

An Insider's Story: **"How I Made** **\$77 Million** **in 2 Years** **...and You Can Too!"**

A proven blueprint to earn a quick fortune...

REGARDLESS OF YOUR CREDIT...

REGARDLESS OF YOUR FINANCES...

AND REGARDLESS OF YOUR EDUCATION.

EVEN IN TODAY'S UNCERTAIN ECONOMY!



By Vincent James

Brought to you by:

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Introduction

If you think being educated about a new profession from a guy who plead guilty to Fraud and Money Laundering is a bad idea... this is not your book.

If you think learning how to make millions of dollars from a guy who almost lost \$48 Million in a brutal lawsuit- practically making him homeless- is a bad idea... this is not your book.

If you think discovering how to live the “good life” from a guy who was facing 10 years in prison is a bad idea... again... this is not your book.

But if you are looking for the real... the genuine... the no bullshit way to become filthy rich- and at the same time- avoid any of the pitfalls massive success comes with... this will be the most rewarding book you’ll ever read.

You see, I’ve made over \$100 Million in fewer than 10 years using the very same techniques I’ll reveal to you in this book. I’ve also nearly lost all of my fortune being stupid with my success. I’m going to teach you how to make tons of money- and just as importantly... I’m going to show you how to keep your millions in your bank by not being stupid like I was.

This is my first major book. I am not an accomplished author, so this book will have some flaws. If you read for style, or for literary quality, like I was saying before, this may not be a book for you.

But there are paragraphs in this book- ideas in this book- whole chapters in this book that I have never had the balls to put down on paper before! And they will open doors to you- maybe as soon as tomorrow- that otherwise might have taken a lifetime of waiting for you to walk through.

Right now... I'm sure you're skeptical as hell. You may even be thinking to yourself that you have bought the diary of a madman. But let me make you a small promise:

Give me a few days. Read this book.
You will never be the same again.

Once you learn what I have to teach you... unless you somehow lose your entire memory... it would be impossible for you to ever be "ordinary" again. It would be impossible for you to not know how to make tons of money- starting with virtually nothing as I did 10 short years ago.

I hope you'll give me the benefit of the doubt with my promise. If you do, please read on. But if you can't cast-aside your skepticism, please do not waste any more of your time reading any further. Unless you believe in me- this book will be worth nothing to you.

Anyway, before we jump into this thing with both feet... Lets get acquainted. Maybe I should tell you a little about myself, how I grew up and where I came from.

I was born in northern New Jersey on January 23rd, 1974.

I grew-up poor- single parent household. I think I had some sort of learning disability, because as a child, I could not retain anything I learned in school. I'd study like hell for an upcoming test... but as soon as I finished reading a chapter in my school book... I couldn't remember what I just read. It would not penetrate into my brain. It was extremely discouraging, so I gave up. I failed everything... even P.E. class.

I finally dropped out in the 10th grade. Nobody seemed to mind.

No matter how hard I tried, it always seemed like I wasn't going to amount to anything real important in life. And this really sucked

because I had a passion for the finer things. I wanted the gold Rolex, the sporty Mercedes, and the Million-Dollar Mega Mansion!

But when I looked in the mirror, I didn't like what I saw. I was convinced the good life I wanted was just a dream.

But that was all about to change. Seriously- by the time I was 19, I had a brand-new Corvette. At 20, I had 2 brand-new Mercedes Benz automobiles. And at 21, I was the proud owner of a Rolls Royce Silver Spur!

By the time I turned 28... I made over \$100 Million in gross sales. I profited over \$50 Million. I owned two homes- one of them was 14,000 square feet and had a seven-car garage, a billiards room and a resort-style pool with an underwater bar! And I paid cash for the home!

In my garage, I had a red Lamborghini Diablo, a yellow Ferrari 360 Spider, a white Bentley Arnage Red Label, about 4 Mercedes, and a 12-passenger Lincoln Town Car Limo!

My checking account had over \$10 Million in it. I was earning \$400,000 in pay each and every week. That breaks down to \$80,000 a day... or \$10,000 an hour! And those figures were if I worked 5 days a week for eight hours a day, which I didn't!

In the year 2002, I made more money than the CEOs of Federal Express... eBay... Amazon.com... Time Warner... Apple Computer... McDonalds... Microsoft... Nike... Yahoo... Ford Motor Company... General Motors... and Goodyear Tire- COMBINED! Yes-COMBINED.

In the May 12th, 2003 issue, Forbes Magazine listed their top paid 500 CEOs in America. Of their prominent and prestigious list of the 500 CEOs, I made more money than 483 of them.

\$17,549,000 MORE than the CEO of Starbucks.

\$13,030,000 MORE than the CEO of Target.

\$17,225,000 MORE than the CEO of Motorola.

Now, this may all seem like I'm some rich asshole bragging about how rich I am... and you're partly correct. I am bragging! But more importantly, the reason why I'm telling you about all this is that this book is about getting rich very quickly. If the talk of obscene money makes you feel uncomfortable, or even angers you, maybe you do not really want to be rich.

The reason why I'm telling you about all the toys I had when I was just 28, is to prove to you that if an guy like me... with a learning disability... a bad childhood... and no formal education can get filthy rich by the time I was 28... you can absolutely follow in my footsteps and build yourself your very own empire of wealth!

I remember back when I was 18, I was sitting on the steps of my Aunt's home. A few doors down from her lived a girl I went to High School with. Anyway, while I was out there sitting on her steps smoking a Marlboro, I saw a red Mercedes Benz SL500 pull up at this girl's home.

Some preppy geek got out of the car with his sweater wrapped around his neck and went to her front door. He was picking her up for a weekend trip I presumed because she made him carry a small duffel bag to the trunk of his shiny red Mercedes.

Things were sure different from when we were both in High School together. Where that girl may have had no problem going out with me back then... nowadays her boyfriends had to be financially accomplished. When I saw that freaking red Mercedes pull away and drive past me, I remember saying to myself, "I've got to get my shit together!" And I did. About a year later- I had the very same model and color Mercedes Benz SL500 in my garage.

How did I get the car? I didn't steal it. I didn't win the lottery. I sure didn't receive an inheritance from some long lost relative who just kicked the bucket. I made the money on my own. I started from scratch with nothing but a pen, a pad, and a crazy idea. I'm now going to teach you how to do the same.

Why would I teach these incredible wealth secrets to total strangers for the small fee this book sells for? I don't know. Maybe I like to teach people stuff. Maybe I want to be immortal. Maybe I want to leave something behind on this Earth after I die that will last forever. Whatever the reason- you're in for a treat.

I named this book HOW I MADE \$77 MILLION IN 2 YEARS- AND YOU CAN TOO! because that's what it's designed to do. It's designed to make you a full-blown, certified MILLIONAIRE!

Stop laughing. I'm being serious. And I'm going to guarantee it. If this book fails to make you a millionaire within the next 12 months... seriously, I want you to send me a letter explaining what you did in an attempt to get rich... and I'll send you every dime you paid for this book.

Maybe you do not want to become a filthy rich millionaire mogul... maybe you just want a better life for your family... that's alright... but I do have to tell you this...

It's just as hard to make a "good" income in this business as it is to become filthy rich- earning millions a year... and I do not mean this in a negative way... I mean it in the most positive way possible.

It's just as hard to turn one dollar into three dollars one hundred times as it is to do it one million times, so why not do it to it's fullest? I sure do.

So anyway, lets get this thing started right away. I'm so excited for you. I remember when I was first learning these secrets, piece-by- piece over 10 years ago. It was like a mental orgasm. I couldn't stop devouring this stuff from every source I could squeeze it out of... whether it was spending \$10,000 on books dating as far back as the early 1900's... or spending \$5,000 to go to a single weekend seminar... or giving up my entire personal life from age 19 until 24... including women... just because I was so excited with what I was discovering.

Seriously- I envy you. I wish I could experience again what you're about to learn... but of course I can't. So I have to settle for the joy of watching the light bulbs go off in the thousands of people's minds who read this book.

In my head, this book has been begging me to write it for the past five years. I finally gave in and did it. Am I happy with the end result? You bet I am. The very book you hold in your hands is not just a bunch of paper, ink and glue... it's literally a roadmap... a blueprint... a formula for getting rich in America today.

These secrets are used equally by the single Mother trying to put her child in a good private school, to the small businessperson making a great living... all the way to guys who are running ONE BILLION DOLLAR Publicly-Traded Corporations such as The Sharper Image. These techniques are not Mickey Mouse. They are powerful. They are life altering. They can even be dangerous if they are not used properly.

So, I'd like to welcome you to the "Best" of your life. I hope after you make your millions you still remember this book and tell everyone you know how it helped you.

Enough already- let's get this party started.

Chapter One:

The Best Business In The World

Before you read this chapter, get a pen and a piece of paper. These are the two main tools you need for this business.

When you add together the pen... the paper... this book... and a simple idea for a product or service... it could literally be worth hundreds of millions of dollars.

Traditional businesses like retail stores, manufacturing plants, restaurants, etc. require you to jump into the fire, with both feet, risking almost all of your money before you earn a dime... and what's worse is you will not know if you are going to be a success until after you've risked most, if not all, of your start-up money... if you're even lucky enough to have start-up money.

And still worse, these traditional businesses cannot offer you the rapid forced growth and wild profits of the wonderful business this book teaches about.

The business this book speaks of allows you to start small, and only after you have scientific proof and a valid and profitable idea, would you then gradually invest more and more of your money. In most cases, you'll be reinvesting profits.

The business I speak of in this book allows you to get rich even when 99 out of 100 prospects don't want your product.

The business I speak of in this book is the Direct Response business. Its a business that allows you to discover very quickly if you have a hit or a miss... usually within 30 days. You can also find out if you have a hit or a miss for cheap... most of the time you can find out for \$2,000 or less.

Another plus is that your “offering” is what gets judged... not you- Let me explain...

You can be of any descent and suffer 0% racism. You can be male or female and suffer 0% sexism.

You can be straight or gay and suffer 0% homophobia.

You can be a midget... a gimp... bald... fat... cock-eyed... butt- ugly... toothless... have bad breath... etc. None of this will affect your chance of success in this business.

You can also live anywhere... even in a uni-bomber-type cabin in the middle of BFE... and as long as you can get your letters to a Post Office and as long as you have access to a phone line... your location will not have any effect on your success in this business.

You can be a high-school drop out, like I was, and with the right idea you can run circles around the Harvard MBA with the wrong idea...

You do not need any specific expertise in the product you plan to sell. I’ve manufactured and sold golf clubs while I never played a round of golf once. I’ve manufactured and sold vitamins, where I am not any kind of Scientist or Doctor. That’s the beauty of this business.

And guess what is best about this business? You can be sitting in your one bedroom, roach infested basement apartment right now... but as soon as you craft the right letter, selling the right product, to the right people, for the right price, and at the right time in his or her life... you can be in possession of some intellectual property worth over \$100 Million! And it’ll take you just 7 to 10 days after you mail your letters to know what you have. Seriously.

About five years ago, I was between businesses. I was not earning any money. I was a little discouraged. I created a letter for a product and I tested it and got 6-times my money back. It cost

\$600 to mail 1000 letters and I got \$3600 back, of which all was profit, once I subtracted the \$600 mailing cost.

Now, what I then knew was that the amount of names I could mail the letter to allowed me to sell 40,000 new people every month for \$180. That means I'd make \$7.2 Million in gross sales every 30 days. It would cost me \$1.2 a month to advertise. So when everything was said and done, I was looking at \$6 Million profit every month.

Pretty hard to sleep that night knowing I had 4 sheets of paper that were going to bring me over \$70 Million. Twenty months later, I grossed over \$77 Million and netted \$48 Million in pure profit from this single sales letter.

What did it cost me to create this letter? A pen... a legal pad... a good idea... and the skills and secrets revealed in this very book!

The Direct Response business is not a new business. Ben Franklin even had a mail order catalog! There are scores of books in bookstores you can buy for \$10 or so that can tell you all about direct response... or mail order as some call it. But what I want to teach you is how I do it. I do it a little different.

Right now, we're going to focus just on mailing sales messages for a product to a qualified mailing list. Later, we'll talk more about magazine advertisements and TV and radio commercials.

In 2000, I had an idea for a dietary supplement. Actually I didn't even have the idea. I saw a product selling in health food stores for \$60. I thought this was a hot product that was not getting marketed properly. It was buried on the back shelves of the store... so I bought myself a bottle. Its best to sell products you cannot find in stores... but since this one was so poorly placed in retail stores, I felt I could effectively sell it through direct response.

The good thing about dietary supplements is that manufacturers cannot Patent the ingredients they use. I can come up with a great blend of herbs and spend hundreds of thousands in clinical studies and all it takes is someone to read the ingredient list on

the side of the bottle- which is required on the bottle by law... and they can knock-me-off instantly. So, basically I can take a bottle of anything I find in the vitamin store or in any catalog and any local vitamin manufacturer can make the identical pill for \$2 a bottle or so... even if it is selling for \$50 to \$60 in stores!

