be so quick. I just saw it in a magazine, you know? I don't know what magazine it was. It was some one. You know, so sometimes, you know – but most of the time surprisingly they'll tell you because, you know, because, you know, they'll just tell you where they got their order from.

Russell Brunson: Uh huh.

Vincent James: If you're doing like a mail in coupon because sometimes a lot of people like to



do mail in – mail in coupons of their space ad.

Russell Brunson: Mmm hmm.

Vincent James: And if – and if that's the case, you know, obviously just code the coupon, you know. But, you know, if it's 4116, you know, North Rodeo Drive, you know, Suite 436, Department RT, and RT would basically be department, you know, Road and Track and that – you would know RT. And you could do RT1, RT2. Every month change it, and RT2 could be – be February. RT3 could be March. And you could just code 'em like that. That's – that's a way I've coded it before, and even if you don't use a coupon and you just tell people that they could mail a check which not too many people do anymore. But, you know, you could even put, you know, send a check made out to whatever with the address and just put the code in the address line.

Russell Brunson: Mmm hmm.

Vincent James: And sometimes if you mess up all the way around, and you forget to put your – your code in your coupon and the customers are cutting out their coupon – out the coupon, and they're mailing it in or something – I use this technique like sometimes like, you know how I just said RT1, RT2, RT3. I really don't have the time to go making a new advertisement for, you know, if I'm in like 30 magazines, I'm not gonna have time to go spend that like 30 – you know, 30 new magazine ads every month to the – to the publishers.

Russell Brunson: Mmm hmm.

Vincent James: And I have a mail in coupon say, what I'll do is I'll just leave it, you know, department RT, but when the coupons come in, I'll look at the back side of the coupon and I'll be



able to tell me – it'll be able to tell me what issue it came from based on what – what's on the back of it.

Russell Brunson: Mmm hmm.

Vincent James: So, you know, just you know, this one month it might be, you know, a test message Viper or next time it might be, you know, a radar detector advertisement. Basically, I just flip it over and – and that's how I can gauge off the coupon.

Russell Brunson: Mmm hmm.

Vincent James: You know, and when the order on the Internet, you know, you gotta have a, you know, I usually just put a drop down on – on my order page that says, you know, "Where'd you hear about us?" and just like list all the different types of publications, you know, that I'm in. I mean that's not good for competitors and just go to your web site and hit your drop down button and find out everywhere you are, and – and sometimes it's wise to put, you know, some magazines that you're not in on there as well or some places that you're not.

Russell Brunson: Actually, some people set like a little mini web – or not web site, but like web page for each different thing also.

Vincent James: Yeah, that's a –

Russell Brunson: Like I saw some – in a –

Vincent James: That's another good idea. I mean as long as, you know, as long as it's like a – as



long as it's a, you know, like a – a decent domain name. I mean I probably would be against like putting like extensions like an affiliate like type extension like a forward slash, you know.

Russell Brunson: Yeah. Yeah.

Vincent James: Having a TV commercial. Order online at, you know, abc.com/x9456.

Russell Brunson: Question mark.

Vincent James: And a question mark. (Laughter)

Vincent James: What was that – what was that domain again? You know, so.

Russell Brunson: I actually saw something in a classified ad.

Vincent James: You see – you see a lot of guys on TV doing that right now. It's like, you know, learn how to make money at home. Log onto this site 5moremoney.com or 2 – 2getrich.com or whatever name, different domain names for every channel.

Russell Brunson: Mmm hmm.

Vincent James: And that's fine as long as you're not trying to build a brand or something. I mean if you're trying to, you know, which I advise against, but I mean if you're like so like En-zyte or something. You know, he has www, you know, .enzyte.com, and he's not gonna be, you know, making different domain names. You know what I'm saying?



Russell Brunson: Yeah.

Vincent James: That – he’s trying to brand his name in people’s head, so – so, you know, each – each situation is unique.

Russell Brunson: Let me ask you why – how – how come you don’t suggest building a brand name?

Vincent James: What – what was that again?

Russell Brunson: You just said that you wouldn’t suggest someone building up a – a brand name.

Vincent James: You know because, yeah, it’s about selling. You know, I mean, you know, I – I – you know, when I usually sell a product, if I – if I’m lucky enough to build up, you know, a brand name behind it, it’s usually just like a byproduct of – of me just marketing the main product. I mean that’s the biggest thing, and – and I’m not, you know, I had the word, you know, branding and stuff because that’s like – that’s like traditional institutional advertisers how they justify advertisements that are – that are – that are worthless. You know, that they’re branding and, you know, they’re keeping the name before the people. You know, I’m totally against that, you know, but – but, you know, I mean sometimes, you know, I mean it’s just nice. I mean it’s like I said, if you have a dietary supplement say like HydroxyCut, and, you know – your brand name, believe it or not, is – is gonna – if you get large enough is gonna help you in – in selling, you know, from, Joe’s – Joe’s Fat Burner, you know?

Russell Brunson: Mmm hmm.

Vincent James: So – so sometimes branding is, you know, it’s just the popularity of the product.

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It's – it's like a byproduct of – of a successful product is, you know, and if you're doing stuff on TV like Enzyte, for example, you know, I mean every time he says, you know, Enzyte, Enzyte, Enzyte. I mean he's – he's branding regardless if people are buying or not, and, you know – you know, if it's a, you know, different web sites or something, you know, sometimes you like to keep it all the same so you could get like – if they're not buying, at least you can put an impression in their – in their head to remember – to remember the product. Maybe they'll – you know, they'll tell a friend about it or something or – or whatever.

Russell Brunson: Yeah.

Vincent James: But, you know, I'm – I'm not really so much for – for branding but, you know, if it's a – usually it's just like a byproduct of a successful promotion.

Russell Brunson: Mmm hmm. That's interesting. Now you in – in your book, you talked a lot about different things you can use to increase people actually reading your – your magazine ads and your layouts, and what are some of the things that – that we can do to make sure we – we absolutely, you know, are increasing our readership?

Vincent James: Oh things to make it – things to make it stand out? Well – well definitely, you know, you need a – you need an editorial style layout. You know, I mean that's – that's, you know, that's probably the most important thing that I – I won't run an advertisement if it's not like an editorial style layout. And editorial style layout, I mean like if you pick up a New York Times magazine – newspaper, you know, pretty much what the New York Times looks like.

Russell Brunson: Mmm hmm.



Vincent James: You know, they – you know, New York Times has been around, you know, for, you know, what? A hundred years maybe? I don't know how long they've been around, but they've been around a long time. And – and the style of their – you know, the layout hasn't changed. I mean that's because it works.

Russell Brunson: Mmm hmm.

Vincent James: So I like to make all my advertisements, you know, as I said if it's a – if it's a one-third page, it's usually a two column ad with a headline and a subhead. And, you know, sometimes you could put like ugly things like dotted lines around it like a cut out coupon if it's a – if it's a fractional advertisement like a one-third page. Sometimes I like to put like a dotted line like it's – like it's meant to be cut out, and that'll make it stand out from the page. But I don't do reverse type. You don't do, you know, white type on a black background, you know. That – that's impossible to read that stuff, and there's also been studies on like comprehension that people have been forced to read regular copy and then forced to read reverse copy, and they were given tests after, you know, after – after they read it. And the comprehension level was with half of what it was for the people who read the – the, you know, the black letters on – on white copy. So, you know, I – if you're gonna do a screen on the back of an ad, make it a very light screen, you know, 10% of something. You know, 10, you know, 10% of yellow or 10% of – of like a pink or – or something just to make it sometimes have a little bit of color. I usually don't like to do it at all. You know what I mean? Like I said when you read a New York Times, they don't have screens behind their – behind their copy. It's basically just straight out, you know, copy on white paper.

Russell Brunson: Yeah.



Vincent James: But sometimes you could use a photograph – a photograph in – in a magazine advertisement. It – that’s especially powerful when it’s a photograph of a woman. I mean if I – I mean everybody’s seen that ad in all the business opportunity magazines that says, you know, “Use me and get rich,” and it has the picture of the lady on the hood of the Cadillac.

Russell Brunson: Uh huh.

Vincent James: Yeah and – and that ads been running for like 20 years.

Russell Brunson: Really?

Vincent James: You know, so it’s, you know, a photograph of a woman if it’s written by -- you know, if it’s written by a woman or, you know, there’s some way to fit a woman into the – into the advertisement. Sometimes if it’s like some kind of a dog collar – if it’s a product like a man – like a man being the author of the product or the creator of the product, and if he’s, you know, pitching success, you know, have him sitting on a, you know, a Bentley or something or a Rolls Royce. When I – when I did my first book advertisements in like 1995 for my first direct marketing book, you know, I had me sitting like on the hood of a Rolls Royce and – and it said – the caption said, “I make millions, yet I still don’t have a job.” And, you know, just the photograph will sometimes, you know, increase response. You definitely wanna have a right hand page placement in a magazine. I’ve noticed if you have like a left hand page, you know, your response could fall off, you know, greatly. So you definitely wanna be on the right hand page.

Russell Brunson: Do you request that when you’re doing them, or?

Vincent James: Yeah. What I do is I just – I just say RHP only. Like when I make them the



.pdf file, you know, I'll just put RHP only. RHP only. I put RHP everywhere. You know, I mean, _____ everything, and they'll say, "Oh, we can't guarantee it." You know, but just say it everywhere, and, you know, somewhere down the line, you know, they'll put you on a right hand page. I mean I would never pay extra for a right hand page.

Russell Brunson: Mmm hmm.

Vincent James: But, you know, sometimes like I – sometimes people set themselves up. They're on the left hand page. A couple of months ago, I had a guy send me a copy of his ad for a critique, and it was a direct response advertisement for some kind of newsletter or something. And he had his coupon on his lower left hand corner, and I said, "You know, if you put a coupon on the lower left hand corner, you're setting yourself up for the magazine to put you on a left hand page because on a right hand page, I mean, how are you gonna cut a coupon out that's in the gutter?"

Russell Brunson: Mmm hmm.

Vincent James: You know, it's in the gutter of the magazine, so you have to, you know so he says what do you think, you know, just by putting your coupon, you know. And that's – if you're doing a coupon, stick it on the right hand side. I mean a magazine's definitely gonna, you know, they're not gonna be like, oh, you know, we're gonna stick this guy on the left hand side it – you know, it's kind of – yeah, you definitely wanna be on a right hand page and editorial style layout. And you gotta have a powerful headline. I mean back to the newspaper example. When you pick up a New York Times, other than being broken up by the classification of like a business section or an entertainment section, that other – putting that aside, the only thing that's gonna – all the copy looks the same. All the body copy is identical, you know, from a glance. It just



like words – letters and words.

Russell Brunson: Mmm hmm.

Vincent James: What brings you into an article is always gonna be the headline. So that's, you know, that's why headlines are so important because, you know, I mean if you have a – a bad headline, you know, I mean I've – I've changed a headline, and I've doubled the response. A funny story I – I had this advertisement in – in like a – I think it was in Motor Trend Magazine. And, you know, and it was breaking even. This was for my – for my car stereo membership club when I first – the first advertisement for it, and it was just breaking even. And I was – I forgot what I was – I forgot how I got it from J – Jabraham, but, you know, you tell me about this headline that he just did for this – for this woman's line of purses or – or something. I forgot what it was about, but the ad basically said this is the envy. I had to cancel last month because we so them so fast, and it was just a good vague headline. This is the promotion or this is the ad. This is the letter. This is the web site. Whatever. This is the ad we had to stop running last month because we sold out so fast. I just thought it was a really cool headline, and I mean, yeah, we – what's to say you sold out so fast or, you know, whatever. But, you know, so I just took his headline and put it on my advertisement, and I – it doubled the response of the advertisement.

Russell Brunson: Wow.

Vincent James: And just by one single headline. And what I've learned with that, when I can make that headline on – on all different types of stuff. It's still – it's still a pretty damn good headline that we could be fit pretty much on anything. You know this, you know, this is the promotion we had to cancel. And it doesn't have to be last month. It could be three months



ago or two months ago. You can customize it like that, but.

Russell Brunson: Mmm hmm.

Vincent James: You know, every time I seem to use that headline, it seems to increase response. Sometimes I double.

Russell Brunson: Hmm. That's awesome. Do you ever do covers of the magazine?

Vincent James: I – I never did a cover. I always wanted to. I mean I'm not so – I'm not so much interested in like the front cover, inside the front cover or inside the back cover. I always wanted to do like the back of the magazine, so it's like everybody sees it. I mean I – I've heard a couple of stories about, you know, that being a very powerful place to be. But, you know, it's – it's hard to get those positions sometimes with – with a direct response style advertisement.

And, you know, if the magazine will let you do it. I mean and they're not gonna – sometimes the price – you know, sometimes the price you can't justify it. It's like double the price for a cover.

And they have cover – I think it's called Cover 2, Cover 3, Cover 4 it's called. And obviously Cover 2 is the inside front. Cover 3 is the back inside. Cover 4 is the – the rear of the magazine.

But, you know, I – I don't – I don't think a lot of magazines wanna put like direct response style editorial style copy on the – on the back covers of stuff. But – I can only imagine, it would probably – it would have to do better. I mean, you know, but I never did that.

Russell Brunson: Yeah. I met a guy actually in the seminar in Phoenix who runs the back cover



of Small Business Opportunity Magazine every month. And it's funny because I – I looked through his – his ad, and I've seen it running for like 15 years, and I actually met the guy and then I talked to him about it. And I went home and looked at his web site, and it took me about – about 10 minutes of searching to find the order button on his web site. And he still said he was making, you know, it's like a \$3,000 product, and every month he's making like eight or nine sales from the – the back cover for this thing. And it's just the sales letter's horrible. The sales – I couldn't even find the order button.

Vincent James: Wow. I know I love – I love circumstances. I love listening to stories like that that people survive and make money in spite of themselves because, you know, when – when you know – I know, and they bury their button. You know, they bury their button or something that you're like my God, if you just, you know, and that's – which creates opportunities for – for people who are experienced, you know, at marketing that they could, you know, they could basically do something very similar to what they're doing.

Russell Brunson: Yeah.

Vincent James: And – and fix what they're doing wrong, and even – and even trump – you know, trump them and make even more money, but, yeah. So I guess the back – the back cover. Yeah, this is – you know, it's a powerful place. It's a powerful place to be.

Russell Brunson: I think you made a good point though that I doubt they'd let you put just a normal, you know, direct sales type thing there. I don't know. It'd be interesting to test that and see. I'll have to try that and let you know.

Vincent James: Yeah. No kidding.



Russell Brunson: So, now with magazine ads, I mean, do you just run them until they're not effective anymore or do you have a timeline or what's your – your plan with that usually?

Vincent James: Usually what I do is I run a magazine advertisement until it doesn't – it doesn't make money anymore.

And I – I track 'em every month. Every issue I track, and I track, and I track, and I track. And all, you know, you can – sometimes you can spot a trend. You know, magazine advertisements aren't gonna fall off, you know, the next month usually. Usually it takes two or three months, so if you've got, you know, when I used to advertise in Maxim, I used to get like 13,000 orders off my four page ad just off that one issue which was a lot. Then, you know, a couple of months later you would notice that it, you know, 12,500, 12,00, 11,700, 11,500, 11,000, and you knew like my break even point was like 3,000. So I made a good 3,000, so I had a long way to go before I had to worry about, you know, not making any kind of money.

But, you know, you usually could revamp and ad with a – a new layout, a new headline, just changing things around sometimes. But, you know, the biggest – the biggest thing about magazines is that they don't – if your advertisement is really, really big in the magazine, you might be sucking out too many – too many sales. You'll be sucking out prospects faster than the magazines bringing new people in.

And, you know, like – like if you have like a – if I had like a one page ad say like in Maxim and there was two and a half million circulation, I mean I could probably run that ad for a year straight, you know, two years maybe without even changing it.

But if I ran my three or four page ad, you know I'll be sucking people out of there faster than



Maxim's putting new subscribers in, so my hat'll fall off quicker.

And, you know, that's what like me and Gary talk about sometimes is that, you know, sometimes we place an ad, then we suck all the people out in a month. So, you know, you might make a lot of money, but you'll regret it like two months later. And it's like what happened to all the people?

Russell Brunson: Yeah.

Vincent James: You know, we'd be – we'd suck 'em out too fast, but, you know. I guess –

Russell Brunson: Interesting. So that's like finding ads that are too small, you think? Or is it just, you know.

Vincent James: I don't know. I don't know. I think, like I said. I think if a magazine, you know, there's only a certain amount of people in a magazine that – that are – that are willing to buy your product, and – and, you know, if you're sucking out like, you know, you could suck out maybe three months with – if you have a one page ad, you're doing okay. You know, and maybe you're sucking out, you know, pound for pound one person for every one person that they bring in that's qualified.

But, you know, when you've got like a three page ad, you might be sucking out three to five people for every one that they put in.

And therefore, you know, you'll burn the magazine out quicker. But sometimes you have to because, you know, I go to _____. I'm gonna write a one page ad, and – and I don't want it



to burn out too quick. You know what? It's – I'm not gonna say _____, but there's gonna be a good item comes and knocks it off. And you're gonna have three or four people in their knocking you off to – that'll – that'll glad – that aren't gonna be concerned about sucking up your, you know, sucking out prospects too fast, so. That's the one thing about magazine advertising. You know, direct mail's a secret. You know, there's not too many people that, you know, you can do that and remain, you know, at a slow, steady pace. But when you come out with a magazine advertisement or a television commercial or even a radio spot sometimes and it's making money, I mean, you know, if you stutter or stumble, I mean there's – there's gonna be somebody there to get, you know, with their knife and their – their knife and their fork and their – and their – and their bib, you know, and their shirt just waiting to – waiting to tear it – tear into it and suck it out if you – if you stutter or stumble. And that's why when, you know, when you have something that works in print, you've gotta run like a mother with it and – and put it everywhere, and just, you know, max – maximize it as fast as you can.

Russell Brunson: Mmm hmm. Cool. Well, that covers most of the questions I had about magazine advertising. Is there anything else that's really important that we should be looking out for that I hadn't covered?

Vincent James: Basically to sell magazines, I mean, another thing that I noticed with magazines is sometimes if there's like a biweekly magazine like say Rolling Stone, for example.

I never was able to get like a weekly or a biweekly magazine to work. When I used to advertise in Rolling Stone, if I advertised once a month in it. I mean basically every other issue, I could get it to double over. But when they – they kind of like finagled, you know, the old – I would run every month – every issue with them which was every other week, and by me running every other week, I was only able to break even. So – so sometime, you know, basically magazine ads

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need a good 30 days to, you know, to cover their costs. And, you know, that's how I gauge a magazine advertisement. You know, I wanna be – I wanna get my money back and then some, you know, before the next issue comes out obviously because that's how I gauge if it was a success. Or if it wasn't, you know, I – I want my money back within 30 days. And sometimes, you know, when you have something very profitable like, I remember like Maxim, I used to break even before the even hit the newsstands. So they'd just go out for like the subscribers, and, you know, the subscribers would have it for like a, you know, four or five days, and I would get all my sales to break even within those, you know. By the time it hit the newsstand, I was already – I was already in – in the black. So, you know, you wanna make sure your – your ads, you know, before the next one comes out, you wanna make sure you have your money back, you know, at least broke even if you have a strong back end. And, you know, I mean there's tons of other stuff about magazines, you know, with SRD, ABC or what they did. You know, you wanna make sure that your – that what you're paying for is really what you're paying for. You know, magazines will say, you know, we had 300,000, you know, 300,000 people who read it. I don't care how many people you have reading it. You know, I mean, these magazines are such – such scam artists sometimes they'll count how many eyeballs, and they'll double the readership because there's two eyeballs looking at it. (Laughter)

You know, and they'll do anything to – to make that cost per thousand seem low or their circulation seem high. But when you're in like a large magazine, there's ABC allotted, which is basically like an auto bureau circulation is – is what the ABC stands for. And – and any large magazine is gonna spend, you know the \$80,000 or the \$100,000 whatever it costs for ABC to audit their circulation. What they do is they're like a third party. It's like the USDA of – of magazines, and they'll come in and they'll basically just certify that your circulation is what it is over a three month period.

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And, you know, I mean sometimes some smaller magazines, you don't need that. But, you know, you only wanna – the question – the magic question you wanna ask is, “Paid copies. How many paid copies?” Not how many copies, not how many readers, not how many eyeballs. You know, not how many – you know, there's 100,000 paid copies, and they – they do a survey on 10 people. And the 10 people say oh, three people in my household look at, you know, Razor Magazine that I – that I subscribe too. Well, then Razor goes oh, you know, we only have 100,000 paid copies, but we have 300,000 readers because an average of three people in a household see it. That ain't gonna help me. I mean I think that – I think that's boloney to begin with. So basically the most important thing when you're buying magazine space is how many paid copies.

And then you wanna know how many, you know, how many news stand versus subscription, but the most important question is paid copies sold. And then when you sell – when you're selling like on a full page basis like what I do is I just says \$20 for every thousand page circulation. And that's how – that's – that's like my benchmark. So if an ad – if a magazine has 100 – 100,000 paid circulation, and I have a full page in that, I only wanna pay about two grand. And if I can pay you less than \$2,000, even better. I mean, you know, I've bought Maxim for \$14.00 a thousand. You know, sometimes I have to go up \$25.00, \$26.00, \$27.00 per thousand. But what you wanna do is when you place an advertisement, say if you're in a – a million circulation magazine with a full page ad and you paid \$21.00 a thousand, so your ad costs you \$21,000, and you did double over on it. So basically you have some kind of a mathematical figure now that you can go base future buying decisions on. So if you're at \$21.00 a thousand and you're doubling over, that means you, you know, if you go to the – if you go to another magazine that has a similar demographic and a similar – and you know they're paid copies, and they're at \$19.00 a thousand, that's good.

You know, you wanna keep it all in the same thing, but I mean I've had products that I could



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have – I could have paid as much as \$40 per thousand and broke even on the front end which is next to impossible based on a full page. You know, I mean, you know, I tell people being – be with – be between \$20 and \$30 a thousand, and if you can get, you know, obviously less than that's better. Anytime you get below \$20 per thousand paid circulation based on a full page ad. You know, if you, you know, because the lower you pay, the easier it is to make magazines work. And, you know, I have a theory that I say all magazine ads and all products are successful in magazines when advertised in magazines. It's just if you paid – if you pay low enough for the advertisement, any product is successful. I mean if it's a free ad, you could be selling that nobody wants. But you know, a couple of say – see the ad, you could say it was profitable.

Russell Brunson: Mmm hmm.

Vincent James: So the biggest secret to getting direct response magazines to work is to pay as least – as less as you can possibly pay, you know, based on paid circulation.

You know, there's been – and I think in the book there's like 20 different ways you could – you can get down on price, but, you know, between, you know, frequency discounts, prepaid discounts, contracts of, you know, 12 times, a direct response rate, having your own in house advertising agency and claiming the 15% discount. You know, there's tons of – tons of different tactics you could do. I really don't even use the tactics anymore. Basically what I do is, you know, the book's a million – a million two of paid circulation. I know the max I wanna pay is \$24,000. It probably went at \$14,000. And half of them like look at my like I have two head, and we'll, you know, we'll try to get it below, you know, \$20 a thousand. And then I know I have a fair chance of – a fair chance of – of getting it to – getting it to work for me.

Russell Brunson: Interesting. With your coaching _____, I'm gonna talk a little bit more at



the end of it. When you're helping people, do you help people get stuff like that, get their rates down and stuff?

Vincent James: Oh yeah. Oh yeah. I mean basically, you know, if they – if they – you know, and that's the thing that happens to a lot of people that are new to the business is that, you know, somebody who – you know, an experienced sales rep and, you know, especially in magazines and stuff and, you know – you know, there's a lot of – there's a lot of tricks and a lot of, you know, brushing stuff under the rug and stuff like that that an inexperienced person or somebody who's new to that is not gonna know so much. You know, and, you know, and as far as on – on the coaching stuff, I mean I've – pretty much I've been down most of the roads already. Like most of the magazines that are out there, I've advertised in so I know – I, you know, I – I have been there before. I could tell you what – I could tell you if they're a good kisser or a bad kisser since I've been there already. So, and you know, that's – that's the type of stuff that – that comes in handy with that is because it's very expensive to learn everything, you know, learn everything the hard way.

You know, you know I advertised in a – in – in these body building magazines or any kind of magazine that was in the – let's just say the circulation was 300,000. Now I'd know I'd get like 200 orders for every time I'm in a 300,000 circ magazine, right? So there was another magazine called Razor, and, you know, I – I looked at it on a newsstand and I'm like this is a piece of garbage, this magazine. This is a horrible magazine. I couldn't run – I don't even understand how the magazine is still, you know, still on the newsstands all these years. It's a horrible magazine. I mean, I have never met another Razor reader in my life. You know, I've never seen a copy in anybody's house. I've never seen anybody reading it at the news center. Horrible magazine. So if the – the rep was saying to us, oh, we have 300,000 paid circulation. And, you know, we have 200,000 subscribers. And I'm saying how the hell do they have, you know, 300,000. I'm like



why? So I advertised in it, and where I would normally get 300. I normally would get like 200 or 300 orders for that 300,000 circ. I got like 15 orders maybe.

Russell Brunson: Hmm.

Vincent James: You know, so obviously they lie about their circulation. Their – their paid, you know, their paid subscribers. I don't if they have, you know, I don't know if somebody made a list of 300,000 people and gave them a penny for each one and – and sent them a check and – or whatever to get 300,000 paid – 200,000 paid subscribers, but. You know a lot – there's a lot of places like that. Even with mailing lists. You know, the – there might be a mailing list that they look great on the data card, and you know, it's the guy with a phone book – a phone book and Xerox machine. (Laughter)

You know, and the only way you'll – the only way you'll learn that is that A, you know somebody who – who's done – who's went through that list or knows of that broker or that manager. You know, or you can go spend \$5,000, \$6,000, \$7,000 mailing – you know, mailing your sales letters to it and, you know. My thing is – is that, you know, for the \$5,000 there's, you know, you're gonna crush it by \$50,000 in – in mess ups just, you know, just to, you know, to know some of the stuff and. And just to shortcut ya.

Russell Brunson: Yeah. Well, cool. That gets me excited about magazines for sure.

Vincent James: Yeah. No kidding.

[End of Session 4]



SESSION 5

Russell Brunson: I guess we should jump right into television then 'cause that's kinda the next step I guess normally in the progression – isn't it, after direct mail to magazines and then on to television, right?

Vincent James: Yeah –

Russell Brunson: Now –

Vincent James: Well, I mean – and basically, you know, that results into a bigger – into something bigger and what – you know, what it starts off with is most people start off on the internet because you can throw up a website for free. You know, if you know what you're doing or – small amount of money and drive some traffic to it and get some affiliates and – and that stuff's great, but you'll hit your ceiling real quick there, is what I noticed. Like if I – you know I can – there's only so much you can make. I mean a lot of these guys that go around – you know, they made a million dollars in a day and they think they're the king of the world and stuff it's – you know, but there's – you know, come on. You know, what ever. I mean – you know, you hit your ceiling real quick on the internet, which is great though.

I mean the internet's great. There's no other place where you can make money for free. I mean that's what I love about the internet. You know, you get on a conference call, a tele-seminar and you know, knock, you know, 7, 10, \$15,000.00 in sales for an hour on the phone for free, it's great – but you know, there's only so much you're gonna go.