No need for research. No need for clinical studies (if the other company already sponsored one or there is one in the many medical journals). You can have your very own brand name dietary supplement for a few dollars a bottle.

Anyway, back to my dietary supplement.

I was quite amazed when I saw these pills advertised and sold for \$60 when I could make them for \$2... and even less in larger quantities!

I made up a name for my “new” product and had labels made for the bottles through the pill manufacturer. Viola! My very own, trademarked brand name dietary supplement in less than a week’s time!

So, I crafted a sales letter for this product and located a few mailing lists to mail the sales letters to. Sometimes it’s easier to come up with a product by looking at the different types of mailing lists on the market. For example, instead of thinking of a new product to sell, look at all the different types of mailing lists on the market and their sizes, and then fit a product to the list.

I’ll talk more in great detail about mailing lists later in this book.

Anyway, the pills sold for \$60 in my letter, and remember, I made them for \$2. It cost \$1.50 to ship them to the customer including the bubble bag. I charged \$6.95 for shipping and handling, so this fee covered the 1-800 phone bill, the order taker’s paycheck, the shipping fee, the credit card processing charge... hell it even covered the cost to make the damn pills themselves!

It’s totally legal to do this. That’s why it’s called a shipping and handling fee. You can charge whatever you want for “handling”...

even if your customer knows it costs just \$2 to send his order and you charged him \$5... the difference is the handling fee.

So, basically, when a customer would call me and order these pills for \$60, plus \$6.95 for the shipping and handling... all \$60 of the selling price was pure CTO. CTO is short for Contribution To Overhead.

CTO is what your business will net after you pay for goods sold. Out of this CTO, you still have to pay for advertising, postage, employees, etc.

Most people are amazed when I tell them that 50% to 100% of your CTO may go to the advertising expense to bring in the customer!

Who pays 50% for advertising? In this business, you'd be lucky if you can pay just 50% of your initial purchase CTO on advertising.

Anyway, when I tested this new supplement on a handful of mailing lists, I was pleasantly surprised. This is what happened:

At the current time I tested this product, postage cost \$370 for every thousand stamps.

It would cost \$100 per thousand for names to mail the sales letters to.

It would cost about \$100 per thousand to print and stuff the sales letter we sent to the names on these lists.

When we're all finished, it's safe to assume it's going to cost \$600 to mail 1000 sales letters to qualified groups of prospects.

Being my product sold for \$60... I got to keep all \$60 of it, as the cost to manufacture the product is covered in the shipping and handling fee.

Common sense would tell you that when I mail 1000 letters for \$600... I need at least 10 orders to break even and get my advertising dollars back.

Lets say my product was a new diet pill. Not just any diet pill, but one that actually enlarges in size once it reaches your stomach so it feels like you are full all the time.

Now, let's say the mailing lists we're mailing our sales letters to are made up of people who have bought diet pills in the past, so we know they are prime prospects.

OK- we're mailing our hot, new diet pill to 1000 people who actually bought someone else's diet pill in the mail recently. Of the 1000, how many do you think would order our pill? Some would say 250 of the 1000. I'd say that they're crazy. Some would say 100. Again, they're crazy. Let's say that 98% of the people we mail our letters to, throw our sales message right in the trash... Let's say just 2% of our prospects decide to purchase our new, super diet pill. Let's do some math.

Two percent of 1000 letters is 20 orders. Remember, I said earlier that we need at least 10 orders to break even. Since we received 20 orders, we just doubled our money... but that's not the best part.

When I sold my supplement, I was amazed when each customer purchased an average of 4.4 bottles over the next 6 months. This figure is called LCV or Lifetime Customer Value. I'll tell you all about it later in this book.

Anyway, when a customer thought he was buying a bottle of pills from me for \$60... he was actually spending \$180 over the next six months. He didn't know this... but from statistical data I've compiled from past customers, I was well aware of what each customer was worth.

When it was all said and done, each customer was worth \$180 in CTO. Lets go back to the 2% who bought from my sales message. We've got 20 orders at \$180. That's \$3600 in CTO for every 1000 sales letters I mail. It costs \$600 to mail 1000 letters, so we can safely say; I'll profit \$3000 for every 1000 letters I mail. That's \$3 a letter on average. What are you going to do when you get a diet pill or a wrinkle serum to pull numbers like this when you test the Victoria's Secret mailing list that has 900,000 FRESH names a

month? Can you really make \$2.7 Million from just one list? You bet your ass!

And that example was for mailing sales letters to just one mailing list! There are many ways to sell products via Direct Response. You can sell products through magazine advertisements... direct mail sales letters (like we just spoke about)... radio spots... television spots... long format infomercials... internet search terms... telemarketing... and many more we'll go over in this book.

I used them all... but only a handful are the ones that really work well. We'll talk all about magazine ads... direct mail... radio... television spots... and some Internet promotion in this book. These are the best ways I've discovered to make money in this business.

Basically, your ad or sales letter, or radio ad or TV ad is salesmanship multiplied. That's all that advertising is. Salesmanship in print... or on TV... or on radio... That's all. Forget all the fancy stuff Madison Avenue ad agencies may try to tell their clients. In a head-to-head, dollar-for-dollar competition, direct response techniques like the ones you'll learn in this book will always out pull the fancy shit these guys are churning out.

Are you having a hard time believing you can really strike it rich in this business? Let me give you some examples of what people have done in the past, and how their lives changed.

Proactiv Skin Care Solution:

Proactiv is an acne treatment you've seen advertised over TV infomercials since 1997. The product was created by a couple of Dermatologists and is sold for \$39.95. In their prime, they were selling 30,000 new kits a month. With reorders, I'm sure they were selling 90,000 kits! I'd guess they gross \$50 Million or more in annual revenue. Do you need to be some Dermatologist to sell this product? Absolutely not. It does add to their credibility, but for a few cents on each kit sold, you can sure get your own Dermatologist to endorse your product.

This skin care product is a good direct response product because the three bottles of cleanser they sell in the kit could cost \$6 or so to manufacture, and \$2 to ship.

A shipping and handling charge of \$7.95 could easily be charged, so the \$39.95 selling price is pure CTO. And this is a consumable product!

Girls Gone Wild:

This guy is in his early 30's and is making close to \$100,000,000 a year. Yes, that's ONE HUNDRED MILLION. He owns two private jets, Ferraris, numerous homes all over the place... and from what? Cheaply shot, cheaply produced videos of drunken college girls showing their breasts. What this guy does is offer 2 videos for \$9.95 and then a new video every month for the regular price of \$19.95. Now, it probably costs \$2 to produce a VHS cassette and \$1 to ship. To charge a \$4 shipping and handling fee is realistic, so the entire \$9.95 or \$19.95 is 100% pure CTO. And he automatically sends his customers a new video every month!

Carlton Sheets No Money Down Real Estate:

Carlton discovered a way to buy real estate for no money down and instead of running around himself buying homes using his techniques, I'm sure he realized it was far easier and far more profitable to simply make a home study course and sell it via TV infomercials.

Carlton has been on TV for over 10 years and I'd bet he's made 100 times more money telling others how to buy real estate for no money down than he has from actually using his own techniques... which is fine.

Remember the California gold rush? I'm sure the men selling the picks, shovels, and overalls made more money than the men who actually were in the mines trying to find the gold. Levis is still making jeans... but all the miners and their fortunes (if they ever found any) are all long gone.

While information products are great... it is more of a challenge to create "back-end" sales... that is products you can go back and sell to your customers. When we are selling pills, it's an easy resell. A video series... again, an easy resell. Still-information products are one of the top direct response products because they are cheap to produce and they can have a limitless perceived value.

A simple sheet of paper may cost nothing to produce... but when that simple sheet of paper is a winning lottery ticket; it can easily be worth \$10 Million and more!

Tae-Bo Videos:

Billy Blanks was a struggling California exercise instructor, as most exercise instructors are. But what happens when you videotape your amazing exercise routine and sell it via direct response? If you were Billy, you'd be looking at selling 5 MILLION copies of your video and more! I'm sure over \$100 Million was grossed with this amazing product. But did you know this: Billy was teaching this unique Karate and boxing inspired fitness techniques for years in Southern California gyms... it took someone with direct response smarts to say, "Hey, let's get a camera and film this guy. People all over the World would love to do this in their own homes!"

Can you come up with a million-dollar idea? I hope so. What I'm here to do is tell you what type of products you need to make for this business to work for you. And once you have that winning idea... there is no better set of tools you can get than this book to show you how to suck every ounce of money from your idea.

Chapter Two:

Products and Arithmetic

In this chapter, we're going to talk about the types of products and services that are best to promote through direct response.

I really do not care what I'm selling... as long as it sells at a profit. To me, the product I'm offering is just a means to an end. I'm in this business to make a profit- hopefully a large one. I'm not married to any "type" of product or service. If I test a sales letter or an advertisement for a product and if it fails... I'll abandon the idea like a red headed stepchild, and I advise you do the same.

Of course, the best products to sell are your own products. You need big margins in this business, and selling someone else's product is never going to allow you to make the large margins needed to cover your advertising expenses.

It's so much easier to manufacture your own branded product. If you were to sell dietary supplements or some form of a wrinkle cream or serum, it's an absolute must the product is your own. Especially when it is so easy to do so.

If you are selling information on how to do something, it has to be your own. Buying someone else's book and trying to market it through direct response is the kiss of death, before you even spend a dollar testing it.

You must have pretty damn close to 100% profit margins; meaning the cost of goods has to be made up in the shipping and handling fees you'll charge your customers.

Let's say that you are involved in some Multi-Level Marketing company and they have a super-duper diet pill they'll sell to you for \$15 a bottle and you can sell it for \$25 or so. If someone were to ask me what I thought of a product like this, I'd tell him or her not to bother.

But if the product is a desired product that could pull 2% or so in orders from your direct response sales letters, I'd advise you to copy their blend of ingredients and make the product on your own, so you can keep all the revenue generated from your customers.

My friend and mentor Gary Halbert says if he were given just one thing when he is creating a product for sale through direct response, he'd want a starving crowd.

In order for a direct response product to work well, you have to have prospects with passion indexes through the roof. Golfers are nuts... people who need to lose weight are nuts... people who want to get rich in a certain type of business are nuts...

Also, I've learned that people will not pay a cent for a preventative... but they'd give their lives for the cure.

Seriously. Let's pretend you have a product that would prevent cancer. Your sales would be minimal and probably not large enough to make a profit. But if you had the cure for cancer and your prospects believed it... and the group of people you're marketing it to all had some form of cancer, they'd pay an entire year's pay for what you have.

Now, of course, there is no cure for cancer... especially one you can manufacture. I'm just using this as an example.

I like products that lead to continual sales. A consumable product is excellent, because as you'll discover in this business, it is 10 times easier to get satisfied customers to reorder than it is to keep attracting new customers, and the huge profits usually come on the back end... meaning the continual sales.

I had a product I spent \$1.2 Million advertising every month. The sales from the initial sale resulted in \$2.4 Million. Now, if the business stopped there, I'd make a good living... but what if the product could be resold to the same customers month after month after month? That's where the big money comes in.

Lucky for me, the product I was making \$2.4 Million a month with led to \$4.8 Million more in back end sales as they reordered every month.

Here's a quick way you can see if your idea has any chance of success before you spend an ounce of your time and a cent of your money testing:

This business is all about arithmetic.

Your product has to sell for more than \$50. Nowadays, it's so hard to make a profit with a unit sale of under \$50. Even if you were selling a video for \$19.95 and you got to keep all \$19.95. Let's do some math.

Say you're selling this video for \$19.95 through direct response sales letters. You need \$600 in orders for every 1000 letters you mail. In order to breakeven, you're going to need 3% of your prospects to buy. In order for you to make some serious money, you need 6% to buy. Six percent is not likely to respond.

Now, maybe if you can get 3% to buy the video and this video you are selling is a monthly video, meaning your customers will automatically receive a new video every month and you'll rebill their credit cards. Maybe you can get this to work... but again, 3% to buy is a high number.

Most direct response offers get 1% to 2% in orders.

Here's some great numbers I try to shoot for with any project I'm looking to test. Let's say I've got a pill that I can sell for \$59.95 and all \$59.95 is pure CTO. All I need to get in response (orders) is 1%. That's realistic. Now, let's say that each customer buys an average of 4 bottles from you over the next months. Let's say the three additional bottles they buy will cost \$39.95 on an automatic shipment. Your customer life value would be approximately \$180.

If you got 1% to buy, you're looking at spending \$60 to "buy" the customer in advertising expenses. When the customer is worth \$180, you're left with a 300% return on your advertising dollar. This is realistic.

I remember when I had a pill that was getting 2% response. I plotted a mathematical equation that would allow me to make \$100,000,000 a year. Here it is:

If I were to get 40,000 fresh customers every month at \$60 and if I could spend no more than \$1.2 Million to do so, I had a customer acquisition cost of \$30. Now, I'd automatically enroll these customers into an automatic shipment club where they'd receive a fresh supply of my pills every 30 days for a reduced price of \$39.95.

Each customer bought 4 bottles on average. Three bottles at \$40 and the initial bottle at \$60 would equal \$180. If I could bring in 40,000 fresh customers a month, my database of active customers would peak at 160,000 bottles a month being sold.

Now, as long as I brought in 40,000 new customers every month to fill in the 40,000 that would fall off every month... I could maintain the database of 160,000 shipments. When you add up the 40,000 people at \$180 I would make \$7.2 Million each and every month... or \$86.4 Million a year. Now, I'm not counting the shipping and handling fees the customers pay. If I were to include this money, I'd gross over \$100 Million annually.

I got the company to this size in less than 12 months by getting no more and no less than 2% of my prospects to buy. I needed just 1% to cover advertising cost.

If you need more than 2% of your prospects to buy in order to breakeven... I'd forget it.

You should try to promote products that are solutions to problems your prospects are dying to solve. And when I say dying... I mean DYING.

How can you discover the magic product to sell? I like to make a list. On one side, I like to write down people's desires. On the other side, I write down problems people have.

If I write down 20 desires and 20 problems, I usually can get moving in the right direction.

Another tactic you can do is go to your local Library and go to the reference section and look for a book called the SRDS Direct Marketing List Source.

This book is the Bible in the direct response business. What this book is a book that comes out every 60 days and it lists the mailing lists that are on the market for rent.

This book is the only legitimate place mailing list owners advertise their lists for use by marketers like you and I.

This book will have lists that are from other companies... magazine subscriber lists... compiled lists... etc.

In this book, you'll find the mailing lists of Adam and Eve Catalog Buyers, Victoria's Secret Catalog Buyers, Subscriber Lists to almost any magazine, etc.

What you can do is sit yourself down with this giant book and just go through it. Look at the different types of lists that are available. It may be easier for you as a beginner to fit a product to a mailing list or group of mailing lists.

Here's an example. Let's say there's a list of the men who buy from the Richlee Shoe Company. This is a company that sells Elevator Shoes. These shoes have a hidden "lift" in them so the men who wear them appear to be 1"... 2"... even three inches taller.

Now, it's safe to assume, the men who buy these shoes through this catalog are short... or at least they crave to be taller. They crave to be taller so much; they'll actually buy special shoes to do so!

Now, I don't know if this company has their customer list on the market, so let's just use this as an example. Let's say they have 20,000 people buying from their catalog every month. That's a decent number of fresh prospects each and every month.

Why don't you come up with some sort of product that you think can make these guys taller? I know there are stretching manuals out there on the Internet that show men how to stretch their cartilage and thus, grow taller.

Let's say that there are special amino acids that you can take to keep your cartilage healthy and dense. What about if you get your hands on the exercise manual and bring it to a personal trainer and have him perform the exercise and you have it filmed.

You can burn the video onto a DVD. You can also then make a dietary supplement that would aid in keeping the cartilage healthy and dense. You can then create a "system" where for \$59.95, the customer can get the DVD of exercises... and a bottle of the "supplement" they need to keep the cartilage healthy.

Now, your sales letter can automatically enroll your customers into a preferred customer club where they will receive a fresh supply of pills every month for \$39.95.

Let's say each customer lets you ship him or her on average 6 months worth of pills. The first bottle will get you \$59.95 and the remaining 5 will get you \$39.95 each. This all comes to \$259.70.

Now, when you sell this product, you'll charge a \$6.95 shipping and handling fee. This fee will cover the cost to manufacture the DVD and the cost to manufacture the bottle of pills... plus it will also cover the cost to actually ship the product to them. It should cost you no more than \$2 in postage to get the DVD and the bottle of pills to the customer's front door. Being you are doing this, the \$59.95 for the DVD and the first bottle of pills is pure CTO. Then for the additional 5 bottles they'll let you send them, you'll again charge the \$6.95 shipping and handling fee... so the entire \$39.95 for the additional monthly bottles will also be 100% pure CTO.

Now, lets say you create a great sales letter with the tips you're going to master later in this book. It's going to cost you \$600 to mail 1000 sales letters. Being that you are getting \$259.70... how many orders do you need to breakeven?

You need just 2.32 orders per 1000 letters to breakeven. Let's say you get 2% of your prospects to order... that's \$259.70 multiplied by 20 orders. This comes to \$5194 in CTO.

When you divide this figure by the \$600 it cost you to get those orders, you're looking at a promotion that yields 8.7 times it's cost! That's a great number!

Now \$5194 in CTO minus the \$600 to solicit the prospects leaves you with \$4594 in profit for every 1000 letters you mail.

Remember, the mailing list gets 20,000 fresh prospects each and every month. There's 20 thousands in 20,000, so that means you'll make 20 times the \$4594 you profit per 1000 letters. Do the math. You'll earn \$91,880 each and every month mailing just 20,000 names.

And don't forget, this was just one mailing list. Maybe there are other mailing lists for "short" people. I know I've seen a few clothing catalogs out there for men 5-foot-7 and under. If a man is compelled to actually buy clothing from a catalog like this... being short angers him... and when you offer him a solution to his problem... and if it really works... you're going to get filthy rich.

I know some of the people reading this book will say that diet pills are huge. It seems like everyone is fat nowadays. But, on the flip side of this... every other direct marketer also knows of this and even though diet pills are one hell of a powerful product... there are only so many slices of the pie... and when there are 100 people mailing to the diet lists offering their products... your offering for this type of product is greatly diluted.

This is a business where success or failure is as thin as a razor's edge. The difference between success and failure is not the difference of getting 1% to buy versus getting 40% to buy. No. It's more like getting .5% to buy is failure... and getting 2% to buy is massive success. We're all competing for the magic two percent to buy.

Let's do another example. This one is for a moneymaking opportunity. Let's say that you have assembled a course on Real Estate Tax Deed Sales. I don't care if you're not an "expert" on Tax Deeds... you can make yourself one by researching the product.

This is one of the largest hurdles people getting started in this business face. They feel they are not "qualified" to sell certain types of products. But the last time I checked, if you were to sell a course on Tax Deeds, I do not recall anyone saying you have to have a Diploma of Expertise... because there's no such thing!

Back to the course. It would consist of a few CDs and maybe a directory of the states that have Tax Deed Sales. To create this directory, all you have to do is order someone else's course and copy the information in the directory they offer. I don't think they "own" the addresses, website addresses, and phone numbers for the states that offer Tax Deed Sales... right? Of course.

Now, as for the CDs... what you can do is order a few different courses on this subject and simply make notes of the important issues in each of the courses... and when you are all done... just assemble all the stuff you put together into one super package you can call your own!

Heck, you can even locate a few "experts" in Tax Deed Sales and call them and see if they'll let you buy an hour of their time over the phone. You'll ask them all the questions you would have if you were going into this business. Tape record them and simply turn those cassette tapes into your CDs. Are you providing an expert's information to your customers? Of course you are. Where the expert may say he wants \$200 for an hour of his time... and if you figure you need 4 hours of his time... for \$800 you can create an excellent product you can then sell to thousands of people for \$180 or so.

This course should cost about \$8 to manufacture. This will include the CD duplication, the printing of the directory, and the case to hold everything in place. What you'd then do is get the mailing lists of opportunity companies and subscriber lists from business opportunity magazines.

What you'll do next is come up with your offer. A good price for a course like this would be three credit card payments of \$59.95, plus \$9.95 shipping and handling.

The \$9.95 will cover the cost to manufacture the CDs, the directory, the case, and of course- the actual shipping charges to get the thing delivered to your customer.

Basically, all \$59.95 x 3 is yours to keep as CTO. If you got 1% to buy... you're doing well. If you got 2% to buy... you're doing great. Let's say you learned how to write sales letters from a real pro (ha ha)... and you got 2% of your prospects to buy this Real Estate course. This is realistic because you'll only be targeting people who subscribe to business magazines... and people who have shown they are interested in opportunities because they bought them in the past.

Two percent buy at \$59.95 x 3... which is \$179.85. You got 20 orders for the 1000 letters you mailed. That equals \$3597 in gross sales. When you minus the \$600 it cost you to acquire these 20 orders, you're left with \$2997 in pure profit for every 1000 letters you mailed. Let's say you mailed the ENTREPRENEUR Magazine subscriber list, which gets 50,000 fresh names a month... and lets say you tested two other mailing lists of opportunity buyers for a grand total of 200,000 prospects to mail this Real Estate letter to.

Now, 200,000 is 200 thousands. You'll make \$2997 multiplied by 200. We're talking \$599,400 in profit each and every month!

You'll get to keep most of the profit. Costs that eat at your profits are customer refunds... which will not exceed 10% in practically all cases... You'll have to pay for a few employees to answer the calls... you'll pay the electric bill, etc. If you were getting \$599,400 in profit... it's safe to assume you'll get to put around \$500,000 in your pocket to spend as you wish, each and every month!

This Real Estate course did not have a back end to resell... but you can look at the installment payments as your back end... because your prospects will not think they are paying \$179.85 for the course... their mind tells them they are paying \$59.95... three times.

But that shouldn't stop you from still trying back end products. You can put together a newsletter... videotapes of a seminar... etc.

Another issue you have to take into consideration when looking for a product is how many ways are out there for you to make money from. If there is just one mailing list and it has just 2500 fresh names added to it a month, this product is probably not worth your time. If there are no lists that have even the slightest chance of working for you, there's probably good reason for it- nobody wants to buy that type of product. If there are no publications, or publications that are smaller than 50,000 paid circulation every month or every other month, consider another product.

When it comes to selecting a product to sell, your options are endless... as long as the numbers work and as long as there are people you can promote it to. You have to do your own math. If you need more than 2% to breakeven and if you do not have a killer back end... or if you cannot locate a large mailing list or lists in the SRDS... forget the idea no matter how much you think it is good.

A friend of mine was telling me about his friend who makes these "really cool" clocks. He told his friend about me and his friend was wondering if he could sell his clocks via direct response sales letters. Let's do the math:

He made these clocks for \$15.

It took him three hours to make the clocks.

There are no mailing lists of people hot to buy clocks.

Even if there were, these clocks would have a hard time selling for more than \$50. We have to subtract \$15 to make the clocks from the \$50 selling price and we're left with \$35.

Let's say we can charge \$10 for shipping and handling, and let's assume it would really cost \$5 to send the clock... so we can add another \$5 to the \$35 CTO for a grand total of \$40 CTO.

When we mail 1000 sales letters as a test, we'll need 15 orders just to breakeven. So, let's say we need to do double over... which means we need to make back double what we spent on mailing the sales letters. That means we'll need 30 orders for this clock.

THREE PERCENT to buy.

Do you really think he's going to get three percent of his prospects (if there were any) to buy his stupid clock, which he could never make in large quantities anyway? Are you crazy? Of course not. So, I had to offend him and tell him "what time it was." Bad product.
Bad, Bad, Bad.

Another thing I look for in a product to market is that it has to be small and easy and cheap to ship to the consumer. I think computers are the worst product to sell via direct response. They're huge. They're heavy. The profit margin on them is next to nothing. And what's worse than anything is that they depreciate in value by the minute! I could never be in a business like the computer business... but the software business is another story! Microsoft has the life. It's cheap to copy. It's light to ship. You can sell upgrades to new versions.

What I would tell you to do is keep your eyes open for products you have purchased in the past that fit the parameters explained in this chapter. See if you can create your own version of it. You don't have to be an expert or have any "qualifications" that you may have thought you needed. When I first got into the dietary supplements business, I thought you needed some sort of expertise in this field... boy was I wrong. Most vitamin manufacturers have "house blends" of certain types of products that you can simply "private label".

All vitamin companies have their own diet pill blends... their own arthritis blends... etc. All it takes is a brand name and a label and you're in the supplements business.

Make your products easy to create. Don't come up with some robotic vacuum cleaner that will take thousands of dollars in development. Take the easy road and shoot fish in a barrel.

Here are some ideas:

1. A karate instructor creates a video series showing how even a wimp can kick some ass.
2. A video course on how to pick up women regardless of your finances, your looks, or your nationality.
3. A wrinkle serum that fills in wrinkles making you look 10 years younger in just 60 seconds time.
4. A pill that enlarges a woman's breast size naturally... without the risk or expense of implant surgery.
5. A sports handicapper offers \$39.95 a month access to his special website revealing sports "picks".

The sky is the limit... as long as the mailing list or magazine is there to advertise in and as long as the mathematics pan out.

If you really feel you have a great product and it'll cost you \$75 to make, and you think you can sell it for \$300, plus \$25 shipping and handling- even though it goes against the principles I teach of in this chapter... if you feel strongly about it- maybe go for it.

You'll still make \$225-\$240 in CTO for every order... and guess what? If you get 1% to buy... you'd earn \$2250 to \$2400 in CTO per 1000 letters mailed. When you subtract the \$600 for the sales letters... you're still left with \$1650 - \$1800 per every 1000 letters. I know a lot of people who wouldn't cry about these numbers. And we're not even going into talking about the back end this product may or may not have.

So, please... NOTHING IS SET IN STONE. Breakthroughs only happen when you break rules.

Another hurdle you may encounter is fear of not “being good enough” to create a product and sell it as your own. If you were a golfer, and you were going to create a few videos about driving and you’re worrying the really “great” golfers will be laughing at you... forget it. Over 90% of golfers cannot break 100 and for the most part are hackers.