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You're not – you know, I have a client that does \$10 million on the internet and I have a friend who makes about 20 on the internet, and those are like the – you know, meeting direct response file, like who we're doing. You know, selling like an e-book and then like back-ending the hell outta of 'em or selling a course and back-ending the hell of outta 'em with e-mails and joint ventures and stuff. I mean I really – you know, this – you know, that's like a Ferrari on a dead-end block to me. So – but once you get going on the internet, you obviously go to direct mail and you know, that's the next form – the next evolution of direct response in my opinion and you obviously run out of lists sooner or later.

There's only so many you're gonna mail. You know, like bottom line at board room reports, you know they say they mail like 50 million – 100 million letters a year. I have no idea where the hell they can get 100 million letters from. That's like 2 million letters a week. I mean I – I mean they must be mailing the same things twice or something because – I mean I don't know where they would be gettin' a 100 million names that they actually can get the profit for them, you know. The most I've ever got to profit from doing direct mail was maybe 400,000 to 800,000 hotlines, and that's why I say hotlines are so important because you know, to keep finding new lists it's – oh God, it's a pain.

So if you can find one list that works and works and works and works every month for ya, you know, it's sort like an auto-ship, but on the front end. You know what I'm saying – 'cause as long as they continue to give you new names, you know, that's – what ever – you have a business, but the most I ever got to work for me in a – on direct mail's between 400,000 and 800,000 a month, which is a lot – that is a lot of letters still. You know, that's mailing 200 – that's mailing 100,000 to 200,000 letters a week, you know, which is a lot. But that could probably get ya 20, 30, \$40 million dollars. If you wanna take it to the next step you gotta take it to print.



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You know print is where – I probably made up to \$75 million in print, and print's nice, but again you hit – there's only so many magazines you can go to and there's only so many places. But what I learned is that the most powerful – the most powerful, like seriously powerful, like knocked me on my ass type response, has been television. I mean I never seen anything like it before. I mean when I had my nutrition companies in full-force, I was doing probably about 30,000 sales a month from all my magazines ads.

Ok now, I had 4-page ads – these weren't like fractional, these were full 4-page ads in Maxim and Stuff and FHM and Esquire and GQ and Playboy and Penthouse and Car and Driver and Automobile, everywhere! In Muscle Development, Muscle and Fitness, Flex, Iron Man, every magazine you could pretty much think of, these massive, massive, massive advertisements. I brought in 30,000 sales which is phenomenal, but I had one 60-second spot that I'd run four – three to four times a night for six nights a week; Monday; Tuesday; Wednesday; Thursday; Friday; Saturday; not on Sunday. Monday through Saturday within a one hour period so on – it was on a – this was before there was the Spike channel and all these motorcycle and car shows and cool stuff that's out there now.

The only like real men's show I had that I could advertise on was the Howard Stern show. That was the radio show that they used to show on the E! network on cable, and he used to come on at 11:00 to 11:30 and 11:30 to 12:00, and I'd advertise two spots in the first half hour, you know, it – I think it had four commercial breaks, and I'd want the first commercial break, and the third, and the first and third, and that's pretty much how I think I wanted it and if I was lucky I got those, you know, that's how it worked. But always would want three to four spots a night and just from those three to four, one minute spots – so a total of four minutes a night – three to four minutes a night, six days a week.



I brought in 10,000 orders a month. 25% of my, you know – ‘cause I took in 40,000 total, and of that 40,000 a full 25% or 10,000 just came from those three to four one minute spots. You know versus, you know, quadruple page ads in Maxim and Stuff all month long, which is amazing. You know, like I said, my drawback there was that I was, you know, I – my product was like a male enhancement product, like an enzyme type deal and they didn’t have a lot of the channels, you know, that they have nowadays, that I’m not around anymore, you know, he could run and he could \$300 million a year, you know. (Laughter) You know, but what ever – but I – yeah, TV is the – is obviously the next evolution – the next step up –

Russell Brunson: What maybe makes a lot of people nervous about TV as this – I mean obviously there’s a lot of costs about – so maybe we can just kinda break it down and first –

Vincent James: Well, it doesn’t cost – yeah, it doesn’t cost that much. Everybody thinks it costs so much money and that’s what I thought. I’m like – ‘cause everybody hears about the God damn Super Bowl and everybody thinks a 30-second spot for \$2 million and that’s the farthest thing from the truth. I know people that place infomercials for \$2,000.00 –

Russell Brunson: Really –

Vincent James: Coast-to-coast on late night cable, you know. I mean when I used to run my spot, my spot was \$3,000.00; that’s all it cost me for each spot. You know, so I ran four, it cost me \$12,000.00 in theory, but I got a 15% agency discount because I – you know, I said I’m acting as my own in-house advertising agency and I get 15% off so I was paying – I think I was paying \$2,550.00 for each spot. So if I ran four it was like \$10,000.00, but those – but that \$10,000.00 was bringing me in like 400 ordered at \$60.00, you know \$24,000.00. So I’d do like double over on the front-end easily, and then I’d have my back-end auto ship. But – you

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know, it was just – you know, when you take the 400 orders a night, you know, on average of 28 days – 27 days, I mean that's how I came up with – that's how I got the \$10,000.00 a month I was bringing in but it's really not that much money. I mean we shot our commercial for like – I think we shot our commercial for like \$9,000.00 (Cross Talk) –

Russell Brunson: Did you hire somebody to do it or did you do it yourself?

Vincent James: We actually hired a – there's a lady that – I think her name's Renee Roland, Renee – and she's in Los Angeles. I don't have her number 'cause I haven't used her in a couple of years, but I mean if you like Google search or try and look her up, you probably can find her. But she shot my first commercial for – I think it was either 9 or it was 14, 'cause I know I was – 'cause I had a Penthouse Pet that I – I thought a spokeswoman – I had Amy Lynn who was a Penthouse Pet and I remember she used to be on the Howard Stern show all the time back then.

So I figured being in an advertisement on Howard Stern, it might be a wise decision, you know. She's _____ on the show, I get some free advertisement, you know, and so we paid her \$5,000.00, which is ridiculous. I would never pay that again, but I – you know, we had the flyer like – she was out in the Hamptons or something – or what ever, with some guy. We had to fly her in for like \$5,000.00 first-class and I made her on layover, you know. I laid her over, you know (Laughter). That wasn't a lot of money but – we had to fly her in first-class and pay her \$5,000.00 to do the commercial, and the commercial was only a 60-second commercial, but the damn ____ two days to shoot, you know, it was insane.

It wasn't that many words and you know it was a – it just took forever – for her to get it right, but I only paid like \$9,000.00, and you know when you shoot a commercial there's two differ-

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ent ways you can shoot a commercial. You can shoot a commercial on film or you can shoot a commercial on video, and that's usually the difference when you see like a grainy, you know, grainy like infomercial versus like a nice one. When you see like a Health _____ but if you see like a Total Gym with like Christy Brinkley and Chuck Norris then that's obviously on film. Like Proactiv is definitely shot on film, but when you see ones like – I don't know if you've ever seen ones like the Jeff _____ commercial, it's kinda grainy, and you know those are totally shot on video, which is basically like a high-eight format.

You pretty much could go to the Best Buy and get a high-eight camera that would be used for that, but – I mean obviously you're not gonna be filming it yourself, but – I wrote my own script for the commercial and – I wrote my own script for that commercial and then I had _____ shot it and we basically broke it down to like a story board, you know, scene by scene and it – you know, just a talking head type commercial. You know, it's where the person just, you know, reciting it into the camera, and you know that was basically – the TV commercial basically evolved from my radio commercial, and my radio commercial basically just, you know, was a voice over and one of the DJ's did it and you know, they just ran it.

And when we did the TV commercial, we just basically took the radio script and adopted it to a talking head. You know, the Penthouse Pet was walking outta the pool and she was talking into the camera and has her laying on the chair and you know, then you go to a blue screen at the end of the commercial – but I shot the commercial for like \$9,000.00 – ended up makin' like over \$9 million in sales, you know like for that one commercial that we ran before we shot another one. But – you know, it's really not as hard as you think it is.

I mean I don't – we did coast-to-coast national television on cable. We didn't do like local stuff, we did national, and the biggest thing _____ is that when the orders come in, they all



come in at the same time, though – you know. Where a magazine ad, if you're looking for 1,000 orders, you know, it could be, you know, 40 or, you know, 33 a day – 40 a day, for the 30 months and you could handle it, you know. When there's a 1,000 orders coming in off a night of TV, you know, I mean it's – it's – they all come in within like, you know, the last 10 seconds of the commercial and you know, up for like 15 minutes after the commercial's done running.

Then you'll get like little dribbles throughout the course of the day, but the majority you like get slammed when it immediately – you know, when it comes out. So you – if you don't have the people in-house to do it, you have to have a call center and hope that you're selling – and hope that it's, you know, a simple product that you're selling. I mean if you're selling like a supplement, I mean it's just hard to use a call center 'cause people have a million and one questions about supplements usually or – I mean I think the perfect thing would be like how – you know, to have some kind of two-step television ad that drives you to a website. You know, I mean if you had some kind of an opportunity – say like a business opportunity, and you had it on all your websites, your whole web sales letter and stuff, and you had like a television ad that said you know – has the guy with the Ferrari and this stuff and you know hey learn – go to the website to learn how you could what ever, and just drive massive traffic to a website. I mean that would be a nice, you know, that would be probably the perfect business would be offline – getting massive offline traffic to go to your online website to hopefully take an order on the fly.

Russell Brunson: Yeah, it'd even be _____ or leads, you know, you can sell them over and over and over again.

Vincent James: Oh yeah, like I said, there's companies on TV right now that – you know the fivemoremoney.com what ever. They say go to the website and all they're doin' they're selling those leads. They hit probably first with their own stuff and then they sell the leads. 'Cause

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what I did is I joined their list 'cause I use like a coded name ____ I can e-mail ____ join my newsletter or something. I actually signed myself up as them. So if I – I'll do your – Russ. I would actually sign myself as, you know, Vince, you know, Brunson or I'd actually say Russ. I'd actually put your name in it. So every time I got something from your list, it would say, "Hey Russ Brunson," you know and I'd be like, "Ah, I know where that came from." (Laughter) You know, so I did that with our television one, and you know, I got stuff from like Robert Allen, I got stuff from all the people, and basically they just sell the leads. They hit it first then they sell the leads and you know if they sell the lead for a buck or something I mean, you know, ____ _ five times and it costs them five bucks to get a lead, you know, they're not doing too bad.

Russell Brunson: Did you ever sell your leads that you got to other companies?

Vincent James: No, I never did. I never did that at all. What I would do is, I've had a couple employees steal the damn leads – steal the database. I mean I had – a lot of products were like products that people wouldn't want – you know, most of the products I sold, that were dietary supplements, were ones that had to be shipped like discretely. You know what I'm saying? Like in a plain bag or – people are buying like pills to make their hair grow back or something, you know, they're not – they don't want, you know, "Hey baldy," all over their – all over their envelopes and stuff. So I was pretty private with – well, I was totally private.

I never let anybody have the names, 'cause I remember we had a guy that used to work on the database and he was friends with one of these guys that was fired, and I just remember a lot of people calling us saying, "You sold my name – I can't believe you sold my name," you know, and we're like we didn't sell your name and, you know, they sent us a ____ _ – we got a couple of the guys to – couple of the people to send us a copy of the sales letter they got and it was a local address, and you know we tracked it down and it turned out that it was one of the ex-employees



and how would an ex-employee get the damn database except for his friend that worked there, but I never sold the leads.

A lot of this is just stuff – the only way they can survive is, you know, they make a lot of money by doing list rental, but I don't like list rental. I mean not unless I beat the hell out of 'em already. You know what I'm saying? I mean why would I – you know, there's no point. There's – I don't – I couldn't imagine the point behind renting your list. I – because you know if you're renting your names for \$.14 or \$.15 a name, you know, in quantity, you know, you're only gettin' like half of that by time to broker, by time to manager, by time all the crap. You're gettin' maybe like – maybe like \$.07 a name. I mean you know even if you had 10,000 customers a month, you know, at \$.07 a name, big deal. I mean you gotta rent – per rental, I mean how many – you know it's \$700.00 every time somebody rolls out on your customers and you got five people, you made \$3,500.00. You sold all your customers for \$3,500.00. I don't see that being a good deal.

Russell Brunson: Yeah. That's what really surprised me last time we talked when you said that people like Robert --, those guys are selling their leads –

Vincent James: Yeah.

Russell Brunson: Interesting. Now, what – I mean did you ever go into infomercials or do you know people that went on and did you know the longer TV spots besides 30-second or 60-second ones?

Vincent James: Yeah, actually I never did any infomercials. We never got to that phase because you know for the product that we had that was really working for us, it was hard enough just to get, you know, TV spots. You know, TV placement. We were looking into doing an infomercial



but we never got around to doing it, but basically the infomercial is, you know, it's 28 ½ minutes, and so, you know, you would think that an infomercial costs so much more than a TV spot but it really doesn't 'cause you're running, you know, late night and stuff, but most infomercials are like \$3,000.00, coast-to-coast. So it's really not that bad.

Russell Brunson: How 'bout production, I mean you think it's pretty similar or you think it's a lot more to produce –

Vincent James: Yeah, it's probably pretty similar. I mean you know, you have – you know, if you're doing like a show format, you know, you have a set and, you know – when I shot my commercial – when I shot my first 60-second commercial, it was all done outdoors at a pool so there really was no set. It was – and you know, the reason why I did the pool was because the Penthouse Pet was playing like she had no clothes and she wanted free clothes outta the deal too and you know I said I don't think so. I'm not gonna go buy – she'll be in Chenille buying leather pants for \$5,000.00, you know. I mean you know how these – those type of women. You know what I'm saying, you know. (Laughter)

See I wasn't gonna let her get the best of me. So what I did is, I said, "Oh, ok, you don't have any clothes? Well then we're gonna shoot by the pool and, you know, you'll be in a bikini." Bikinis are cheap! I mean the bikini was like \$200.00, and I mean just – (Laughter) the most expensive – she had to go shopping the night before 'cause she had no clothes; I guess she was naked. You know, 'cause they want as much shit as they can outta somebody when they get hired to do a job like, you know, like homeless people or something.