Or how about if you create a product you feel is not to your high standards... I wouldn’t worry too much either, but let me clarify a little. You should always shoot to sell and/or create the absolute best product you can make, but sometimes this just cannot happen.

Reasons may be, in order to hit a certain price point, you have to skimp on a few key parts... or use a lower grade. There’s only one person who has the right to tell you your product is crap... and that’s your customer.

If you’re getting more than 10% of your customers asking for their money back, maybe you should look into what they are complaining about and see if you can fix it... but even if you cannot, later in this book, I’ll tell you how to retain as many customers as possible.

Rolls Royce makes one hell of a handcrafted car. Pontiac makes an affordable car. The Rolls Royce’s interior is covered in wood veneers, wool, leather, and sheepskin. The Pontiac is cheap plastic that will rattle and fall apart in 50,000 miles. But there are huge differences in price between the two cars. Pontiac could never sell as many cars as they do if they were to make the car the absolute best they can.

Any car manufacturer (even the Americans) can make a car to rival a Rolls Royce (remember Dusenburgs?)... but they choose not to as they cannot do it at a profit.

There’s nothing wrong with selling an inferior product and I’ll probably be the only direct marketer with enough balls to tell you this in writing. Hey, as long as you do not get more than 10% of your customers to ask for a refund and as long as you are not misleading your customers in your advertisements... by all means, sell, sell, sell!

Consider this and remember it:

Those with superior marketing skills will always make millions of dollars more with an average product than someone with a far superior product and poor or no advertising skills.

Chapter Three:

All About Mailing Lists

In this chapter, we're going to be covering probably the most important part of direct mail success or failure.

A great sales letter, selling a great product, to a poor list will never do as well as a so-so letter, selling a so-so product to a HOT mailing list.

If you're going to get ripped-off in this business, this is one of the four places it will happen- on mailing lists (I'll cover all four in deeper detail later, the other three are: at the letter shop, at the Post Office, or in unaudited magazine circulation claims).

Anyway... we're now talking about mailing lists, so lets move on.

First of all, never consider a mailing list if it is not listed in the SRDS Direct Mail List Source book. If you're looking to test one of those mailing list companies advertised in Entrepreneur Magazine or Small Business Opportunities Magazine... I'd advise you to save your money and keep focused in the SRDS book. The mailing lists advertised in the opportunity magazines are usually compiled very poorly and trust me- from my experience, I never got one of them to work, and I don't know of anyone who has.

If you're just getting started in this business, and are still looking for a product to sell... I'd tell you to spend a few days in the SRDS book. Flip through the pages and see what types of lists are on the market. Fit the product to the list. You'll have more success going this route rather than trying to come up with a product and then trying to fit the list to the product.

Remember, its better to have a good list with bad writing skills and a poor product than it is to be the best copywriter in the world, with a hot product, to the wrong list.

This business is not about selling “your” product through the mail... it’s more like selling to mailing lists products that would compliment their past purchases.

Anyway, I like BIG lists. I like BIG HOTLINE lists. When you’re looking through the SRDS book, you’ll see the counts for each list. These counts will be the Universe (all the names on the list, regardless of how long ago they were added), you’ll see the 3, 6, 12 and maybe even the 24 month count- which is pretty easy to understand... and you’ll see the HOTLINE count.

The HOTLINE count is the one I’m interested in. Because if I have a hot letter and product that works when mailed to this list... what good is it if I run out of names in a few weeks once I mail the 12 month count? Or what about if their HOTLINE count were so small... it would get wiped out as soon as you test it in small test quantities?

I don’t understand why, but every time I ask for a “reco” from a list broker, they always send me these data cards for lists that are 5000 12-month names... what the hell am I going to do with this list? I’d probably get 4% of it to buy, but even if I got 4%... its really not going to make me any money because there’s just 5000 names a year added to the list.

In order to get rich in this business, you need HUGE rollout potential. But on the flip side, do not get misled by some list just because it’s huge and can make you millions “if only we were able to get 2% to buy”.

Before I go any further, let me explain a little mailing list terminology.

When you get a mailing list to mail your stuff to... its called “renting”... you’re not “buying” the list... you’re just “renting” it for a one-time usage... unless you pay more or get permission for unlimited usage.

A LIST BROKER works like a realtor. He is the agent that represents the BUYER.

A LIST MANAGER also works like a realtor, except he represents the SELLER.

If Acme Catalog Company has 50,000 new customers a month buying from their catalog; they usually put their customer names on the market. It's a good source of added income and they literally have to do nothing but fork over the fresh names every month to their LIST MANAGER.

Now, you are the person who wants to RENT mailing lists to see if you can sell your stuff to their customers, or their subscribers, etc.

DATA CARDS are the listing for a specific list. Do you know how a realtor pulls a listing on a home for sale? Well, this is the same thing. The Data cards are not actually "cards", they are just listings in the SRDS book or sheets of paper a list broker will send you.

You can get your hands on the SRDS book yourself and contact the LIST MANAGER of each list yourself, or you can call a LIST BROKER and they'll get the same lists for you... and you won't have to make 10 to 15 phone calls to different LIST MANAGERS. LIST BROKERS are also supposed to help guide you to the best mailing list for your offer. Basically, the way it works is you fax them a copy of your sales message and they'll use their "expertise" to locate you all the lists that have people ready to buy your product.

In fantasyland, this is how this works... but in the real world, if the LIST BROKERS were so good, they sure wouldn't be RENTING lists to you... they'd be mailing their own shit to the lists they know "work" so well.

But still, LIST BROKERS are useful because they don't add any more money to the lists you rent (the list owner pays his commissions)... and they can make all the phone calls for you to the other list managers... and best of all, once you start rolling out... the list broker can extend you 30 day credit terms on all the lists you rent from numerous list managers.

Now, there are different types of mailing lists.

1. There are BUYER lists: These are lists made up of actual people who bought from the company. Victoria's Secret Catalog Buyers is a list of all the people who bought from their catalog, and you can select them by date. The last 12-month names, the last 6-month names, the last 3-month names, even the HOTLINES for the past month's buyers. Buyer Lists are the most powerful mailing lists to rent.
2. There are SUBSCRIBER lists: These lists are what they say they are... subscribers to a magazine... or to a newsletter. While these lists are great, and they are some of the bigger lists, they are less powerful than the actual "buyer" lists... part of the reason is that subscriptions are sold numerous ways. Direct mail sold subscribers... Sweepstakes sold subscribers (Publisher's Clearing House-types)... 3-month free trial subscriptions... Bill-Me-Later subscriptions, etc. Where a buyer is a buyer is a buyer... subscribers can come into the list many different ways. Obviously, the best subscribers are DIRECT MAIL SOLD subscribers. So, if you can, sometimes I eliminate all the SWEEPS SOLD subscribers from the lists I test.
3. There's COMPILED lists: These lists are the least powerful of the three, but I did get them to work for me sometimes. Compiled lists are made up of data compiled in some way and organized. Year's ago a company RL POLK (now owned by EQUIFAX) had a compiled list I tested and it worked for me TWICE on two separate offers. This list was compiled by way of warranty cards. You know when you buy a computer and the warranty card has a million and one questions on it and you feel obligated to fill out each and every question or else your warranty may be voided... well, that data went straight to RL POLK.

There are many different list-compiling companies out there. I'd stick with the reputable ones like EQUIFAX. But, I wouldn't worry so much about compiled lists right now. These are the LAST mailing lists to test.

I have somewhat of a systematic approach to mailing list rental. Here's how I approach it:

I want the big HOTLINES. I want to know that I can count on a fresh supply of leads each and every month for my sales letters.

I like to test ONLY from companies and/or magazines I've actually heard of. If the list is from a company you've never heard of... and it's a rather large list... don't you think you would have heard of them since they are so big? Of course you would have. I'm not saying to forget about testing mailing lists from companies you've never heard of... I'm saying don't test them first.

I like mailing lists where the customers paid a lot of money to get on the list... hopefully more than I'm selling my product for. You'll see this stat listed on the AVG. UNIT SALE part of the data card. This is another reason why magazine subscriber lists don't pull as well as buyer lists... magazine subscriptions are cheap- usually under \$20.

But I've also made the majority of my money from subscriber lists and this is for at least two reasons. Magazine subscriber lists are usually huge. I'd rather earn a dollar on one million names than earn four dollars on 25,000 names... wouldn't you agree? There's a difference between powerful and profitable.

Also, magazine subscriber lists are more creditable to me. I'll tell ya... probably 90% of the lists in the SRDS book are inflated, hyped up... maybe even phonebook names! Who's going to police it? And if they did... how would they do it? How can you prove the name was actually a man who purchased a \$400 item... within the last 30 days? You can't. That's why there are a bunch of liars out there. Usually the business they are in reveals the level of their credibility.

I tested a well-known adult video catalog vs. one I never heard of. One got 3% to buy... the one I never heard of got less than a quarter of a percent to buy. These are the same type of lists in theory- adult video buyers... but if this was really the case, why the difference in response? Could the unknown list have phonebook

names in it so they can scam a lot of money by renting more names to people who are too stupid to actually track their results from mailings? You bet.

Something else that pisses me off about subscriber lists, is that you have to beware of the hotlines. Most, if not all of new subscriptions are “bill me later”. Did you know that 65% to 80% NEVER PAY UP!

So when the magazine company is saying “Paid Subscribers”... do they really mean they are not given a free subscription, but they have yet to pay up... or do they mean these are the subscribers who cut a check? Make sure when you are renting a hotline subscriber list; always say you want the ones that are actually PAID UP.

Funny thing. I once tested Weider’s MEN’S FITNESS subscriber list. The data card said “paid subscribers”... and I told the list broker clearly I wanted the people who actually got off their lazy ass and cut a check, even though the data card said they were paid subscribers... I had to pay an extra fee to make sure they were the ones who actually really “paid”. Go figure.

Something really good about subscriber lists... is that if you can get your letter to pull profitable in the mail... it’ll be a smash success when you advertise it in the magazine itself.

Jay Abraham, another of my mentors... and probably the man who influenced me the most in this business tells a story of some bodybuilder clients he was working for. They had this manual they were trying to sell to the subscribers of some of the bodybuilding magazine and the letter was just breaking even.

What he did was condense the sales letter down to 4 pages and he struck a deal with the magazine to place his ad. Well, where the direct mail just broke even... the print ad version of the sales letter pulled 200% to 300% over what the advertisement cost to place.

He tells of a similar success with his \$5,000 seminar. When he mailed the Entrepreneur Magazine subscriber list, it just broke even for him.

So he got himself a 22-page block of ads and the damn thing made him a huge profit. This 22-page ad in Entrepreneur Magazine back in 1995 was the ad I responded to and bought his \$5,000 seminar. Just imagine what will happen when you get a winner on a subscriber list and then you take it over to print ads...

I had a product that was pulling six times cost on the subscriber list, but when I placed the ad in the magazine on four pages... I got not six times our money back... we got back nearly ten times our money!

The point of all this, is if you're interested in advertising in a certain magazine, but the advertisement will cost a lot of money, and you're nervous... before you spend a dime on a space ad... test the subscriber list (if its available)... if it is and you can at least breakeven... feel free to go for it (as long as you negotiate a good rate- more on this later)... because if you can breakeven on the subscriber mailing list... you can do very good on the actual pages with a print ad.

Most books on direct mail will tell you about the RFM guidelines to keep in mind when you are selecting a mailing list. I think they're worth going over.

R F M

Recency:

The most important. This means how recent the name is. People have a habit of buying in surges. You want to get them while they're in that surge. It may last 30 days... it may last 6 months. Obviously, the fresher the better. This is where logic makes no sense. You'd think if someone just bought a diet pill last month... they wouldn't be ready to try your brand for at least two months. But it doesn't work this way. The same goes for opportunity seekers. You'd think if someone bought a book on how to make money last month... they wouldn't buy another book on how to make money for at least a few months... or until they realize they don't want to... or can't do what the product says they have to do. But it doesn't work this way. If they bought a diet pill last month...

you'll have an easier time selling them another pill 4 weeks later than you would if it were 12 months later.

Frequency:

This is the second most important. Frequency means how many times this particular customer bought. MULTI-BUYERS are what they are called in the mailing list world. Multi-buyers are twice as likely to buy as one-time buyers. So, the more times they bought, the more powerful they are.

Monetary:

This is the least important of the three, but it is important. Monetary means how much this customer spent to get on this list. I was just telling you about this a few pages back. Obviously, you'll have an easier time trying to sell your \$60 product to a list of customers who all paid \$500 to buy something, rather than trying to sell the same \$60 product to a list of people who put out \$10 to buy the product that got them on the mailing list. Maybe they cannot afford your \$60 product, where you know for a fact the list of the \$500 buyers can afford your \$60 gizmo.

Now, in the perfect world, you'd rent only mailing lists of people who bought similar products as yours... and the last time they bought it was last month... and they bought the same thing seven times in the past... and they put out five times more money on it than what your product is being offered to them for.

I've never found a list like this one. If you did, by the time you slice it down... you'd be looking at a just few thousand names.

But you should strive for as close to perfection as you think you can get. You'll never find the perfect list like I was saying before... but why not try to get as close as you can to perfection?

Usage Reports:

Something you can request from a list manager or a list broker is the USAGE REPORT for a particular mailing list you are looking to rent. This report is broken down in two sections. One is "Continuations" and the other is "Tests".

Basically, when someone tests a list, the manager should add it to the report... when someone is continuing to use the list after a test... they get added to the report. Obviously, a continuation only occurs when a marketer tests a list and it works. So if you get a usage report for a list you're interested in and it has a huge amount of Tests and few Continuations... that should tell you something. A lot of people test the list... only to find out it sucks.

I always ask for a usage report before I come to a firm decision. What I like to do is get a list to work for me and get the usage report. Then I pull the usage reports for similar companies and see which reports have the same companies on them as the list that works well for me.

It really can narrow down some lists to test in the future. But there are errors in usage reports as well. I remember being a continuing customer for a certain catalog company. I saw a copy of their usage report and I was not on it. Not that I even want to be on it... I like to operate in silence... but if I wasn't on it... how many other companies are not on it... and is it even accurate? Everything in this business has to be questioned numerous times and in numerous ways, as nothing is as it seems- especially in mailing lists.

Don't call a list broker until after your sales letter is crafted. Go to the library and look through the SRDS book yourself and open your mind. The ideas will just start flying in, one after another!

Chapter Four:

All About Magazine Advertising

The last chapter, we focused on mailing lists- the different types... how to fit products to them... and how to gauge the “good” ones from the bad ones.

This chapter is going to focus on magazine advertising. How to know ahead of time if advertising in a particular magazine is going to make or lose you money. Basically that’s all that matters.

Now, where I told you about selecting a mailing list then fitting a product to it... I would not advise doing this with magazine advertisements. And if you’re testing a new product...

Buying magazine space for testing can be a lot more expensive than testing a few thousand sales letters in the mail... and the response you’ll get from the direct mail will come to you a lot faster than results from a magazine ad, as it’ll take three months from when you send off your artwork ‘till you can see your ad on the magazine racks.

But, I still think magazine advertising is a whole lot easier to get to “work” than sales letters... for one simple reason- the mailing list you select is a huge variable to your success. I’d say there’s a 40% to 50% chance the mailing list you select will cause your test to fail. It’s easier to get ripped off or simply rent the wrong mailing list than it is to pick a poor publication to advertise in.

It’s very possible to send out 3000 sales letters and not receive one single order! I mailed a test of 4000 letters a few months ago and I didn’t get one single freakin’ order!

On the other hand... as long as you advertise in a magazine that you can actually find on the news racks... I’m sure you’ll at least get some orders. The trick is to see if you can get more money in orders than you have to put out buying the ad.

That's another good thing I like about magazine ads is that you can negotiate your price. In direct mail... it's hard to get a huge discount on printing... it's hard to get a huge discount on mailing lists... and it is IMPOSSIBLE to get any discount on postage.

With magazine ads... I feel like the publisher is ripping me off if I can't get at least a 50% discount from their "rate card".

Here's pretty much everything I know about magazine ads (in no particular order):

Stay Away From New Magazines.

If a general circulation magazine is new and has not been on sale for at least a year, I wouldn't advertise in it. Now, I say "general circulation", and that means magazines like FHM, MAXIM, COSMO, etc.

If you have a product related to a niche market like car stereo and a new car stereo magazine comes out, I'd say it was worth a test as that magazine is a "specialized" magazine. The people who picked it up at the newsstand were probably car stereo nuts. And they were not ordinary guys picking up a copy of EDGE... a MAXIM knockoff.

Magazines have a huge chance of failure in their first few years. You sure as hell do not want or need to take an unnecessary gamble on a new publication... you already have enough to worry about with your own product's success.

Here are a few examples of new men's magazines that came and went in less than a few years' time:

GEAR STUN EDGE RAMP
CONTROVERSY RADAR

I could go on for an entire page. When you're unsure about your product's pulling power... stick ONLY with ESTABLISHED magazines, so you can at least put one of the worries out of your head.

I have tested a few new magazines with great success... but only after I knew I had a successful advertisement. I had a car stereo membership club that I advertised in two new car audio magazines, CARSOUND and AUTOTRONICS. Both books were new and both books failed, but I did have great success advertising in them. The same goes for MIND AND MUSCLE POWER. This was a magazine by the Publisher of Penthouse. I was in their first issue. I needed 1000 orders to breakeven, and I ended up with 500!

Unfortunately, MIND AND MUSCLE POWER is also out of business. Bottom line: NEW MAGAZINES DO NOT MAKE IT TO YEAR TWO.

Now, if there's something eating at you to test a certain new magazine... and you have some indicator from other magazines that tell you have a successful ad... here is the only way to test it:

Tell the advertising rep that you are skeptical as hell because they are new. Tell them to run your ad for free and if it works, you'll give them a full 12-month contract. If they are not game... forget them.

Cost Per Thousand.

All magazine space is sold on a CPM basis. That's how us Pro's gauge what we're buying space for. I'll tell you... in the early 90's, I could buy full-page ads in magazines like MOTOR TREND for \$10 per thousand. Nowadays, if you can beat them up and pay \$20 to \$30 per thousand, you did well.

Here's how CPM is figured out: Magazines count how many subscribers and how many newsstand sales they get for a singular issue. Say they have 500,000 newsstand sales and 500,000 subscribers. That means they have 1 Million paid circulation.

Remember the word PAID CIRCULATION. Anyway, they have a million people buying the issue. If you were to place a full-page ad in their magazine, you'd want to pay no more than \$20,000 to \$30,000 for every million paid readers.

If you have a full page ad working very well for you in Publication A and you are paying \$25/M for a full page ad... when you go to advertise in Publication B... you'll want to pay \$25/M or less.

Always try to pay less. The less you pay, the more cash you get to keep, and that's the name of this game.

Audited Circulation.

Magazines can lie about their circulation. Many new publications do. In order for businesses to fairly gauge the different magazines to advertise in, there are two 3rd party circulation-auditors magazines hire to validate their readership numbers. ABC is the one most magazines are audited by.

What this company does is stick their nose in the magazine's numbers. They check their subscriber counts, the price they're paying to subscribe, their newsstand sales, the percentages of the two, the pass-along copies, the free distribution, everything you'll ever need to see the "inner workings" of a magazine's circulation figures. When you request a media kit from a magazine, the ABC audit will be on a pink 11x17 sheet of paper. In my opinion, any magazine saying they have over 250,000 paid circulation should have an ABC audit done. If they are bragging they have more paid circulation than 250,000 per issue and they don't have an ABC audit... chances are, they're full of shit.

The real important figures you need to look at on the pink audit sheet are the paid subscribers and the paid newsstand. Add these two together and then gauge your CPM from this count.

The "Total Readership" Scam.

This scam is a funny one and I hate magazines that try to pull this one on me. As soon as they do, I tell them to stick their entire magazine up their ass as if they are going to lie about something this bad. Here's what it's all about. Magazine A claims to potential advertisers they have 500,000 readers. The key word is "readers". Most advertisers would assume the magazine is selling 500,000 copies each issue. **WRONG!**

If you're lucky enough to have a magazine tell you about their total "readers"... tell them that's nice... but you are interested in how many PAID CIRCULATION they have each issue. PAID CIRCULATION is the only number you care about. When you ask this question, Magazine A, who was just raving about 500,000 readers will have to tell you they sell 100,000 copies each and every month, but a survey they performed says their magazines get read by 4 other people, other than the guy who originally purchased it. This is also called "pass along" readership.

No matter what name you put on it, it's a scam. If a magazine is correct, and their survey honestly is true... that is only to be viewed as a plus... but not something to pay additional for. CPM is to be based ONLY from actual paid circulation.

Frequency.

Magazines come out in all different types of frequency. Some come out every month... some every two months... some every quarter... some EVERY WEEK! Here's what I can tell you about frequency.

Monthly publications are great. Bimonthly publications are good and they give you a little more time to make your money before their next issue comes out. Quarterly publications are not worth advertising in, and weekly's or biweekly's come out too fast for you to recoup your advertising dollars from the previous issue.

A magazine ad must bring back a profit before the next issue comes out. Monthly's and Bi-Monthly's are good. Anything else either is too fast or too slow to recoup advertising dollars and make a profit. Enough said about frequency.

Newsstand vs. Subscribers Ratio.

Magazines should have a 50/50 balance between subscribers and newsstand sales. If a magazine has too many subscribers vs. newsstand, your ad is going to "burn out" quicker as the readership is static- subscribers are the same readers every month, where newsstand may not be... plus a newsstand buyer actually has to get off his ass and go and buy the magazine every month. You can be sure he's going to read the damn thing from cover-to-cover. A subscriber gets an issue in the mail... he paid a lot less for the magazine than the newsstand buyer paid... the

subscription could have been a gift from someone else... hell, he may not even check his mail for months on end. Newsstand readers are better quality. Look for 50/50... and if there is a higher percentage of newsstand, that's good. But, just understand if a magazine is 90% subscribers and 10% newsstand, your ad may burn out quicker.

RHP and Upfront As Possible.

When you are running an ad, always make sure you get a right hand page... and ask to be as up front as you can. But definitely get yourself a right hand page. If they want extra money for it... look for a different publication to advertise in... that is unless they are still offering a killer CPM.

You will get better results if you are on the right hand side of the magazine. It's as simple as that. Many magazines may not want to guarantee you a right hand page... but make sure you get your point across that you want a right hand page. Don't be fooled by magazines... they want your business. If you're going to walk away over which side they put your ad on... they'll make sure they don't lose the sale.

I don't even like to mess around with this stuff anymore. Nowadays I place three pages ads that are right, left, right. I'm guaranteed my right hand page.

If you are doing an ad smaller than a full page, you'll still want it on the right hand page and as far up front as you can get it.

Fractional Advertisements.

Maybe you don't have the big dollars to place full-page ads just yet, and that's fine. You can place fractional ads. These ads are 1/3 page... 1/2 page... 2/3 page... even 1/12 page.

Here's my theory. I'd rather have a full-page ad in a smaller circulation magazine than a smaller ad in a bigger publication. Remember, you have to still sell something in your ad. Most products need a full page if they are planning on selling right off the page.

If you do fractional ads, choose a vertical 1/2 page over a horizontal 1/2 page... try to keep the ad to the upper right hand corner of the page. If you're looking to sell your product right off the page... you're going to need at least a 1/2-page ad.

Negotiating Ad Cost.

Here's some proven ways to get the Publisher way down on his prices. First of all, tell the ad rep you are your own in-house advertising agency. These words will save you 15% right off the top. Advertising agencies get 15% commission on all ads. Next, make sure to tell them you are a direct response advertiser. This could get you an entirely new rate that will be as much as 25% lower. The reason for this is simple. Publishers know if you are a mail order advertiser, you are going to be counting the sales from your ad. General advertisers do not do this, so the publisher knows he can gouge them. The general advertiser's ad agency doesn't care about this too much, because they earn a commission of 15% for the entire cost of the ad the company runs. The more the magazine charges, the more the agency makes in commissions. Ad agencies are useless. In fact, by the time you are finished with this book, you could probably go to Madison Avenue in Manhattan and create better ads than 75% of the chumps in their fancy offices high above the city.

Another technique you can use to get the rate card price down is to tell them you want the "pre-pay" discount, if they have one. You can save an additional 3% this way.

Also, tell the advertiser you want the 12-time rate. Obviously, if the ad works for you, you're going to run more and more magazine ads, right? If the magazine does not allow you to make enough sales to cover it's cost, you can call the publisher and renegotiate your ad rate. If they are stuck and you can't get a better rate, you don't have to run any more ads- even if you told them you were going to run 11 more times.

No magazine has ever sued me for breaking a contract if I failed to advertise the remainder of my 11 months.

When you add up and use all these techniques... you should shave 50% off the one time rate card price.

Spreads Suck!

Spreads are two page ads, one on the left and one on the right. They look good, and make you feel good because your ad is twice as large, so it has to be twice as powerful... but it's not. Let me explain.

Success in this business, either in direct mail... or in space ads, is just getting people to see and read your ad. A spread does not pull 100% more readers to it... yet it costs 100% more. With a spread, you're lucky to pull 50% more readers- because of its added size... but you're still stuck paying 100% more.

If your advertising copy runs over into another page... put your first page on the right hand... then the second page on the back of the first page. This way, you can attract a potential reader on two separate page turns... and if a reader wants to rip out your ad, all he has to do is rip out the one page and he's got the front and back of your ad in one rip! By doing your two page ad this way, instead of a spread, you'd be looking at getting 200% more orders for 200% more advertising cost... this you can live with! NEVER, NEVER, NEVER do a 2-page spread. They never worked for me.

What a Magazine Ad Really is.