But so we did a pool scene, there was no set. You know it was – we bought the lady new cushions for her lawn furniture and I think we did a couple little things to the landscape thing and



threw a couple plants back there, but there was no big set, you know – you know I think the guy who has the best is like the Girls Gone Wild ‘cause his commercials and his infomercials are basically just edits of the main product. I mean anytime the product could be – you know, an edit of the product could be the actual footage for the commercial, I mean that’s so easy.

You know, he’s just showing all the girls dancing around in the nightclubs or what ever the hell they’re doing, and it’s just – it’s just cuts of the main video. Those kinds of infomercials and commercials are really easy to do, but yeah, I mean as far as an infomercial. I mean there’s a lot of stuff as far as like, you know, when to introduce the call to action in an infomercial, you know. We shouldn’t really do the call to action until like, you know, 18 minutes into – 17 minutes into the infomercial, you know. I mean a lot of these guys are pretty _____ with things, you know. I see like these – like Kevin Trudeau ones with like they’re taking calls, it’s like, “Oh, we have Mary from New York on the line.” It’s like man it’s a friggin infomercial how’d they call – you know. (Laughter) You know, we – they make it like it’s a live caller and it’s – you know, I mean, you know, they get – they try to adopt some of the home shopping network themes.

I mean – but you know, the thing is, is that those talk show formats, those are the cheapest to produce as far as infomercials and they’re the most responsive. You know, the costs and responsiveness, you know, are totally not attached when it comes to any form of direct response. I mean you can hire the best graphic designer out there and you know you could have ____ who understands direct response and you know he could _____ that will produce more orders. So I mean that’s the good thing about the business is that you know cost has nothing to do with your success.

You know, I paid a lot of money for this magazine ad. Who cares, that doesn’t mean anything. I pay a lot of money to create this product. That don’t mean anything either, you know. I mean

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– sometimes – I paid a lot of money to hire this excellent copywriter to write the – you know, I know – I have a client that paid – guys – you know, that paid _____ 20 something thousand dollars and it – you know, his ad didn't work for him. So I mean just hiring the best guy doesn't guarantee success either, you know. And that's the good thing is that you know somebody with no money but the right idea, you know, could get things to work for 'em.

Russell Brunson: Yeah. Now, when you were producing the commercials or creating the script for it, is there – I mean obviously I know a lot about ad copy from, you know, from a sales letter standpoint and stuff but I mean what kinda ad copy do you use for a television ad? You know –

Vincent James: Pretty much – as amazing as it sounds, pretty much the same thing. I mean you know when you have a – when you have the opening thrust, that's what _____ for a television commercial, it's usually a headline. You know, it's your headline, it's your opening thrust, and that's – you know instead of saying like, you know, if you had a sales letter that said, "Who else wants to yadda yadda yadda" Well guess what your TV spot says? Who else wants to yadda ya – (Laughter) it's just spoken, you know – and you know, it's very, very similar and, you know, your television spot is – I mean it's all salesmanship.

Whether it's salesmanship in print; salesmanship over radio waves; salesmanship on a television; salesmanship on a computer screen; all the same thing. You know, there's really not much difference to how you sell something. I mean if I'm gonna sell you something on the phone I mean the only way I'm gonna sell you something diff – if I was a car salesman, I'm gonna tell you all about the car over the phone, and if you're there in person, I'm pretty much gonna tell ya the same stuff. I just might be able to have a little bit of a visual aid to point out, "Oh, look at –" and you know, here's the fuel filter door and I'm touching it and you're looking at it while I'm doing it versus me just saying, "Oh, the fuel filter door, it opens uniquely," or what ever. I mean



it's all the same thing.

You know, you're not gonna say, "Oh, I'm gonna invent a new sales process for this guy 'cause he, you know, 'cause he's doing it over the internet or he's doing it over the phone." I mean how you drive traffic, you know – I mean it's – a lot of it's the same and you know a lot of these internet guys, they'll preach this internet crap, you know, if they're internet gurus or they're million dollar a day internet crap, 'cause they wanna make everybody, you know, think that it's something different. You know, it's totally diff – it's a whole new process or what ever, you know.

But I mean you know whether – I would go _____ and they have like that nice infomercial where they're selling like 50 million knives for like three payments of \$9.99 or what ever, and basically what they got is – Ron Popeil got started being like a pitch man you know, like a Zayres and like Woolworths store in Chicago, and he went on like the fair circuit and he was like a pitch man at these state fairs and then all he did is – was he took pitch from the state fair and put it in front of a camera, you know, and there was – and then the infomercial was born.

You know what I'm saying? It's _____ to invent stuff and the way I write copy for a TV commercial is, you know, the only thing – honest to God, the only thing different about writing copy for a TV commercial or for a radio commercial, is that instead of doing it with a scale where you're trying to measure how much your piece weights, you're writing copy with a stop watch in hand, and that's pretty much the only difference is that you know you have to recite it out loud, slowly and just record and just stop watch it. And just measure it and edit words to fit the time frame and you know when you're doing a call to action at the end of your TV commercial –

I mean you just wanna make sure that you give enough time for either – for some people to get your phone number and a lot of things that people have been doing now – I'm a big fan of it

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– they do like a – they do like a wide screen format, sorta like a – like a DVD, like how you got the black on the top and the black on the bottom, and what they’ll do is, like they’ll put like a domain name up in the top black box and they’ll put like their phone number in the bottom black spot. So they’ll run that through the whole duration of the commercial – but that’s pretty much the only difference. I mean I don’t say, “Oh you know, it’s a whole new format. I gotta – I gotta, you know, get a different approach for that.” It’s pretty much the same deal.

Russell Brunson: Cool. Now, if you have –

Vincent James: It all boils down to this – is what sells on print, sells on TV. What sells on TV, sells on the internet. What sells out on the internet’s gonna sell on the radio. It – you know – it – and that’s – you know, that’s my – what’s selling sells. I mean, you know like wherever it sells is – you know, if it’s a dead product in one medium then it’s probably gonna be a dead product in another medium, but you know if it’s selling in one, you know, it’s not so much the format of, you know – it’s basically – it all revolves around – you have – if you have a product or proposition that has a higher – you know, if you’re charging \$1.00 and you’re – and the customer thinks he’s gettin’ – you know, feels he’s gettin’ \$3.00, \$4.00, \$5.00 back and either benefit or you know what ever your product delivers, you know, I mean – that’s – you know high return on investment. That’s the most important thing. Not how are TV commercials different or radio commercials different. It all boils down to, you know, how much of a return are you giving your customer or how much of a perceived return does your customer think he’s getting from your product.

Russell Brunson: Now, just to kinda go back with the whole production part. When you’re – I mean did you getta go and pick – like you said, I guess, you picked, you wanted the first commercial and the third during the show. Do you just go through and look at the whole TV



lineup and just pick what times you want or you pick what shows you want it in or how does that usually work?

Vincent James: Well, yeah – well, what I do with that is that I’ll usually pick a show that I think people who would be interested in my product would be watching and, you know, at the time – like I said, when I ran like a lot of my – you know, for men stuff – supplements, you know, I’m obviously not gonna advertise it during Oprah or any stuff like that, you know. I just said what type of shows would be, you know, where men would be. You know, the Best Damn Sports Show period is a men’s show back then, and that’s – you know, FOX and you know the Howard Stern radio show or what ever.

I mean like a lot guys the big talk right now is the Texas Hold ‘em stuff. The Texas Hold ‘em products are gonna be big and obviously if you had a Texas Hold ‘em product, you would go look through your TV, find every _____ WPT. World Series – the WSOP, you know, the celebrity poker show down, you know. Every time you seen one of these poker shows, and hopefully they’re scheduled, you know, every Thursday night at 8:00, every Sunday, what ever, at 2:00, and what you would do is, you would call that network and the same way you find a mailing list is the same way you find a network or a magazine.

You go to the library, go look in the SRDS. The SRDS has different books for everything. They have a book for magazine and newspaper; they have a book for mailing lists; and they have a book for television and radio; and basically you just go and say well ok, well, you know, the WSO – the World Series of Poker or the WPT is on – I don’t know, Travel Channel. And then you go look it up and they’ll tell you the number for Travel Channel, who to contact regarding advertisement. You know, you call ‘em up and you say, you know, “I wanna place some television spots on,” what ever and they say, “Ok. Well, it’s \$3,000.00 a spot,” and you can try to negoti-



ate your – you know, you negotiate your rate down as best as you can, and you tell them usually where – no, not usually, all the time – you don't wanna be – you know, you don't wanna be in general circulation of, you know, when ever they feel like, you know, running your TV spot. I mean that's not a way – I don't know _____ that way at all.

Russell Brunson: Yeah –

Vincent James: Now, I'll tell 'em typically which show I want all the way down to what commercial break I want, and then the big thing is just, you know, checking your commercial and making sure your commercial runs, and that's pretty much – what you do is you – they just want, you know – when you're done filming your television commercial, your television commercial's on like this, you know, weird style video tape and, you know, and basically – you just make a copy for that network and you send them off. Instead of sending an ad disc of your ad or your sales letter disc, you send 'em a video tape of your commercial with this –

I forgot the name of the – I think it's like super VHS I think it's called. It's like a weird style video tape, and they're expensive as hell too, and you know they just run your commercial.

Russell Brunson: Interesting. The good thing is I've been thinking more and more about television advertising. I actually just bought Joe Sugarman's book. I don't know if you've seen that one, The Marketing Secrets for TV or something like that. He talks about his experience with blue blockers and _____ he was selling on TV. Definitely an interesting way to go.
(Cross Talk)

Vincent James: Oh yeah, yeah. That's the ultimate, that's the ultimate you know. That's the final frontier of direct response you know. I mean when you – after you work your way up

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the ladder and you can get something to work on TV, I mean forget about it. I mean anybody that – you – if don't know them personally. I know people who know a lot of the people have _____ commercials and you know everybody's got yachts and planes and boats and multiple mansions. So I mean very rarely do I meet a guy, you know – that I ran into a guy who knows the guy who – who's friends with the video professor guy and you know it's just a simple software program that teaches – a tutorial program that teaches you how to do, you know, Microsoft Word or Excel or Access or what ever, and he has different ones for different topics.

You know I mean there's planes and multiple mansions involved and you know, you're on TV, you're rich. You're really (Laughter) – you know, when you're like the Girls Gone Wild guy, you know. You're building 30,000 square foot houses in Mexico and you don't have one jet, you have two jets, and you know, when you quit crack TV, and crack TV big, you know, I mean that's just – I mean the way that you send out an e-mail that makes ya \$10,000.00 or \$20,000.00. The way you mail out a sales letter that makes ya \$200,000.00. You know, the way that you placed a magazine ad that makes ya, you know, 200 – 20 what ever. You know, the TV, you know, goes up in multiples of 10 usually, and you know it's just – I mean pound for pound it's just as profitable. It's just the numbers, the sheer volume that you can get a return on is just – it's just insane.

Russell Brunson: The video professor one, that gave me a good idea for newer stuff that I'm doing, 'cause he's giving out – does he give out one CD for free and just cover the shipping which obviously covers his reproduction costs and then after that, you just keep sending a CD every month until you cancel, right?

Vincent James: Yeah, I don't know if he does an auto-ship, 'cause – I don't know if he does an auto-ship on it. I mean I would hope that he would – to send you _____ every month. I know that you pay like \$6.95 to get the first CD for free and that has to be with a credit card



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_____, and anytime it's with a credit card, yeah, they're usually gonna try to throw ya on some kind of a negative option or, you know, toll for bid or auto-ship type basis and you know computers are – you know, a lot of people think they're gonna get a better job if they know how to use Lotus 123 or what ever the hell they – you know, what ever – they think they can better themselves by – and it's true, I mean a lot of people don't know how to use a computer.

I don't understand how you don't know to – you know, it's pretty easy to pick up, but, you know, you found a niche that, you know, a lot of people are not educated how to use the computer and it's an appealing offer to learn how to use any program for, you know, shipping and handling fee and you know it's a good proposition. I mean if you combine that with TV, forget about it. I mean like the Girls Gone Wild videos, they're \$9.95 for a video and you can use your credit card to get a second video, and you know these guys watching late night television – I mean everybody's got Girls Gone Wild. I mean I don't have any, so – I mean a buddy, you know has one of those videos and you know – I mean what are they? I mean it's just _____. You know and I guess he makes like over \$100 million a year selling, you know, cheaply produced videos of people partying.

Russell Brunson: Yeah, and it doesn't cost – doesn't pay any actors to be in it I don't think. (Laughter) Something like that.

Vincent James: It's just awesome.

Russell Brunson: Crazy. Well, let's move on from TV then – I guess this is kind of a step back actually in the process, but radio advertising. Did you do a lot of radio advertising at the same or were you –

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Vincent James: Actually we started with – you know, before we went to the TV we did radio. We, you know – obviously like I said, we started in direct mail, went to magazine ads, and the next thing we did was radio and it was actually because Infinity Broadcasting contacted us. I never did radio – was never into radio. I'm a sales _____ I like to do print. I like to see pools around my headlines and you know, times to _____ my photographs. I was really never like a visual TV or like an audio, radio, type advertiser. So it didn't really do it – I wasn't into it.