A magazine ad is basically your sales letter formatted to look as if it was an article in the magazine. A magazine ad is not meant to look fancy. It's not to look at all like an "ad". You want to "borrow" some credibility from the publication, so make your ad mimic the editorial format of the publication. And so they don't slam ADVERTISEMENT across the top of it in 20 point type... when you are creating the ad... have the graphic designer put the word, "Advertorial" or "Special Advertorial" on the top or on the bottom in reverse type. If you add these words ahead of time, the publisher will not have to do it himself... and do it his way... which of course, will be larger than it has to be.

People read and trust magazines. You automatically get some credibility by just having your ad in the magazine...

but you can get extra credibility by having you ad look like a page in the magazine. This is called “Pub Setting”.... setting the art like the publisher.

It has been proven that 500% more people read editorial-style advertisements over flashy, glossy, slick advertisements... and remember- this business is first and foremost all about getting prospects to see your message. To get 5 times more people reading your ad will probably get you five times the orders. Pub Set your ad for each individual magazine you are advertising in. MIMIC THE PUBLICATION.

Condensing.

When you are writing your ad, you may run into a little problem where there is too much text and not enough space. Instead of buying another page... and instead of eliminating potentially powerful selling copy... what I’d advise you to do is shrink the size of the copy. If you have an interested reader, he’ll read 8 point type if he has to. So, if I had to choose between buying another entire ad page... and doubling the cost of my advertisement... or editing potentially powerful and needed sales copy... which will lose me the sale entirely... or simply shrinking down the copy to fit it all... I’d choose the latter. Something funny is that a crammed-looking ad appears like it has something important to say to the reader.

Controlled Circulation.

Earlier in this chapter we talked about paid circulation. Some magazines, especially TRADE PUBLICATIONS are what is called CONTROLLED CIRCULATION. This means that the readers have not paid for their subscriptions, but they all had to qualify in some way to receive the magazine. A trade magazine may go to 100,000 CPAs. In order to get this magazine you must be a CPA. If you are a CPA and if you requested this magazine, you’ll get it for free.

Now, advertisers pay a little more for these controlled circ. magazines as the publisher is not making a dime from their readers... their only source of income is from advertisers- so they have to charge a little more.

I never had remarkable success advertising in a trade magazine. Partly because I usually only stick with consumer mass marketing. I honestly cannot tell you any more about controlled circulation publications or my successes or failures in them, as I have not explored them too much.

Stick With The Black and White.

Color ads cost more. Black and white ads are cheaper. The initial job your ad has, is to stick out from the other ads. Black and white ads stick out, get better response, and cost less. Color is good if the publisher were throwing it in for free... otherwise I'd never pay a cent for a color ad. Also, if you are going to use your "free" color... use it sparingly. Seriously.

Everyone Has Eyes.

One thing I hate about magazine advertising is that knock-offs and other scum are looking at your ad and if you are running it month after month. Trust me, if you're lucky enough to get a winning advertisement, as soon as you run it three or four times, you may see some knock-offs copying your idea and running it among the very same magazine pages. They may even go as far as to pick on your price, or your offer, or your guarantee and then have the balls to brag how theirs is superior. So, not only will they steal your idea... but also they'll talk shit about you at the same time. Now, there's numerous ways to deal with knock-offs I'll cover in greater detail later in this book. While this is a drawback of magazine advertising... magazine ads are still extremely powerful and are needed to succeed in this business.

Going to the bookstore and picking up a magazine on a news rack with your ad in it sure feels good when you are first getting started. It's easier to get magazines to "work" for you.

Chapter Five:

The Back End

The back end is where all the real huge profits come in.

I sold a product for \$60. I got 40,000 new customers to buy it every month. I paid \$1.2 Million in advertising every month to get those 40,000 people. Had I left well enough alone, I would have grossed \$2.4 Million on the \$60 sales to 40,000 people. But I never leave well enough alone.

Before I even decided to test the product I'm talking about, I made sure it had a strong back end.

Now, in my sales letters and magazine advertisements, I automatically enrolled my customers into a "Preferred Customer" club where they would receive a fresh supply every 30-days.

Just this simple paragraph sold four units to every customer instead of the one they would have originally purchased. Sure, I had to lower the price on the follow-up units to make being a member of the "club" something to desire... but I was able to turn a \$60 sale into a \$180 sale on average.

So, where I would have been making \$2.4 Million if I was an inexperienced direct marketer... I was instead making \$7.2 Million. Did I spend an extra dollar in advertising? NO. Yet the back end for this product was worth \$4.8 Million EXTRA in sales. Practically all of that money was pure profit.

Now, you don't have to force your customers into buying as I usually do with my "clubs". You can simply have two... three... five or more back end products to go back and sell to your customers.

You can sell them while they are on the phone ordering the initial product, you can include a back end offer in the product's shipment, you can go back and mail your customer list every 30- days... or every 14-days... or even every week.

Do you know when you stop mailing? When you stop turning a profit. Your customers will not get annoyed receiving so much advertising from you. Remember, they did want your product... why wouldn't they want additional products to make their initial purchase better or more rewarding to them?

I sold my first direct response book in 1995. I sold about 20,000 copies myself through magazine ads and sales letters. While sales were strong, I was just breaking even. For example, if I placed a \$20,000 full page ad... I would sell \$20,000 worth of books. If I didn't have a strong back end, there would be no point of running the initial ads. Most businesses only breakeven on their initial purchase, so a strong back end is what makes 90% of direct response businesses profitable.

As for my \$20 book, as soon as I got a customer to buy, I first sent out their book. About a week later, I sent them a sales letter offering them a product related to the book for \$200. I'd get 5% to buy. When you do the math, that's \$10 on each back end letter I'd send out. Remember, the initial sale was for just \$20, and my first back end product got another \$10 in my pocket.

Then, three weeks later, I'd send the same names another offer. Again, it was a \$200 product, but a different one from the first offer. I'd get another 5% to buy. Here's another \$10 in my pocket. At this point, I turned every customer who bought a \$20 book into a \$40 customer.

Was I done? Not a chance.

A few weeks later came back end offer #3. Another product for \$200. I again got 5%. Now we're up to \$30 on the back end of a \$20 book purchase. We're now at \$50.

Another few weeks came offer #4. This time it was a \$1000 product. I got 1%... but since the product was a \$1000 product, I added yet another \$10 to my back end profits.

Now we're at \$60 in sales per customer.

And I kept this going and going. When I finally ran out of related products, I'd remail the first, the second, the third, etc. offers.

So, when most people would wonder why I was thrilled to sell \$10,000 worth of books from a \$10,000 ad... I would chuckle. I knew after a few months, that a \$20 book buyer would make that \$10,000 ad bring me \$40,000 in sales.

Its 10-times easier to get an existing customer to buy again and again from you. You see, in this business, the #1 reason why people do not buy from you is the simple fact that they do not believe what you are telling them in your ads and sales letters. Once you sell them your initial product, if they are somewhat satisfied with what you sent them... they'll buy again, and again... 10-times more powerfully because they are familiar with you and believe you more than a "cold" prospect.

Your customer list is the most valuable asset you'll own. You can remail it time and time again and it'll never wear out. I don't even look to market products unless they have a great back end potential.

Back end sales can come from reselling the identical product you first sold them. If you were selling a pill or a cream... this would be resold to them.

If you sold a book, you can offer an advanced course on the principles taught in the book, you can put on a seminar for several thousand of dollars, you can offer your services to your book buyers in the form of consulting, you can even market other people's products to your list and split the money with them! My friend and mentor Jay Abraham calls this "Host Parasite" marketing. I'll get into this below.

Here's a great back end strategy for a skin care product that reduces the appearance of wrinkles.

A sales letter or magazine ad offers customers a free sample of your product. Better yet, your sales letters actually have a sample of the product enclosed in a small packet.

The customer tries the sample and orders your product for \$60 or so.

The sales letter the customer responded from also automatically enrolls them into a “preferred customer” club, where they’ll receive a fresh 30-day supply of your miracle cream every month for a reduced “club member” price of \$40.

Now you have your first back end set up- the automatic shipments.

While your customers are enjoying the product, you send them a sales letter for a complete moisturizing and cleansing kit. It has 4 or 5 different products in the kit, that if they were sold separately, would cost \$300 or so... but you can offer them this “kit” for just \$139.95 plus \$10 shipping and handling. If you’ve been paying attention, the \$10 you charge will cover the entire cost to manufacture the 4 or 5 bottles and the entire cost to ship the whole thing to them.

Since your customers love your initial wrinkle cream, they believe your claims for the moisturizing and cleansing kit. You end up with 5% buying this kit. Five percent response adds \$7 to the customer’s lifetime value.

You do another “kit” for a different purpose next month... and another the next month... and so on. If you find out your customer keeps receiving the initial wrinkle cream for six months (or six shipments), you should make six different “kits” to go along with the six-month customer life.

When doing back end products, with the exception of an automatic delivery club where you have to do a reduced price to make it worth their while... the back end “kits” should be four to ten times the price of their initial purchase. Don’t mail sales letter offering customers who initially bought a \$60 product a \$15 product. You already won their trust... so you can hit them for a larger price point.

Now remember, all this will fall on its face if you are selling your customers junk. If a customer bought something from you and they were not satisfied, they are not going to rebuy in a large percentage as they would if they were at least satisfied with what you sent them. While your product does not have to change their lives... it does have to at least satisfy them somewhat.

Here's another great example of the back end.

A video is sold for \$9.95. If you order with a credit card, you'll receive a bonus video for free. But in order to receive it, a credit card is needed. No check orders get this 2nd video.

The purpose of this is to gain the credit card numbers, so you can automatically resend them a new video every month and you don't have to go through the "bill me" headaches. You simply bill their credit card. Of course, you have to let your customer know you're going to do this.

Since the videos you're going to be sending to your customers are going to be different every month, you can do a low initial purchase price- just to get as many people in the door as you can. The new videos you're going to send every month are going to be \$19.95 plus shipping and handling.

You can spend \$10,000 on an ad and bring in \$10,000 worth of \$9.95 sales and be thrilled, because each customer may allow you to send them 4 videos at \$20 a pop. Wow- that's \$80 in back end sales from an initial \$10 purchase.

I know a guy who does this and makes \$90 Million a year.

When the auto ship product is different every shipment- like the videos, you can have a lower initial sales price... but when the product is the same every shipment- like a bottle of pills... you have to offer the lower price on the future shipments because there will be no advantage to being in the club. If you're selling a bottle

of pills for \$20 to attract a lot of customers and then go to tell them you'll automatically send a fresh supply every month for \$60- they'll tell you to buzz off and just reorder as they see fit for the initial \$20 fee. They wouldn't do this on the video club... because they'd just be ordering the same video every month instead of a fresh one as the videos are different each shipment. Understand?

It took me a long time to understand that you can get rich very quickly with a product that leads itself to back end sales... especially when the product is a consumable- and you can automatically reship a fresh supply when the consumable is finished.

A few minutes ago, I was talking about my mentor Jay Abraham's "Host Parasite" or "Endorsed Mailing" technique. Let me explain this in full as it is another powerful back end technique.

Let's pretend I was marketing the sale of this book. I'd rent mailing lists... advertisements in magazine... buy Internet search terms, etc. But what about if I went to my buddy who has a newsletter with thousands of readers.

If he allowed me to mail his subscriber list, I'd maybe get the regular 2% to 4% response I'd get from any targeted list I'd test. But what if I went to him and said, "Buddy, you ready my book and you know it's great. Instead of me mailing your subscriber list, why don't we rewrite my sales letter as if it came from you? You'll endorse my book to your subscribers and we can do some sort of a profit split? I'll still cover the entire cost of mailing the sales letters, so there is no cost out of your pocket and only pure profit for you."

If he says yes, instead of me getting 2% to 4% to buy my book... I may now get something like 10% because he is endorsing it to his readers. Even giving up the slice of the profits to him, I'll still earn a whole lot more money than promoting the book myself.

And this technique works on the flip side as well. Say I sold 20,000 copies of my book through direct mail sales letters and magazine ads and my buddy wants to get more subscribers for his newsletter. I can go to him, or he can come to me and we can strike up some form of a deal where either he or I... or both of us can cover the marketing expense to mail his sales letter to my list of 20,000 customers and we'll split the profits.

I would make money from a product that I don't own... and he'll make money from gaining new subscribers with a huge influx of orders as I wrote the letter to my customers telling them what a great newsletter my buddy puts out.

If you're a savvy marketer... you can do deals like this with 5 or 10 different products and profit share on all of them. Obviously, the best case would be having the other guy pay for the marketing expenses... but this is not always the case... especially if you are an unknown. Either way, work out some sort of fee arrangement that allows you both to make a killing.

I don't know how many times I can attempt to drill this in your head. The back end is where all the real profits are. If your product or service does not have a huge back end potential... forget it- unless your upfront response is huge. It is so much easier to resell an existing customer than it is to attract a new customer, it'll make your head spin.

Back end products should always cost more to buy than the initial product they've purchased- unless it is the same product they are buying over and over again- like a bottle of pills.

The entire trick to this business is to attract as many customers as you can for the lowest advertising cost... and then resell the hell out of them... more of the same product... upgraded, more advanced versions of the same product... related products... other people's products... the sky is the limit. The only bad back end product is one that fails to bring back more in orders than it took to mail the sales letters.

Bottom line: Back end products are products you can go back and sell to your customers after the initial sale. Back end products can also be sold as up sells or "bumps" while the customer is on the phone ordering... but that's an entire chapter on its own we'll cover later in this book.

Chapter Six:

An Irresistible Offer

Before we even consider writing a word of advertising copy, we have to first decide the best offer to promote.

This book is not going to talk about actually “writing” any sales copy until the deep chapters. Before we paint our masterpiece... we have to have a clear vision of it in our heads.

An offer is the “deal” you’re going to make to your prospects in an effort to get them to part with their hard-earned money for your idea.

The better the offer... the more appealing your sales pitch will be.

Your offer has to also be simple and easy to understand. As soon as your prospect does not understand what you are trying to give them... you lost them forever.

Here are a few examples of offers I have used in the past with great success:

Free Gift With Purchase:

This is the most obvious. Offer your customer a free gift... or a free bonus when they buy. Information products are great for this type of bonus. They cost next to nothing to make... and can have a perceived value of \$30... all the way up to \$200 or more. Most of the time, you can cover the free bonus in the shipping and handling fee you charge for your product.

I’ve been noticing a lot of commercials lately, the merchant is selling a knife set or whatever... and they’ll double your order for free... you just have to pay the shipping on the 2nd set of knives. What a deal! But in reality, the shipping fee you are going to pay for the second set of knives is actually the cost for them to manufacture/buy the knives and the cost to ship them to you.

Feel free to give away a bonus and ask for the customer to pay a shipping and handling fee. This fee covers the cost you have to pay to buy or make the item... and you can usually include the extra bonus gift in the shipment the customer is going to get anyway for no additional cost.

You can offer a free gift that the customer has to claim after he gets the initial order. For example, if you buy a car wax kit and it comes with a free bottle of tire dressing... some companies will include a coupon in the wax kit that the customer has to send in to receive the tire dressing. Not everyone will request the free bottle, but you can still offer it to everyone. I really haven't done this one for at least 10 years. With a product I was selling, I offered a free gift that I requested the customer pay the S/H on... but instead of including it in the initial order, I simply included a coupon the customer would have to mail with the shipping and handling fee. Maybe 70% of the customers requested the free bonus.

\$9.95 30-Day In-Home Trial.

This is popular offer nowadays! I'm starting to believe you cannot sell a product on an infomercial anymore. In order to get a customer to call you, you may have to offer them an in-home trial for a nominal fee, plus shipping and handling.

Here's how it works: Let's use Carlton Sheets' Real Estate Course we've all seen for the past 10+ years on TV as an excellent example. Nowadays, he's not selling the course like he always was for several hundreds of dollars off the bat... he's offering a 30-day in-home trial for \$9.95 plus a shipping and handling fee. The ad says nothing about how much the product actually costs.

In order for this to work, you have to take orders only with credit cards. A customer calls and orders the trial. He pays the \$9.95 trial fee and the shipping and handling fee. Carlton will offer you a rush shipping upgrade, which of course there is a profit for him on. Then only after they got your credit card number... only after they have your shipping address... only a few seconds before you'd say "goodbye"... you hit the caller with a script that goes something like this, "OK- you qualify for Carlton's \$9.95 30-day in-home trial.

Your credit card will be billed just \$9.95 plus \$x for shipping and handling. Preview the course for an entire 30-days and if its not everything you hoped it would be send it back to us within the 30- day trial period and you'll owe nothing more. Otherwise, if you decide to keep the course and make money with Real Estate, your credit card will be billed in four easy monthly installments of \$59.95. Your shipment is going out today and you'll receive it in about 10 days, so look for it. Thank you for calling!"

Its going to be 10-times easier to get a customer to take a 30-day trial for under ten bucks. This fee can or cannot be refundable- its up to you. You can even cover the shipping and handling charge for your customers... or not. Either way, you'll get 5 times the people to order the trial... and even if you got 50% of the people to send back the shipment, you're still looking at selling 2.5 times more product than had you just sold right off the ad or commercial.

I seriously doubt 50% will send back the course... maybe you'll get 20% to send it back... but even if you get 20%... who cares? The \$9.95 fee is non-refundable... as is the shipping charge. You lost nothing. Resell the course to someone else.

There's a fitness guru promoting an exercise gizmo for a \$14.95 30-day in-home trial and \$34.95 shipping and handling... but they cover the shipping fee. So, for just \$14.95, you can try out this exercise machine for an entire month. But on the flip side... do you really think people are going to disassemble the darn thing and put it back in the big box and send it back to the marketer for \$30-\$50 in UPS fees? Not that many will. This marketer will make increased sales from skeptical people who only after the trial realized he sold a good product- so it's a win-win. AND, the marketer will also profit from the lazy people who may have returned the product but are too lazy to send it back... so their credit cards will get billed in 5 payments of \$60.

We Won't Cash Your Check For 30-Days!

Here's a great example of reversing risk. Offer your customers that you won't cash their checks or charge their credit cards for 30 or 60 days. You have to be strong to do this. You will not get money in the door for a month or more if you go this route. What's worse is you better have a product that costs you next to nothing to make. If you're trusting people's checks or credit cards to be good and they are not... you're going to lose on scumbags. But, if the product is a book or whatever, that cost just \$4 to make and ship... you're not at too much of a loss and all the added sales from using this technique will always cover the extra "deadbeat" losses.

This technique is said to add 300% to the pulling power of an ad or sales letter. It may be worth a test.

Offer Installments.

Like the trial offer, this offer must be used only with credit card customers. You cannot accept checks or money orders with this type of offer. If you're selling a high-ticket item... it may make sense to offer your customer an installment plan. You see this all over TV nowadays... "JUST 5 PAYMENTS OF JUST \$19.95!"

Breaking up the fee is a surefire way to get more sales. How many homes would sell if there were no such thing as mortgages? Not too many, right? The same with new cars? Without financing... a dealership will have a tough time selling a high-ticket car. It's no different here. If you're selling a \$180 item... maybe you can do 3 easy payments of \$59.95... and better yet... maybe you can do a combo offer... \$9.95 for a 30-day in-home trial plus S/H... and then you can do 3 payments of \$59.95 instead of billing an entire \$180 on the trial offer.

Like I was saying before in a past chapter... you can combine these techniques sometimes and multiply their power.

Now, when you offer installments, there are a few risks. First of all, you do not get all your money upfront. You have to wait for it... sometimes as long as 4 or 5 months! Another thing is credit cards may go bad... or they may be declined for a month's billing and you either have to double up on next month's billing or call them and get a fresh credit card.

C.O.D

Cash On Delivery. It is not used too much nowadays. I never used it. There's really no reason to use it. There's an extra fee. Many people reject the shipment and you lost the shipping costs and all the lost time. But if you want to do this, make sure to send your customer a postcard a few days before they are to receive the package and tell them that you have included another special free bonus in their order. This will help make the customer actually take the C.O.D. when it arrives. Still I think Cash On Delivery is more of a pain in the ass. If your customer does not have a credit card... or at least a debit card- which almost anyone can get... maybe you do not want them as a customer.

Bill Me Later.

This is a specialty for magazine publishers for one reason... if they had to actually get people to pay up first... they'd get 50% of the people they'd get to respond... probably less. Billing later is risky. You don't really know the people you are sending your products to. Nightingale Connant makes their entire business from a "bill me later" promotion. That's how they attract new customers in the large quantities they do.

You have to have a billing system set up for you to mail out the invoices. You can include an invoice in the shipment saying when the money is due. If you're selling a subscription that you can stop when they don't pay up... it's better than if your product was a one shot and they got it all in their possession. Think before you do this offer. While I'm sure you'll get more orders, it all boils down to this... Track how many orders you get when you ask for the money upfront. Then offer the "bill me later" option and track how many orders you get... then track how many paid up in 30-days or whenever the bill was due. If the profits were significantly larger with the "bill me"... even after you subtract all the lost product (your hard cost- not the selling price) and all the added time to bill people- go for it.

Example:

Pay upfront offer= 100 orders at \$100
\$10,000 in sales

Bill Me Later= 400 orders (275 paid up)
125 didn't pay - \$1250 loss - \$10 each 175 more \$100 orders= \$17,500
275 orders at \$100
\$27,500 in sales
\$1250 in losses from non-payers
\$26, 250 in sales

If you can get your "bill me later" offer to work like this... it's worth doing... but again... you have to wait to get paid- you'd better have a few bucks in the bank ahead of time.

First Bottle Free or First Video Free.

If you're doing an automatic shipment product like a monthly video... or a monthly supply of pills... you can give away the first bottle or first video... and just ask the customer to pay the shipping and handling fee of \$4.95 or \$6.95 with their credit card. You can only do this with a credit card customer. The secret is the automatic delivery club. If the customer is not satisfied with the product, they have to call within 30-days to cancel further shipments. You'd be surprised when 10% or so call and cancel... and you get 200% more customers!

Of course there is problems with this type of offer as well. If you are selling a product like a bottle of pills, where the product will always be the same... you have to make sure you do not get the scammers calling in and ordering a free bottle to one address and then another address and then another address... only to cancel all the shipments the next week after they got 4 or 5 bottles out of you.

Now, my direct marketing common sense tells me not to worry about people like this because you did get the shipping and handling fee out of the person... and that did cover the actual product and the shipping fees... so there's no money actually "lost"... but the bigger problem comes next month when this person is calling you irate if they didn't call and cancel their auto delivery in time and they have 5 billings on their credit card for \$40 or so each.

The credit card companies may start to think you're up to some kind of no good and give you heat. Make sure you say in your ad, "LIMIT ONE BOTTLE PER CUSTOMER AND PER HOUSEHOLD".

You won't have to worry about this too much if your monthly product is a different product... there's really no advantage scamming additional copies of the same video.

Only Sell One Product At a Time.

I see jokers selling 2 or 3 or 4 different products in a single ad or sales letter. Fools.

Marketers sometimes think they can justify the high cost of mailing sales letters... or running advertisements if they offer many, many products. They actually think they'll have a better chance at success this way- but they won't.

Burn these words into your brain- when it comes to creating a singular sales letter or a singular advertisement... **SELL ONLY ONE PRODUCT AT A TIME.**

Joe Sugarman- the master behind BluBlocker Sunglasses even tells a story similar to this. Before he had BluBlocker, he had JS&A (the Sharper Image of the 70's). He was selling Navy Seals watches. The supplier of these watches wanted him to sell all the different color versions of this watch... and the women's sizes. Joe wanted to sell just the men's black version. The watch manufacturer was puzzled why he would want to do this. Joe knew something they didn't.

They really wanted him to sell all the watches at the same time. Joe offered to do a split test, where one ad would have just the one black, men's watch and one ad would have all the colors and the men's and women's sizes. When the sales results came in... they chose to run the ad with just the black, men's version of the Navy Seals watch. Now, this was an extreme example... the watches were all the same.

But definitely, if you're selling a weight loss pill... do not also offer an herbal-Viagra at the same time!

PEOPLE CAN ONLY BE SOLD ONE THING AT A TIME.

If you want to give an unrelated product away for free with the purchase of your main product... that's fine... just don't try to sell two things at the same time.

Chapter Seven:

Guarantee Everything

Do you know when a customer decides if he's going to return your product? When he's buying it.

In the 1980's and 1990's having a satisfaction guarantee could have given you a competitive edge. Nowadays, It's a requirement... and the more "risk" you can take off your customer's backs... the better.

If you are greedy and/or petrified to offer your customers a guarantee... maybe you are not too confident of what you're selling. Maybe you are confident... but are scared a huge percentage of people will take you up on it. I have two words for you- DON'T WORRY.

Here's how guarantees work in regards to response. If you did not offer a guarantee, you may sell 10 people out of 1000. When you offer a guarantee, you may be looking at 20 orders... and out of that 20, two or three will request their money back. Even giving the money back on two or three people... you're still looking at 7 to 8 more orders. You'd still be on top.

In this chapter, we're going to be covering the most popular guarantees I've offered in the past.

Unconditional 30-Day Money Back Guarantee.

This is the standard guarantee your customers will expect. If your ads don't say that all sales are final... you have to offer a standard 30-day guarantee anyway. Not offering a guarantee makes your product look shady... so at the obsolete minimum, you have to offer a standard 30-day money back guarantee. Feel free to add the words "Less S/H"... which means your customer can have their money back... less their shipping and handling. Now remember, your product and all its order processing costs are covered in the S/H fee you charge.

Even when a customer wants his money back, you can keep the fee it cost you to ship the product... create the product... take the call... etc.

60-Day or 90-Day or Longer Money Back Guarantee.

Also an unconditional guarantee. People work on deadlines. When do you pay your rent? Your car payment? Your credit card bills?

When do you return movies to the movie store? If I know anything about people, I'd say you pay the bills and return the movies on the absolute last day. All people do this. Now, the longer you stretch the time frame to get their money back... the longer it will take them to actually call and ask for it. As times goes on... they forget. So to say that the longer time period you give your customers to get a refund on your product, the less refunds you'll actually have to give would be absolutely true.