I mean I wouldn't buy a book on like how to advertise on the radio. You know – I mean I would never – you know. But they came to us and they said, you know, we can run ya during Los Angeles market – the L.A. market for the Howard Stern show, and this is, you know, how we started with Howard Stern, and you know, I felt – you know, let me think – you know, let me think about it and I wrote – I basically wrote the television comm – or the radio script, and it was like a 60-minute – a 60-minute – a 60-second script, and you know –

They had a couple a – they had to let their _____ go over it and edit it a little bit and then we came back and we fixed it and we polished it up and we basically just sent it off to them, and they had couple – they had like a Penthouse Pet at the radio _____ I don't know how she was at the radio station. I think she was like friends with like the guy who was doing the ad or stuff, but her name was Sam Phillips. She sounded like – my God, she sounded like Samuel Phillips, you know. She had like this – you know, she had this whiskey voice, you know _____ (Laughter) you know.

And you know it was funny because when they ran the damn commercial, even like Howard Stern would make fun of it, like it would come – he was – every day he would make a comment about one of the commercials or something and I mean that's probably not gonna happen in the real world, but I mean for my product he (Laughter) – he used to talk about it on the TV



– on the radio, not on the radio _____ they were making fun of the voice over ‘cause she sounded horrible.

So I called and I said, “Oh, we gotta change that voice over,” you know – you can do all the production for ya – you know, you’re not gonna – I mean you could go do your own commercial but it’s easier just to have them do it and they don’t charge ya anything they’re just so happy to have ya run a commercial it doesn’t cost them anything to have somebody sit in the professional DJ booth they already have and just recite a commercial. They had this intern woman and she was like this young sounding girl and she had like one of those little, young sounding voices and she just did and it was phenomenal, you know. I mean it clicked right and it worked so we just continued to use the intern’s voice.

But you know as far as production. Yeah, I mean you just write – you just gotta write a script about 60-seconds and, you know, the radio station will usually be able to do the voice over for ya. I mean when you advertise on the radio – I mean you’re usually buying in markets. Like when we did the Howard Stern show, we started in Los Angeles. Then we went Los Angeles, New York – to Los Angeles, New York, and New York was like – I mean there was Pennsylvania and Florida, Phoenix, Nevada, you know, San Francisco, and we just started buying more and more markets and, you know, the orders would go up.

I mean we’d get 200 orders a day, you know, that \$60.00 initial sale just from the radio spots, and what I noticed – my biggest things that I learned with radio is that if you’re gonna do radio, you definitely wanna do talk radio. You know, we tried some of those like Hot 97’s, Los Angeles like hip-hop channels and stuff and they had like – you know the DJ’s like – they did like a – I don’t know what the hell they thought they were doing but they – you know (Laughter) – they did the commercial for us and they’re like, “Yo, check this out,” and you know they’re



doing like white guys trying to be all hip-hopped out and stuff and it was just horrible. But you know I tried doing music radio and it doesn't work nearly as good as talk radio. Talk radio is obviously – is obviously a lot better.

I mean there's people right now that are doing, you know, 60 – 30-minute radio infomercials where it's like a recorded ½ hour of radio. People think they're listening to talk radio; they're listening to a paid broadcast. So talk radio's where it's at and it's just a little different on radio 'cause it takes a while for radio to build up. I mean it's not like, you know, you mail – you run your radio spot and you get flooded. It'll take like three days for it to ramp up, for people to hear it. People on radio, they usually don't respond to it the first time they hear it. I think they need to hear it a couple times and then they say, "Oh there's that commercial." They know to get the pen ready to copy down the 800 number.

And you know my thing is when you do radio and you do television, those are the two most – probably the two only times where vanity phone number or a vanity website address is needed. You know, 1-888- what ever. If you can remember, you know, what the product was you know I mean it's a lot easier than saying 1-888-524-6955. If you have like 1-888 – you know, what ever, your product name, it's easier to remember. You know 1-800-CONTACTS. I mean it's like you know a 1-800 what ever, it's easier to remember, but your radio takes a little bit longer to get started up.

Russell Brunson: I'm sure 'cause a lot of people are in their cars or they're at work or something so they have to – you know, can't call right then –

Vincent James: Yeah, yeah, and they're driving on the street and they're like crashing into (Laughter) – trying to get the 800 number or what ever and that's why – that's why the biggest



thing is, you know, people, you know, they do – once they do radio commercials they wanna maximize their time talking about the product, but unfortunately you gotta put a lot of time into even the call to action.

What I like to do is, I like to talk a little bit about it, give a call to action, talk a little bit more about it, give a call to action. But you know, you definitely need at least – you know – if you're running a 60-second commercial, you need at least 15 to 20 seconds at the end of the commercial, whether it's TV or whether it's radio, so, you know, to talk about the call to action. You know, "To get your own bottle of what ever, you know, have your credit card handy and call 1-888 what ever, that's 1-888 what ever." You say, "Again, 1-888," you know sometimes you gotta repeat the number three times. You're like, "Oh my God, that's so redundant," but you – if people don't have the number or you know what ever, you know.

Russell Brunson: People are either grabbing the pens, they need (Cross Talk) –

Vincent James: I usually repeat it two to three times, always – always two minimum. Most of the time three times.

Russell Brunson: You know, what at the costs to run a commercial usually on radio –

Vincent James: Usually the radio spots – I mean from – you know, they vary from, you know, from station to station, but what I found was you know when I run radio spots, I pay probably like 2 – 3 – 400 - \$500.00 tops, per spot, you know. I mean when I – I probably do – I probably do about \$20,000.00 a week. When I used to run like that Howard Stern, all those – I used to – you know all the mean markets. I mean this is also five years ago – 4 or 5 years ago. You know, I probably pay about \$20,000.00 a week for all the markets and you know most spots

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\$2-300-400.00 a spot, if not cheaper, and a lot of times what a lot of the radios do is they'll give you like free spots but they'll just put you in rotation, it's called. And, you know, they'll guarantee ya, you know, 15 free spots, you know, and they'll – radio, talk radio especially, has dead time all over the place and you know they'll give ya like – you know they'll give ya like rotation spots.

So _____ you four main spots or five main spots and then you know they could run ya this – fit ya in anywhere. That's why – what I used to do is, I used to have one of the girls in my office call the radio like first thing in the morning, every morning, and get a fax over of all the time slots of when they were gonna run the commercials. Like actually sometimes they'd actually do that and they'd actually let me know when I was slotted for on that day. So I would know, you know, when to ramp up the phones you know, 'cause when it's local – I mean I can't listen to Los Angeles Howard Stern or Los Angeles, you know what ever station, you know, I'm – there's no way I could know when are my commercials gonna run.

You just have to basically be prepared 'cause they, you know, "Oh, the phone lines just lit up to 75, maybe a spot must of hit." You know. I don't like that stuff you know. I like to know when it's hitting, and what I used to do with the television is, when I'd run on television, I'd basically have somebody watching the show and we'd had like these Nextel two-ways, and basically they would, you know, beep, ok, first commercial ran, and I'd I go beep the girl in the phone room at night, 'cause you know we'd be a town away from each other with those two-ways, and I _____ and say, "Ok, the first spot ran," and she'd basically tell everybody, "Ok, get ready," and then all of a sudden, you know, she'd be like, "The phones are starting to ring already," and I'm like alright just, you know, ready for the flood of calls.

Russell Brunson: (Cough) Excuse me. That's cool. So if someone does want to get started radio – I mean who should they be looking for talking to, the radio stations locally or should



they be calling someone to producer the commercial? I mean where should you go first to get started in that media?

Vincent James: Well, radio – well, you know – I mean if you listen to radio already – I mean you know, if I had to do radio, what I'd do is I'd look for like a nationally syndicated talk radio show, and I'm not really a big radio fan. So I don't know of – you know what's a big radio show, so I mean if there's like a – say if it was like Imus or something or what ever – I don't know. You know, I would probably contact the network and, you know, go about seeing how I could advertise and probably pick one market and in one market it's a little like a regional newspaper advertisement.

You know, if you advertise in, you know, The Wall Street Journal you just – The New York Times. You can get like five different regional zones of The New York Times, and you could test like one region. You would test New York or you would test Los Angeles, a big market, and see if it works for ya and if it works for ya and – then you just expand on a pound for pound basis into other markets. I mean, you know, to worry about whether _____ Chicago radio show. I mean I don't really think that's gonna be a big _____ invest – you know. I like nationally syndicated shows that – now, the same with mailing lists, the same with everything. I like roll out potential. The last thing you wanna do is get something to work that's only on a small scale, you know, you wanna be able to roll it out all over the place.

Russell Brunson: Interesting –

Vincent James: Probably like a nationally syndicated – nationally syndicated radio show that you could test one small market and then eventually roll it out.

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Russell Brunson: Ok. Now, my other main question about this is, are you running all these different types of advertising at the same time as the radio, the direct mail, the – or do you stick with the one that you're working on at the time and focus 100% on that –?

Vincent James: No, I'm going crazy. I'm running everything all at the same time (Laughter). Basically when I – when you have – you know it's sorta like, you know, when you have a – you know, when you shoot the dirt and the oil starts coming out. You wanna, you know, – you're not gonna say, "Oh, I'll just take the little bit of oil that comes out with the gun shot." You're gonna be in there with a backhoe putting a, you know, 50-story high, you know, drill in there. You're gonna be sucking every ounce of life you can outta that commotion.

So yeah, I mean I'll – you know, if I exhaust it – you know, if I exhaust a – like say _____ with the direct mail, you know. I mean I'm doing everything at the same time, and I'm pretty much – I'm starting with the direct mail; the direct mail's working. If there's hotline names, I'm continuing to mail 'em, and then I'm in the print, and if the print's working I'm continuing to print, and if radio's something I wanna do, I'm in radio. If I'm on TV, I'm on TV.

I could be – you know when I was running at my full force, I was pretty much doing everything but an infomercial. I was doing paid search, blasts, you know, when – I guess when (Laughter) you could do stuff like that. I was blasting; I was e-mailing; I was paid searching; I was TV advertisement; radio advertisement; magazine advertisement; direct mail; you know, I was sucking 'em in from every which angle I could. I was even building like a distributor program where you know people would pass out flyers with a unique number on the back so the flyer – you know customers could call in off a separate 800 number and they would be – and when they would call in off that number, they would know they have the give the, you know, the unique ID number, which was an independent distributor, and then, you know, we would give 50% of the



lifetime value of the customer to that person.

So I was actually trying to like you know create my own sales people. I was trying to do everything. Any which way I could of made a sale outta profit, you know, is what I was doing. I mean you know the only time I stop a medium is when it doesn't work. You know, if – you know, the first one to die on me – the first medium that died was the radio. Because I was crazy, I was doing like 20 spots a day and I just killed radio. I couldn't get it to work anymore and Stern actually didn't want us to pull. So he went and did the voice over for us. So he actually did our commercial and you know he's saying, "Ah this stuff is great," and you know he ____ in the middle of it and he's just a _____ and we tested his commercial and it didn't pull any more than the intern that we had doing the commercial originally – the young girl with the voice over.

So, you know, you think, "O my God, I'm on the Howard Stern show with Howard Stern talking about my product," you know. It's not gonna help ya. We basically killed it. You know, we killed that whole – you know everybody and their mother, you know, bought it so we pulled the radio spot. My partner didn't wanna pull the radio spots 'cause he liked that Howard Stern did the commercials and everybody used to say, "Oh!" You know – you know, I'm like I don't really care. You know – I mean, I don't need a stoking of the ego. I wanna stroking of the bank book, you know. If I'm losing money in this area, I don't care if it was, you know, I don't care who – I don't care if it was President Bush doing my commercial (Laughter). If it's not profitable, I'm pulling it and the first place we pulled was the radio. We couldn't get it to work any more.

Russell Brunson: How long did it work for do you think?

Vincent James: It probably worked for a good nine months straight. You know we pounded the hell out of it though. I mean it was only that one radio. We tested it. Like I said, we tested like



some hip-hop channels and we tested some other talk radio and we really couldn't get it to work because you know the pricing structure for radio and for television is not the same as pricing structure for say, you know, space advertisements and for, you know, direct mail. It's like how do you know how many people are listening and, you know, maybe we weren't as experienced in our negotiations, but you know as far as knowing what price to pay or what – but radio wasn't easy to get to work for us and when it did work, it took – you know, I probably – I'm not – radio's not my favorite form of – radio's not my favorite medium at all. You know I – if I – I like TV, I like print and I like direct mail.

Russell Brunson: Interesting.

[End of Session 5]



SESSION 6

Russell Brunson: Well let's go to the next section. The next section talks about potential problems that are going to come with this type of business, and the first thing I want to ask about is about people who clone your products. I have had that happen to me online and I was wondering how you deal with it offline. Everyone's –

Vincent James: I hate clones. I usually hire a hit man and _____. I mean clones are tough. What I did – well I was marketing a dietary supplement, and it's very, very, very, very easy to knockoff a dietary supplement. And when I would be in the magazines, if I had big ads in Maxim, we'd see – like sometimes we'd get an issue and I'd see somebody knocking off my product and I'd be so – I'd be mad. Nobody likes it.

The worst is when they're talking shit about you too. It's like they'll knock you off and then they'll slam you at the same time. Like saying how you're this, you're that. I mean like hey, if you're going to knock it off at least be respectable. Don't be talking crap about me. I hate that.

But what I did is I put their fame out before they even got going anywhere. What I did is, after that first knockoff got in the magazine what I did is I went to all the magazines that I was advertised in, and being that I was such a large advertiser – and even if you're not such a large advertiser you still could negotiate this stuff. What I did is I got exclusive agreements where – like in Maxim, they wouldn't let you advertise any similar product. I had the exclusive. In Stuff I had the exclusive. In Penthouse I had the exclusive. In Muscle Mag International I pay like an extra \$5,000.00 a month, but I got the exclusive.



So you can knock off the product all you want, but when you go to call the magazine they say, “Oh we can’t advertise this. We have an exclusive agreement with him, so we can’t advertise you.”

So that came in handy to keep all the – to keep the knockoffs out of the magazine. Some of the magazines wouldn’t go for it, like FHM wouldn’t go for it because they’re greedy and they want all the advertising dollars. I mean, an exclusive really doesn’t help the magazine at all because if an ad costs 20,000.00 and I’m going to give you an extra 5,000.00 that’s only \$25,000.00. You could have got 20.000 from me, 20,000.00 from ____.

So sometimes they don’t – but FHM wouldn’t go for it, but that’s just what you have to deal with. What I learned is that they eventually dropped out of the magazine little by little, because usually knockoffs aren’t the best marketers. What was funny with my knock offs is that my knockoffs, they would all talk bad about my automatic shipments, and they basically say like, “Oh when you call and order from us we don’t put you in a club. Your credit card will never be billed again.” Yada, yada, yada.

And that’s really stupid because if anything that’s where the profits were, and by me seeing them saying that, big deal. You’re going to get an upfront sale. Big deal. I mean, it’s what they should have been doing is they should have been over in the front end to get more on and ____ back, and they should have gave the first bottle away for free or something to get people on the auto ship. They should have been looking at it that way, but they were stupid and they were looking at it on the front end. And obviously when those ads started breaking even, I still had all my auto ship. When they started breaking even they were out of business. They had nothing to backend the customers with.

Knockoffs is just something you have to deal with. The biggest thing you have to do is establish

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credibility over your competitor. When I'm looking to buy something – say if it was a radar detector or something. These radar detectors are in all these car magazines and there's a guy with a radar detector. Hey ABC radar detector, it's great whatever, but the next page has for _____ one, that one of those radartest.com. Shoot out one to Car and Driver, shoot out one – I'm going to go buy the – I'm going to buy that one based on the third party endorsement because they seem more credible.

So basically that's when credibility comes into play, and I'll buy the _____ one even if it's \$50.00 more. I mean price is not what would separate me from buying whatever, but you just want to have more credibility and it's a better benefit for your customer when you have a knock-off. I mean when you're on TV – TV, they're usually not running at the same time, in direct mail they're not running at the same time. But when you're in a magazine, I mean it sucks because you'll be on page 47 and they'll be on page 52. You're running at the same time pretty much.

So if you have a hot product, I mean you'll know when to negotiate an exclusive. If you placed an ad for \$10,000.00 and you make like \$23,000.00 on your first sale and you know your backend sales are another \$30,000.00, you know to grease that – when you have numbers like that you'll know to grease the magazine an extra couple of bucks to get the exclusive. Sometimes you don't need it, but what I learned is it's more of an ego thing with exclusives – I mean with knockoffs and then getting exclusives is that I really don't – the magazines, put it this way. When I advertised in FHM and say if I got 2,000 orders a month, when they wouldn't give me an exclusive and four other guys came in that magazine with the same product, I didn't get less than 2,000 orders. So I don't know if the other advertisers were getting other customers that were turned off by me, or they stuck on a different chord that maybe I didn't, which I doubt because their ads were horrible. One paragraph of the sales copy, reverse type, black and blue, reverse type, white words, they're garbage. But my response didn't go down at all.



I mean, if you're going up against – if it's a good ad. If there's somebody who knows what they're doing and they have a very good advertisement and they're giving away a better offer than you are and they're trumping you, then you've got problems. But most of the time it doesn't happen.

Russell Brunson: The next one here is for employees. Obviously when you start growing that fast you're going to start needing employees, and what are ways that you prepared for that or ways to handle that when they start coming?

Vincent James: its employees are – the best companies are ones that don't require employees for numerous reasons. When you're on your own you have to pay your own rent and your own food and your own bills. I mean I guess when you get a little bit older you have values that you have to support and children, and then when you become an entrepreneur and you have employees then all of a sudden you have their whole – you got their whole family to support, because if the guy work for you and he a wife and kid you just exponentially increased the size of your responsibility. So that's a paycheck that you have to pay every week. Where you can maybe go a week or two without a paycheck, you can't tell your employees that. So that's a guaranteed – you always have to pay.

I remember when I first got my first employee, a lady like in her late 40s and I'm like 21 years old, and I'm like, "Oh my God. This lady is older than my mother. It's so weird." I'm like, "I'm the boss. I get to tell her what to do." But you just got to – you got to do what you got to do. When the phones ring and you don't want to answer them yourself you need employees. When you have a lot of bottles or a lot of packages to go out a day, you can't do them yourself. I mean I used to ship over 7,000 bottles of pills out the door a day, which is impossible to do – I mean one person can ship 500, 600 a day and that's busting your ass getting that many shipments out, one person.

I mean you could outsource a lot of this stuff. I mean fulfillment, you could outsource the phones.

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But there's certain things I learned about with employees. With employees there's an invisible wall that when you first hire an employee, that invisible wall is about up to your neck and up to their neck, and depending on how friendly or how close you get to that employee the wall obviously comes down a little bit. A little bit more, and a little bit more, and a little bit more. And if you ever need that wall to go back up, it doesn't go back up. So once you take down that comfort level and you're having a barbeque and you have them over your house, or you're joking with them on a cigarette break out on the side of the building, you can never put that wall back up to get it to that level of professionalism that you had that you started with.

I mean what I do is I don't become friends with the employees. I keep them out of my personal life as most as I can. I mean you don't want anybody in your personal life. You don't want anybody – especially if you're successful. I mean if you're successful and you're living in an \$8,000,000.00 house, don't have a barbeque at your house. I mean, that's the worst thing that you could do. I mean as bad as it sounds, that's just the way it is. I mean, if you drive a Rolls Royce _____, take the Escalade to work. Don't take the Phantom to work everyday. I just try my hardest not to make people too envious, and that usually happens with – when I – my whole direct response career pretty much was when I was 20 to when I was 30, pretty much. And that's when I had employees and a lot of big headaches and stuff, and most of the people that you're hiring are pretty much your age and a little bit older than you on a men level. And men are – they have ego problems and they're jealous and they always kind of measure themselves up to other men, and there's nothing more that I hate than – they get chips on their shoulders and they think –

So when I staff an office, I like to staff usually women for the phones. They're more pleasant to speak to on the phone than men usually. _____ than men, and they have better attitudes usually, and they can up sell 10 times better from what I found out than men. And they don't become jealous insane maniacs that try to ruin your life if you fire them. I mean every time – I've had men

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that have been discharged from the company. I usually don't get in the company where I know everybody. I mean when I had this last company, I didn't know everybody. I mean they knew of me, but I never spoke – I mean, if you named 50 people I probably would not know who they were. I mean I talked to employees later and they're like, "Oh do you remember, do you remember that so and so that used to work?" And I'm like, "No, I don't remember that person."

So I didn't do the hiring and firing, but when people were discharged sometimes they'd come back and there'd be vandalism to the building, or whatever. And every time I've always had like a negative thing with men – with an employee, it's always been a male employee. It's never really a female employee.

So that's basically – the only thing I have to say about having employees is keep your employees out of your personal life, don't make friends with them. They're not your friends. Don't make them jealous, stuff like that. I mean I remember when I first got into business and it was early on in my career. I was probably like 22 or 23, and there was a guy that I used to work with that used to go to the same bars I used to go, and back then when I was single I used to go out to those bars like six nights a week. And I used to have – I used to have to have different friends everyday with me because no one could afford going out every freaking night to the bars. So I'd have a Monday and Thursday friend and a Tuesday friend and a Wednesday friend and a Friday friend. So they can all – so I could basically go out all the time _____ for me to be able to go out.

But I remember I had a guy that worked for me, that we actually went out to the bars and we were friends on the outside of work. But I remember one time he came in late or something and the girl sitting next to him says, "Oh you better watch. You're going to get in trouble coming in late like that." And he goes, "Oh I go out with Vince. I don't have to ever worry." And I had to fire the guy because if I didn't fire the guy – I told him, I said – it is more than that though, and he



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was really messing stuff up, but I had to fire him because if it went around the office that –

One time I had a girlfriend at work, and I learned all this stuff early on. I remember I had this girl that she came to work for me, and she was – you know, things happened. We started going out, and that was a big mistake because every single woman in the office was pissed at her and there was a lot of – you can't have stuff like that. That business is there, those people aren't there to be your friends. They're not there to be your girlfriends, your club partners. They're not there to be anything. They're there to be a _____ for your engine. They're there to be a cylinder head for your business, an intake manifold for your business, and your business is the engine. And when a _____ goes bad you got to replace it. You don't say, "Oh I really liked that _____ and I have a lot of – you know I really feel bad for that _____." No, no. If you want your engine to keep working you got to get him out, replace the part, and that's basically my thought of employees as just the part to the engines to make _____ down the road, and that's pretty much my thing about employees.

Russell Brunson: So did you have a couple of managers you hired that were in charge of all the hiring and firing and training and all that kind of stuff?

Vincent James: Yeah, yeah we had different managers. We had a night manager for the night phone room. We had a shipping room manager, a call center manager, a customer service manager, and then an overall manager that oversaw the whole operation.

Russell Brunson: That's exciting for me. I've been at the point where I'm adding employees here and there the last couple of months or so.

Vincent James: Yeah it's fun. I mean it's cool if you could – if it takes away – there's no fun in

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owning a business if you have to work the whole damn thing all the time, and it's nice to get employees to take some of the slack – some of the slack off. But when you have 10 or 15 employees I don't see it being too much of a problem. My thing was I had like 100 employees, and when you start getting up to 70, 80, 90 employees that's when a lot of red tape and some bureaucracy starts. There's office politics and who's the favorite and who's this and that and that's when it – you're like oh! I don't like to get involved in it. I don't like to have it. Basically it all boils down to a 50 cent ad that brought you a dollar in sales and that's where it all boils – that's what the most important thing is, and I can't get involved.

My partner used to get involved in a lot of shit like that and it used to agitate him so much, the stupid stuff. I mean we'd be behind on shipping stuff in the warehouse and it'll be coming around a holiday – let me show you how ridiculous some of this stuff was. It'd be coming around Christmas time, and most of the people that I know that have large companies – I mean large companies, 40,000, 50,000 square foot facility. They'd have a Christmas tree in their entry foyer. That's like the biggest thing that happened. Well not at my company. My company had to have – it was like people were almost – almost could charge people to drive through the damn building to see all the different Christmas crap that was put up, and it used to annoy me. And my thing was we're a little bit behind on shipping in the shipping department, and my partner took like two of the guys that were in the shipping department to go put up Christmas crap around the office, and I'm like – and I'd get mad about this. And I'd be like, "Well first of all, we're behind on shipping so we need as many people as we can in the shipping room. Who the hell cares about a Christmas tree?" And not only that, but are you taking those two people out – the other, I think we had like 14 people back there shipping, just shipping product. The other 12 people now have a chip on their shoulder and they're going to work slower. So to put up a tree – just stupid stuff that people lose sight of what the real company is about.

And that's pretty much the cause to a lot of my problems, was people who didn't share the same



vision as I shared and didn't understand what the business was really about. We got involved in stupid stuff and personal relationships with people, and then discharging of people that were once in a personal relationship that then became vindictive that caused me problems. That eventually cost me a lot of money, and –

Russell Brunson: Well that's part of the outline. Do you want to go right into that maybe and just talk about that part?

Vincent James: Yeah sure. Sure. I mean basically I have a theory about business in America, and there's really not a such thing as having a legitimate business or having an illegitimate or illegal business, a fraudulent business. Basically there's having a business that gets attention or having a business that doesn't get attention, and you could look at Proctor and Gamble. They get like eight regulatory lawsuits a year. I mean, that's a lot of regulatory attention.

And I was talking with Mark Shriner about this the other night. Sometimes when you have a – a business is like a building, and if you built a two story building say and it was 30 degrees crooked, it's not going to tip over because it's not tall enough, and every floor of that building is like a million dollars in revenue let's say. But if you built – and it could be 30 degrees off but only two levels high so you're not going to tip over, but when you go building 80, 90, 100 story skyscrapers, if you're one degree to the right being that you're going so high, the higher you go you're just going to get yourself in some problems.

I mean my problems that I've had always in business were things that were usually out of my control, and I've had – that business that I had that I lost a lot of money with, I had a partner that you can't control. You can't control people, and certain people when they – I made a lot of money. I made a lot of money over the last ten years. I made over \$100,000,000.00. I've kept

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over \$50,000,000.00 of it and lost millions of it too. I don't have the ego. Like I've said, these one million dollar a day guys, they have these egos that are the size of freaking Mississippi, and they're huge, these egos.

And my partner was one of those people. They get these egos and they think they're god and they think they could walk on water and they think they can boss people around, and what they do – and they can control people and whatever. And they're going to piss off the wrong person, or they're going to try and control somebody and they're going to – it's going to end in a bad relationship, and then they got out there, they look to harm you. And when you have a lot of money sitting in a bank and you have a lot of assets and stuff –

I mean, I'm still unclear as to what my problems with my company were. I thought it was my product line, but people still sell those products to this day. I still never figured out what it was. I think it's because I had a lot of money in the bank, and I had a lot of visible, feasible assets. But governments, they justify whether or whether not to have a lawsuit against you based on what they can get out of you. I mean our government's not going to go launching and investigation to go squash this company. It's just a small little company. They want to make sure to recoup their investment just like anybody else would. You're not going to sue somebody like a homeless guy. If a homeless guy slanders you, you're not going to sue him because what are you going to get out of him? You want the people, but God forbid Michael Jackson gets you in a car accident, falling on the floor, holding their neck that they're paralyzed and stuff if he hits you at two miles and hour in the back. People are opportunists.

There's certain things you can do to keep yourself out of trouble. I certainly did all that. My problem was that I had – I don't know if you ever read Gary Halbert's book on Maximum Money and Minimum Time, there's a chapter in that book and it's called the dark side of success, and



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something similar happened to him that happened to me. You look at metabolizing, you have people suing them, and it's just the nature of the beast. I don't know what happened.

My problem was I had a regulatory investigation, and then basically my problem was I had this limousine driver that my partner – I didn't want the damn limousine driver. I told you on the call; I have like a million cars. I'm like a car freak. I have Lamborghinis and Ferraris and freaking Bentleys. I don't want to sit in the back of a Lincoln Towncar; I don't care if it's stretched 120 inches. I don't want to sit in a Lincoln when I can sit in a Bentley. He wanted this limo and we got this limo, and he became friendly with the driver.

The guy was a security guy too, but he was a con man. I knew I didn't like the guy, but for some reason, my partner didn't feel the company and my partner didn't create any of the – he helped me run it. If it was up to him, he thinks that money just arises in the bank. I bring \$8,000,000.00 in a month, and he has to pay \$2,000,000.00 in bills, and he thinks that he's doing a good job writing those \$2,000,000.00 in bills. I can get my fourth grader to be able to be able to make the checkbook still be in the black, throwing \$8,000,000.00, I don't have to write \$2,000,000.00 in bills. He had this security guy who was the limo driver, I don't know what the hell he was doing, but he was getting money out of him. I think he might have been – I don't even know. Who the hell knows? But he was getting money out of him, and then one day it stopped. I think he was threatening him with his health or something. I have no idea; otherwise I would have stopped it before it happened, before it got to what it got to obviously. But I didn't because I was too busy focusing on making a dollar out of 50 cents and running my business. I had no idea what the hell else was going on in the place.

So it turns out that the guy doesn't work for us anymore, so I was thrilled. So I'm like, "Okay great." I didn't even want to hire another limo driver. I needed this fucking guy so bad, but I

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was like, "I don't even want to hire another limo driver." So the limo sat in the warehouse for six months, no big deal. All of a sudden, this freaking limo driver, he's vindictive, man. He's crazy. I don't know what the fuck happened between him and my partner, but there's a lot of bad blood there, so this guy's crazy, man. He goes to the police and is telling the police that my partner fondled his son and his daughter and all kinds of crap, and I'm like, "Oh my god." And I say to him, I'm like, "Mike, come on. We're trying to run this business, what the hell's going on?" So that obviously didn't go anywhere because it was made up. Then this limo driver doesn't stop at that. He goes to the attorney general's office and sent him a letter saying these guys are money laundering and doing all this illegal crap, and they don't give credits, and all this boloney, which is totally frivolous because when you have an auto ship, you have to keep your charge backs under 1% when you've got an auto ship, and if I'm doing 160,000 people, I can't have more than 1,600 people charging back. If 160,000 people a month, I don't lose a merchant assignment. There's no fraud going on if I can keep my charge backs under 1%, which we did.

But like I said, he goes down and sings this story and it turns out that he tells this investigator that he drives us – he drove me and my partner to Las Vegas all the time, and he'd go up there with duffel bags of hundreds of thousands of dollars and he'd deliver it to what he described as the Mafia, and it was just ridiculous fucking stories. Ridiculous. So all of a sudden me and my partner – we don't even know about this. We don't even know he's doing this. It takes like three months. So one day me and my partner go to the bank and the bank manager, who actually wanted to work for us, calls us and he goes, "Guys what's wrong? All your accounts – all your accounts are frozen." And we're like, "What are you kidding me? All the accounts are frozen? I don't know. Who the hell knows?" I mean, who the hell knows? So I said, "Let's back to the office." So we go back to the office, we're going to call the attorney. I actually had the attorney on the phone and we're just getting ready to go into the office to go deal with what the hell the problem is so the attorney could go call the bank and find out what the hell is going on.

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And stuff like that happened before with high volume in the account and stuff. I mean we were moving a lot of money through that account. Like I said we were doing like eight, nine million dollars a month, and you get some shitbag teller or something that doesn't – like a \$400,000 check or something is a big deal to them because they've never seen money like that before in their lives. You know, whatever, but that's how much Maxim costs. So no big deal, so we just figure we're going to the building, no big deal. So as we're pulling up to the freaking building it was like, you heard the song, bad boys, bad boys. _____ like going in the front door there's like ____ there, the Tobacco and Firearms, the DEA, the FBI. We're like, "What the hell is going on here?" All these pickup trucks, you know. I'm like, "Oh my God." I was driving that day, so I said, "Screw that. I ain't going in there." So I kept going. I said, "What the hell is going on?" I thought maybe somebody took a pill and died or something. Who the hell knows? I mean who knows?

I thought maybe because when our product – one of our products had yohimbe in it and you couldn't ship yohimbe to Canada, so we had to make a special blend just for Canadian orders that didn't have yohimbe. And we caught – our supplier was bullshitting us and he was actually still doing the same yohimbe ones, he was just labeling them – putting a different label on them because they didn't want to really go create another blend for us. So I thought maybe it had something to do with that because you know, with customs, and I'm thinking it's something minor like that.

Well it turns out that they're in the building, they're in the bank. I said to my partner, I said, "I figure they're in our freaking houses." So I call my house and no one answers. I'm looking to call my maid, this lady that used to work for me, used to keep the house and pick up the kids from school and everything, and nobody's answering. And finally somebody answers the phone and they're like, "Yeah, Maria let me in. I had to go to the bathroom, so Maria let me in. _____ is a nice house." And he hangs up the phone. I'm like, "What the hell is going on." These people

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are _____. These are \$20,000.00, \$30,000.00 a year lowlifes that love to squash – that love to do shit like that to people like successful entrepreneurs because they're have nots and they're just overall _____.

So it all turns out that that limo driver, after he went to the police and said that his son or his daughter or whoever the hell was molested and that didn't go anywhere, well now he goes to the attorney general, and instead of the attorney general doing a little bit of research and saying, "Well this guy just said the guy molested his son last month. There has to be some kind of baloney behind this story." No, what do they do? They collaborated with him. Because what happened was they told him they'd give him 10% of whatever they seized from us. They seized \$48,000,000.00, and so he thought he was getting \$4,800,000. And they told him to get two other ex employees that were friends of his, that they were friends. Like the one guy used to grow the marijuana in his closet and the other guy used to buy it, so they're all drug friends. And all three of them were discharged for numerous reasons over the course of – not showing up on a Monday because they were so drugged out from the weekend that they couldn't make it to work on Monday, so enough of that. They got fired, and never heard anything from them ever again, but this limo driver was friends with them so he made sure to get them in.

So basically all your money's held. So all your money's held. You don't even have your house. You have nothing. Everything's taken away from you, and then you have to go hire an attorney, like a local attorney because our attorneys were in New York and we were in another state, and we had to go hire a local attorney. And you go into a local attorney and you're like, "Well I don't have any money." No attorney is going to represent you, so basically – because that's the easiest way they kill you. I mean this is like Russia, or this is like Nazi Germany almost, how this happened to me. And you're expected to fight this case with no money, and so I had a friend who was pretty wealthy and he lend me a couple bucks and I hired the attorney. And there was another guy who

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owed me money; he owed me like \$200,000.00, so if something like this happened to you the first thing you're going to do is you're going to go look for who owes you money.

So I went and got my \$200,000.00, so I'm like, "Okay, at least I got 300 grand." And that's nothing, because I spend over a half a million trying to defend this, and a half a million is nothing. So you burn – when you've got to hire – for a clinical study, or a doctor, I mean people don't just show up at a court and they want to testify for you. So you're paying people \$300.00 and \$400.00 an hour and they want – when they know that you have your balls in a vice, the price goes up for everything. If I need my attorney for things nowadays, I tell him to go kill himself when he tells me how much money he wants and I negotiate the price down, but when I needed him for certain motions to get done and time was of the essence, a \$5,000.00 motion could easily turn into 14, 15, \$20,000.00 or more because they know – they're scumbags. All attorneys are scumbags.

So what happened was we had no money. We ran out of money, but I had the 300 and we burned through all that. So what happened was – well I couldn't have even burned that. I only burned through 100 because when I told my attorney he said, "Where did you get the other 200 from?" And I said, "Well somebody owed me money and I got my money out of them." So he says, "Oh, that's not good." And I said, "Why is that not good?" And he said, "Well because when they do forfeiture, every asset you have is theirs." So basically when they cancelled my car insurances on my cars that they seized, they wanted – they even went to get the insurance check refunds. Like they didn't want you having nothing, you know what I'm saying? That's the easiest way to fight, and the first thing they do is when they find out that you have an attorney, they call your attorney and they want to subpoena how he was paid, because if they could show that you got that money from previous stuff, that's no good. You don't have anything because that's the easiest way to win. That's what it's all about. It's not about being right or being wrong, and people who get into business, or the people who want to point a finger or something and say, "Oh, that guy had to be –"



They just don't know any better because they never brought it to that level.

So what happened was the attorney says, "You know, that money is not good. You have to give that money back to them." Because they hire this court appointed receiver who's like an accountant – who is an accountant, who actually – I called him the deceiver because he was a freaking liar. What happened was I gave the money back _____. So the attorney calls the state. He says, "Okay well Vince got \$200,000 from somebody who owed him the money." I actually spent like 20 of it already, but I made it whole, so I gave back the whole 200.

So when it came time the thing they got me on, which was ridiculous, was after everything what they got me on was money laundering. And you say, "Oh, how do you money launder?" I thought – the only time I'd ever washed money was when I left my money clip in my wallet in my pants in the wash. But the money laundering, as freaking ridiculous as it sounds, was when I went after a lawsuit was filed and I took that money from the guy who owed it to me to try to support myself. That was money laundering, as ridiculous as it sounds.

So you run out of money, and you have no money to support the thing. The attorneys aren't doing good work for you. You can't really prove anything because everything is _____ and they mysteriously looted everything and throws everything on a CD or something. It's like 3 thousand, 592 thousand documents. It's impossible to find the paperwork you want. Things are misplaced. And they're saying they never give credits to your customers, and you go to call the merchant account company, I always used North American Bank Card, and the lady at North American Bank Card says, "Sorry I can't give this to you," because the receiver, the court appointed receiver now has – he's the owner of the company and we're not, so they can't release that information to her. And try to get the information out of them, you can't get the information, so you show your merchant statement to show "Look", you know?

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And for some reason, I'm crying for our attorney saying, "Let's go get a goddamn Visa MasterCard, Card Search International representative in there. Let him testify. He'll say it's impossible to charge \$60,000,000.00 on a Visa card, on people's Visas. Only get back \$600,000.00 for that 16 in credit, and have \$6,000,000.00 worth of people charge back. 10% of your customers charging back your purchase? You'd be out of business in a heartbeat, but he was there lying. So it's impossible to them, because the judges are in on it. In my case, the judges were in on it, the attorneys were in on it. It was just a big disaster, so I took a plea deal. I said, "You know, I don't give a shit about the money. I don't have any money to spend. I don't want this thing to take up any more of my life. I just want to get on with my life." I used to get into new businesses and make new money and still be there with my family. I don't give a shit. Like I said, the material shit is just trinkets of what your mind knows how to produce for you. You can get the Lamborghinis back; you can get all that crap back. Who cares? Let them have it, choke on it, whatever. He'll probably be hit by a car, sooner or later in life. And no matter how bad of a shitbag those prosecutors are, I'm still happy. I'm just as happy as I was when I had all the money. And those guys are lowlife shitbags that will always lowlife shitbags. Go pick on somebody else.

So we took a plea deal and about a year later, all of a sudden the limo driver calls our attorney, and he wanted to come in and talk to him. And we're like, "What the hell would he want to come in and talk about? That guy has some fucking balls." So he comes in, signs an affidavit, agrees to a lie detector test, tape recorded, everything. And he says he sent a simple letter saying, "These guys make a lot of money." He says he said some bullshit in the letter. These guys make a lot of money, they might be on some illegal, maybe you should look into it. That was what he said he wrote about. And when the state investigator interviewed him, he said he told him that he has to hype up the money back and hype up the money back – that we didn't give money back, and hype up about this and hype up about that, and get other people to collaborate a story, and he would get 10%. And that's how we found out about that.

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Next, he gave him a couple thousand bucks that they never told us about. They actually gave this guy – and this guy's a scumbag himself. What he did is, in this whole time, he had no money, this guy. So he was living in another city and he was on EBay selling – he had these two Les Paul Gibson guitars, and he was selling the same guitar like 10 times on EBay that the police came and arrested him for ripping people off for not selling things. Because the guy is a bad guy to begin with. He's just a bad guy. And it turns out that the first person that the states had witness call when he got arrested for robbing people on EBay, was he called that crooked investigator. And the crooked investigator actually got him off and got him released from jail, got him off by using some of the money they fused from us to pay back the people that he robbed on the guitars. And we never knew about any of that stuff. It was just all this good old boy shit and it was just a disaster.

So anyway, the guy who got – the limo driver was a vindictive bastard, and he's a piece of shit. But the same way that he wanted to be vindictive towards us when he didn't get his way, it was the same way he was vindictive towards the state when they didn't pay him. So a year went by and they never paid him. They never gave him the four and a half million. They never gave him a million. They never gave him anything. They have him, I don't know, like \$10,000.00 maybe early on just to whet his chops a little bit. So they never paid him, so he came in and he took his lie detector test and he gave his statement, and he said that he never said that he drove duffel bags to the mafia. He said that he never said that. He said he never said about the credits or the refunds. He said that he was told to hype it up, but he didn't know anything, that he was just a limo driver, what would he know? And he signed – he signed that under oath. So we're like, "Oh, wow." The state committed fraud to get its usual warrant so you can't fight a case because you have no money to do it, and like I said, "It's like going to Iraq with a slingshot." You know what I'm saying. You're not going to win; you're not going to win. I don't care if you're a sharpshooter, if you got a slingshot and they got a fucking M18 or whatever, the M80, whatever the hell it is,



the M16, you're getting killed.

So me and my ex-partner and my attorney were all like, "Okay, cool. Let's bring this shit to the judge." The judge goes, "Oh, I don't think he's been credible since day one, and that wouldn't have been credible since day one, and I don't care. It's done and over with. We don't care." And we're like, "He hasn't been credible since day one." We're like, "Okay. But he was credible enough to get a forfeiture warrant to begin with though?" And you know you're not gonna win because no state is gonna give you back 50,000,000 bucks, not because of the 50,000,000 bucks, but because of the freaking lawsuit – the lawsuit that you've have for destroying a \$100,000,000.00 enterprise. But to this day I'm still in a legal process fighting this. I mean we're at the court – on a court of appeals level right now and we're going to take this all the way to the federal courts to appeal this because they didn't have a right to do what they did.

I'm still in the middle of dealing with that, and that's like a – the punishment is not in what happens. The punishment's in the process. It'll take these five years probably to get through this, and by the time those five years come by I probably won't even give a shit anymore, and I'll have a new – a new nine figures or eight figures in my bank account or whatever. I won't even care anymore. My problem was that when you know you're not doing anything wrong, you'll put your money in the bank. You'll put your money in the bank because if you're doing something wrong you know you're doing something wrong, and if you think you're not doing anything wrong you'll put your money in the bank. You'll put your houses in your name. You'll put your cars in your name. You'll have everything visible like I did, and you'll get cleared out in one day like I did. So I'm not an expert on how to protect yourself from regulatory attention and stuff. I mean basically none of my – my whole problem with my business was not brought on by one single consumer. It was brought on by an ex-employee that had an axe to grind and I very, very corrupt state that wanted that money.



So I mean when you first get into business there's ways to keep yourself out of problems. You want to sell good products. If somebody wants a credit you give it to them within 15 days. Don't let that charge be sitting on their credit card statement the next month. Ship your products out immediately. If you could ship them out in a week or two, ship them out. The rule is you got to ship them – the Federal Trade Commission rule is you got to ship them 30 days from the day you charge, but with these crazy guys on the internet now, they want to order – they'll order on Saturday and they're sending you an email on Sunday asking where it is. They want their stuff fast. So if you ship it fast, and in your advertisements don't say your product – if anything say your product hopefully – make sure that it could do that. You could huff and you can puff and you can use hyperbole and stuff, but don't lie in your ads. I mean these are just – these are just things the ordinary business standpoint. Don't be an egomaniac. Don't be all in your television commercial being like the Girls Gone Wild guy. You know, he's all over his television commercials acting like a showoff, and he wonders why he goes to shoot spring break in Florida and they're planting drugs on his airplane. You know what I'm saying? I mean you can't be an egomaniac and be asking for it, showing off your jet planes and your Ferraris.

But that's just a part of doing business. You can step out in the street and get hit by a car tomorrow. When you get business you got to understand that there's certain risks you take as well, and when guys like O.J. get off and women like Martha Stewart are in jail it can go any which way. You could be guilty as shit and be free walking around playing golf, and you could be innocent and you could be in jail. So innocence is no defense and it could go either which way for you.

Russell Brunson: Yes, that's definitely a scary story. Man, that's some good advice. Well I guess now from that point, since you are starting again, for someone who's just starting and getting into it where would you start? What should be the first steps that we ought to be taking, and what are the first steps you started taking when you started getting back into it?

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Vincent James: Well basically I just want to get excited about a product. I mean if I can see a product that can get me excited, and not necessarily even a product, just like an overall offer that could be tied to a product. I mean that's the biggest thing I see that people could really need a lot of help with. There are a lot of people that come to me for critiques or advice. They got like these ____ product ideas, or – and if it's a product, the default product they're selling, you know what I'm saying? I mean it's hard to explain. It's like if they're selling all product, there's no offer to it, there's no buy this and you'll get this, there's no – there's nothing really to get ____ to get an action. Sometimes you just have bad ideas. I mean that's the biggest thing I see. It's not so much in their copywriting ability. It's not so much in their techniques that they do things. I mean the biggest problems I see is just bad products. You could be – you could be a horrible copywriter with a great product and outsell John Carlton writing about a dog shit product.

That's what I used to think when I first got into the business. I used to think – like Abraham and stuff. I'd be like, "Oh my God. How does that guy sit still when he could write ads all the time to make money from all these products, and how does he sit still? I'd be writing copy 24 hours a day if I had his ability." That's how I used to think, and then you learn later on as you're in this business for awhile, is that the product is the king and you could have the best copy. I mean if it was as simple as saying, "Oh, I have an idea to sell these desks or these chess sets," or whatever they might be or whatever, and you have 15 grand to go hire a really good copywriter and it's going to make you a winner, I mean man that'd be a real nice business to be in. You know, just to throw a – with anything, why would the copywriters be copywriters? They'd be writing it for themselves then. The biggest thing is having the right product, the right offer, and basically when I create offers of products it has to be a customer's gonna buy something off me for a buck, and in return, in benefit, he's gonna get four bucks. The benefit that's he's gonna get from the saying, like only a lunatic. That's the saying right? Only a lunatic would not take me up on this offer. It's just coming up with a good product with a good backend to it and you _____ other future sales ability.

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The one thing I could say is that when I first got into the business I had marginal successes. You know, a couple of million dollars here, a couple of million dollars there, and you hear about these guys that are doing 20, 30, 40, 50, \$100,000,000.00, and you say, "Oh my God." This business, it really can't – it's really impossible to – you just can't really see it happening where you'll ever end up with a 20, 30, 40, \$50,000,000.00 enterprise.

But the truth of the matter is, is that the one good thing that did come from a lot of my experience was that I did see that it was possible. I did see it, and it's possible to make \$1,000,000.00 a week that you and your partner could split up in pay. You can make 20 something million dollars a year as a salary if you wanted to. It's possible. Things like that can happen, and not only can they happen but they don't have to be 7, 8, 9, 10% response for it to happen. I mean I made – my whole company is built off of 1.6 to 2% direct mail response, and it doubles over in a magazine ad. It just – it cost me 30 bucks to make a \$60.00 sale, but I also had a backend on it that was \$120.00 backend that I could do 40,000 times a month. That was the whole secret to making the money that I made, and those numbers aren't impossible to fathom. I mean, 1.6, 2% out of a \$10,000.00 magazine ad that makes you \$20,000.00. I mean it's not crazy to get those types of numbers, but I wouldn't try to reinvent the wheel.

I've got a saying, sell what's already selling. If you could start off with – somebody who's selling, something that they're already selling that you could create a better, bigger offer or bring it to a different medium that they're not advertising on. A lot of people were selling stuff on the internet and they're having marginal success, and like I said, marketing only on the internet successfully, it's like owning a 20 room mansion that you're only living in the kitchen. And if you're going to stay in the kitchen and just market on the internet, you're not really going to fully exploit the whole benefit of owning that 25 room mansion. A lot of people stay only on the internet. You could take a product from – that somebody is marketing successfully on the internet and move



it into direct mail and move it into print and move it into other different mediums and go places they they're not.

I don't like to fall in love with any product. If I test the product and it doesn't work for me I know I gave it a shot and I'm going to go back and worry about tweaking copy. I mean if it's a deadbeat product I throw it in the trash, I don't think about it again. Another thing, sometimes people with an idea of what it's going to be like when it pans out, they miss that blur – their vision of knowing that it's all about the customer. The customer only buys from you for his benefit and not for your benefit. Basically you just want to be selfless and be all about the customer and just give it your best shot. As far as particular products, that's the big variable. That's the whole secret to this, for this business to work; it's just the right product. And nobody can predict that. ____ certain areas, but the only thing separating me today from having what I used to have is just – because it's the product. We sure as hell need the ability, the writing ability or _____ the product, and that's what separates everybody from having everything they want. It's not so much the tactics. We use the tactics. You can buy books like mine and listen in on audio calls and stuff, and buy a lot of other marketing guy's stuff. And I've learned the tactics, and you have to learn those tactics. I think once you learn all those tactics and techniques, you really start seeing valid product ideas and you have to pick the right one that has the highest probability of working, and you give it a shot and just take it from there. One step leads to another.

Russell Brunson: Yeah. Cool, that's great advice. We're getting towards the end here. Do you want to tell a little about your coaching and about the whole, "How that works and how people get involved" type of thing?

Vincent James: Yeah, sure. Sure, yeah. Actually there was an afterthought to the book with some of the coaching. When I was first getting started in the business, I paid J. Abraham like

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\$5,000.00 to talk to him on the phone for an hour. And the ____ of what I got out of the call, \$5,000.00 for an hour on the phone, that's a lot of money. Most of these guys like Dan Kennedy and stuff, I hired him, too. I think I paid him like \$900.00. He was \$600.00 an hour at the time, and I think I had him for – I think his ____ for like an hour and a half. I gave him \$900.00. And it's just real expensive to get sometimes, people who've been there before and done it before to help you. It's very expensive. I know a guy, I consider myself a friend of Joe Polish. I have a friend slash potential client that did a little bit of stuff with him and hired him for two days for \$18,000.00. I mean it's just a lot of money for someone with knowledge.

So what I did was I came up with a plan that I could – it would only be like \$13.70 a day, \$5,000.00 annually, and it's basically unlimited. So for the \$5,000.00 you get put on my email list and my cell phone list as a mastermind type of group where if you have a question, concern, advice you need, want me to critique something, let you know an opinion, what do you think of this list or what do you think of that list, or what do you think of this or that, I'm there for that, and you could buy my friendship for \$5,000.00 a year.

And it works out pretty good. I've had people that have done it and I sent them one email, and they said they got their money recouped in the one email, and I said good so don't email me anymore. It works out pretty good. Its fun for me because I was doing it pretty much for who knows, just whatever, anyhow, and it definitely helped. It can help you out a lot. I would like it if I was starting a business and if I had the extra money where I could have four or five of my top experts on speed dial, without having a friendship relationship, without having some kind of a friendship with them for \$5,000.00 and being able to have that friendship for \$5,000.00 where I could pick up the phone and pick their brain without getting cursed at, it's a pretty good deal. I think that's pretty much what all the guys that I have felt. We've got guys all over the place; Australia, the United Kingdom, and all over America and a lot of big names that probably don't



need it as much as one of the green guys that are just getting started, but I understand that to have another set of eyeballs look at something was definitely worth it, and that's – a lot of the experienced marketers, they're too much in, they're too in the forest to see the trees, you know the saying. And sometimes to have an outside opinion works, and that's pretty much how it works. It's \$5,000.00 nonrefundable. It has to be paid upfront and I do that for a reason because I don't want people that can't afford the full 5,000.00. If you have \$6,000.00 to start your business, don't pay me 5,000.00 and call me in a month a say, "I've got \$1,000.00. I want you to work a miracle." And I've had a couple that have done that, and I just won't do that anymore, but it works out pretty good. It works out pretty good.

It works our good for me, I'll be honest with you, and it works out pretty good – it works out real good for the client because, like I said they get unlimited – I mean as long as they're not calling me at 2:00 in the morning, and so it works out pretty good. And we have them all over the world, and they also get 50% off on any copywriting stuff they might have me do for them, which comes in handy because I'm like – I don't even like to deal with copywriting. If I do it, I want 15,000.00 for a package or an ad, and I really don't even like to do it because if it's a product, a product that I know. Not so much product, but even an industry that I know, if it's business opportunity or dietary supplement, I don't mind it so much then. But when it's a whole new type of business that I have to go learn and go master to be intelligent enough to write about it, it's not worth \$15,000.00 to me.

So yeah, and all the coaching clients, they also get half off on any copywriting stuff, which comes in handy. If I'm even doing it, which I'm not right now. I'm just doing phone calls like this one.

Russell Brunson: Yeah, well I kind of tricked you I think. I'm planning – I still am planning on taking you up on the coaching, but this is my kind of way to get a front end, find out all the secrets



upfront so I know exactly what kind of stuff to spend my time with.

Vincent James: Oh yeah, and like I said, you're in the business opportunity field. A lot of the guys that you probably know are probably – like just in Texas. I got – pretty much I got in Texas I got _____ Kimball. Do you know him?

Russell Brunson: I know him. I don't know him personally though.

Vincent James: And Jeff Gardner and Don Farmer and Dave Frey, and you pretty much got a lot of guys just in Texas alone. But it works out pretty good, it's fun.

Russell Brunson: That's cool. Well I really appreciate – I mean you spend six hours with us in the last two weeks, so I really appreciate you dedicating that much time and everything you shared.

Vincent James: Oh, don't worry about it.

Russell Brunson: I know that –

Vincent James: It's actually been fun.

Russell Brunson: I'm going to be taking all this stuff and applying it because that's the next step in my business, obviously is to take it from only being online and take it to the offline world, so that has been –

Vincent James: Yeah, like I said that's the next evolution, is to cut your teeth online and then to take it offline, definitely.



Russell Brunson: Well again I appreciate it. Is there anything else that you wanted to talk about or to cover before we ended tonight?

Vincent James: No, that was pretty much it. Basically I'm just going to go grab a cup of tea and that'll be it, and I guess – no, I guess we pretty much covered everything. I mean if anything ever pops up that you want to do again, I don't mind doing a couple more hours and we could cut it into this. But I think we pretty much covered everything.

Russell Brunson: Cool.

Vincent James: Alright, cool. Alright then, I guess as soon as you get that mp3 of the call just shoot it to me in email, and then if anything pops up just give me a buzz.

Russell Brunson: Okay, sounds good.

Vincent James: Alright Russ, thanks man.

Russell Brunson: Yeah, thanks a lot.

Vincent James: Alright, bye-bye.

[End of Session 6]