Conditional Guarantees.

This guarantee only permits the customer their money back if a certain thing does or does not happen as your product/service claimed. "If my sports picks are not at least 90% accurate for the next 30 days... I'll refund every dime of the money you paid me!" Now, unless you under-perform and unless your customer actually calls and takes you up on that guarantee, you don't have to give money back unconditionally.

Double Your Money Back.

Obviously, this type of guarantee is conditional; otherwise you're going to be losing some serious money! Entrepreneur Magazine actually started as a bunch of reports and home study courses on starting certain types of businesses. From what I've read, when they first came out, they were plagued with a large percentage of refunds. To cut down on these unconditional refunds, they decided to offer DOUBLE your money back... but it was conditional. The buyer of these kits had to show some form of proof they actually tried stuff taught in the course. Sales soared... refunds dwindled.

A DOUBLE your money back guarantee for a bodybuilding supplement- Claim in sales letter: Double your money back in 120- days if this fails to add 20 pounds of rock hard muscle. Conditions explained in literature included in shipment: "This product is guaranteed to add 20 pounds of rock hard... granite muscle within

the next 120 days or we'll give you DOUBLE your money back! Simply take 3 photographs, newspaper in hand the very day you start the program and take 3 more photographs, newspaper in hand on the 120th day. If you cannot honestly say that you took this product faithfully, as directed, worked out regularly... and didn't see an added 20 pounds of muscle, send the empty bottles back. We'll send you DOUBLE what you paid."

Do you really think they're going to take three before photos, three after photos... a whopping four months later... and keep all the empty bottles? A few will... but not all. And these are not out of this world conditions. All you're asking the guy to do is document his success... work out... use the product like directed... and keep 3 or 4 empty bottles.

Keep The Bonus!

Remember you threw-in some free bonuses in your offer? Remember, these bonuses were paid for in the shipping and handling fee you charge your customer? Remember, you do not refund shipping and handling fees? Well, you can offer an unconditional 30 or 60 or 120 or whatever-day guarantee and let your customer keep the free bonuses you gave them. My mentor Jay Abraham calls this a "better-than-risk-free-guarantee". And it is. Think about it like this: If you gave a few free reports, maybe a video... and a cassette tape all as free bonuses, and they had a "perceived value" of \$200 or so. If a customer wants his money back for the initial product he ordered, you can tell him he'll still come out with \$200 worth of merchandise regardless if he's happy or not. This is not just "risk-free"... it's BETTER than risk-free.

Here's a great example. I was selling some really high-end car care products in 1995. I sold a pint size and a quart size kit. To stir-up some larger quart size kit sales, I found a supplier of some really high end looking Orbital Polishers. These things looked like they cost \$100... but I was buying them for under \$10 in quantity. Now, the shipping and handling for the all the waxes and the buffer was \$19.95 or something close to it. I covered the cost to ship the entire kit, the cost to manufacture the waxes, and the cost to buy the orbital polisher in this \$19.95. I told my customers, if they weren't blown away with the wax products, they could return them

in 30 or 60 days and they can keep the orbital polisher for their time and faith in my products now. Customers who asked for their money back actually felt like they were taking advantage of me... keeping the polisher that looked like it cost me \$100... but all the costs were covered in the shipping and handling fee I charged them initially. They were not to get back when they requested a refund.

When I made such a powerful guarantee like this one, prospects knew this polish had to be something special- otherwise I'd be one crazy (and bankrupt) guy!

Refund Shipping and Handling.

Sometimes you can even go out on a limb and offer to refund not only the purchase price... but also the shipping and handling fee as well. I sold 1.4 Million bottles of a supplement and I included a guarantee like this. The reason for it is simple... Sometimes a customer will not only want his money back from you, but even after you give it to him- he still disputes the shipping and handling fee with Visa or Master Card. Sometimes, you don't want to have anything from a dissatisfied customer- even a shipping and handling fee.

Unconditional 100% Money Back Plus 10%.

This is a play on numbers. If your product sold for \$69.95... and you ask \$6.95 for shipping and handling... you can refund the entire thing... and instead of saying that you give shipping fees back as well... you can say, "You'll receive a 100% refund of your purchase price and I'll even throw-in an extra 10% for your time and trouble!" In reality, it's just the shipping fee you're refunding... but it sounds better this way.

Bottom Of The Jar Guarantee.

This is used in the supplements business. What it means is use the entire bottle or jar or tube and if by the time it's finished you are not thrilled, send the jar or tube or bottle back **EVEN IF IT'S EMPTY**... and you'll receive a full and complete refund of your purchase price. It sounds nice to the customer that the entire supply can be used up and you'll still give them their money back... and it works well for you because you get them to use the entire supply and you get them to keep the container... and they have to send back the container to you. These are all three

hurdles. One, they have to use the entire thing. That takes 30- days. Maybe results will take this long to manifest... Remember what I told you about stretching the time frame out in the beginning in this chapter. Two, they have to remember to hold onto the container. Many people throw things away by accident. Of course, if a customer calls you and says they threw the container away, you're still going to give them a refund... but you'd be surprised how many will not call just to avoid the confrontation.

And three, they have to send the bottle back to you. That takes a bag... postage... and people are lazy. Of course, if a customer calls and wants their money back... and they do not want to send the bottle back to you- by all means give the damn refund. But again, you'd be surprised by how many people will not call.

The Lesson Is On Me.

This is a great way to word a guarantee on a product where they'll learn something either in a video... a cassette tape... a book... etc. Say if it was a golf video that taught how to drive the ball further... the guarantee can say something like this, "Watch the video, and if John's teachings don't have you driving the golf ball like a CANNON... adding 50 yards... and hitting as straight as an arrow... as accurate as clockwork... the golf lesson is on me. Send the video back for a full refund of you purchase price..."

This is basically a way to state a guarantee that sounds cool. You're not buying a video... you're buying a lesson that just happens to come on a DVD or a VHS cassette or whatever. The information is retained in the customer's head. You're just requesting the physical product (the video) back... but the memory of what he learns remains in his head.

We'll Send UPS To Pick It Up For A Refund!

I remember seeing an ad for Malm's Wax where their headline said, "Discover the liquid carnauba wax that will make you car so shiny, if you don't think it's the absolute deepest shine you've ever seen, call us and we'll send UPS to pick it up for a refund!" This headline knocked me on my ass. That's powerful!

But beware; you're going to lose some money here. Call Tags do cost some money. The shipping charges to come back to you cost money.

If you word in your ad or sales letter, the guarantee is for the purchase price and less S/H, you can keep the initial shipping fee. You'll just have to pay for the call tag and the shipping back to you. So, if you have some money in the initial shipping fee to play with... if it is enough to cover the shipping back to you... maybe you can offer this. Oh, and one more thing- you better have a remarkable product... or your warehouse will be full of boxes from dissatisfied customers. What I like to do with the Call Tag idea, is just tell the customer he can keep your product or give it to a friend he thinks may be interested in it. We'll still give the credit. A half-used bottle of cream or pills is worth nothing to me.

Some notes on the guarantees listed in these pages: Some of them may or may not rub you the wrong way. Some are more ethical than others... and it all depends on what makes you feel good. I do not promote or deter you from using any particular guarantee... but one thing I do demand- you must offer some form of a satisfaction guarantee!

Chapter Eight:

Premiums

It's nice to get a free bonus or a free gift when you buy something. I've taken products that only broke even and added a premium and saw response greatly lifted.

Premiums must cost you little or nothing out of your profits. Now, I do not mean premiums should be worthless- they must have some form of worth in order for them to work.

I've even increased my selling price to offset a free gift I wanted to include... and still saw response lift.

I'm going to give you a few examples of free gift offers I've used in the past and how they helped or didn't help.

Many times, you'll add a premium and you will not see response to your sales letter or advertisement increase.

For example, I once had a bodybuilding supplement which gave two additional bottles of different supplements as gifts. I knew the two extra bottles cost me an additional \$4 or so, so I increased the shipping and handling cost billed to the customer. Response was the same with or without the premiums. Go figure.

I once sold a car wax kit and gave away an orbital polisher. There were two versions of the kit... a pint and a quart size kit. I gave the polisher with the quart size kit. I was able to get the polishers for under \$14 from a manufacturer. To offset the cost of the polisher, I had to increase the shipping and handling charges... and response for the quart size kits went up. I recall mostly all of the purchases were for the larger size kit. I benefited two different ways. I first of all sold a more expensive version of the product... and secondly I was able to increase overall response. This is what I call win-win.

In the information products business, premiums can be extra reports... recordings of seminars or interviews with experts in the field... etc. These types of premiums can have a high-perceived value and yet cost you nothing to include.

Premiums can be used to encourage customers to use your products for a longer period of time. I remember offering a dietary supplement on an auto ship basis. I told customers I'd give them a free DVD Player if they were able to do a little survey for me.

Once the customer got the package, they got a diary they had to fill out as they used my product, and if they can complete the diary in its entirety... I'd send them a DVD Player for free! I was getting these DVD Players for \$40 or so. My monthly shipment of pills cost the customer \$40. I got my customers to use the product for an average of four months. The survey was a six-month study. If the customer completed the diary I included with their order, they had to be on the product for six entire months. Now, I got two extra months worth of sales... one of the month's revenues, I had to use to buy the DVD Player- but I still got an entire extra \$40 sale as profit... plus the diary from my customer- which I could use any way I wished. The customer got a free DVD Player- for using a product he enjoyed. This was also win-win for all parties involved.

I used this same offer for a CD-ROM club I had a few years back. I was getting huge quantities of software for \$1 each from companies who needed to clear out the warehouse for the next version of the software. For example, one of the products we had in the CD-ROM club was a popular typing software. Version 4 was on store shelves for \$50... version 5 was coming out in a few months, so the manufacturer was selling me the entire remaining version 4 software for \$1 or so.

I sent the customer's two software titles a month for \$20... and these programs were worth \$50 or so each, so it was a good deal for them. To encourage customer to stay in the club for 6 months... I gave them a hot software title I was buying for \$20. My customer data showed me members were in my club for four months. If I could get them to stay until month six... I'd give them the \$20 bonus program-, which was worth \$40+ in stores.

Initial response from my mailers was increased because of the free software... and I got the customer to stay a little longer. I made more money on both ends- increased members... who would stay members longer.

I've also used premiums to persuade customers to buy a certain way. If I'm looking for an increase of customers to pay by check or money order- over a credit card... I'd give bonuses when they paid with a check or money order. If I wanted customers to pay with their American Express cards over Visa, Master Card or Discover... I'd give them the bonus when they used their American Express card to order. I'd call it the "American Express Cardholder Bonus". Customers felt special if they had the American Express card and used it. In reality, I had a cap on my Visa and MasterCard sales figures... but no limit for the American Express sales. And since I was hitting my limit every month, I wanted to sway a portion of my sales to a credit card in which I had no limit as to how much business I could run through the account.

I know of several merchants who use a premium to persuade customers to buy with a credit card over a check or money order. A good example of this is Girls Gone Wild. They offer one video for \$9.95 and if you use your credit card, they'll give you an extra video for free! The real reason behind this is Girls Gone Wild wants to send you automatically a new video every month and rebill your credit card. They cannot do this with people who order with checks and money orders, so they'll give you another video- for no additional charge... just to get the credit card number.

Many companies will even let you keep the free premium even if you ask for a refund. And why shouldn't they? The additional cost to include the premium is usually made up in the shipping and handling charge they make you pay. And shipping and handling is usually not a refundable fee.

Magazines like Sports Illustrated are famous for giving away the football clock... or whatever with your "paid subscription". The key word is "paid". To get a subscription, you just call the 800# on the screen or mail in the order card. They'll send you an issue with a bill for the subscription. When and only when you send them a check or credit card number is when they'll send you the free clock... or football phone... or whatever sports gift they're offering that particular year.

Premiums can or cannot be relevant to the product you're selling. What you have to do is test the offer with and without the premium or with several different premiums. If a premium pans out... by all means you should include it.

I'll go more into "testing" in a later chapter, as it is the Holy Grail of the direct response business.

Chapter Nine:

Testimonials and Endorsements

One of the main four reasons why people won't respond to your sales letters and your magazine ads or your TV and radio spots... is they do not believe what you are saying. Testimonials, when used correctly can take away some of their skepticism.

I said in the last paragraph, testimonials WHEN USED CORRECTLY can take away some of the fears your prospects have. When used correctly is the key.

Do you know what I hate? When I see a paragraph from a satisfied user that goes something like this, "I love this product!"- JA, NY.

This testimonial is all wrong. First off all, it is a vague statement- which does nothing for your sales pitch... and second, the person's name is in initials as is his location. When I see testimonials like this, they say "bullshit".

Testimonials must have a full name and a full city and state... and they must be more in depth than "it's great!"

I like a testimonial like this, "I started using XYZ three months ago. When I first started using XYZ, my breasts were barely an A cup... but now, I am a full B and my breasts no longer disappear when I put a shirt over them!"- Mary Brown, Houston, Texas.

This is a bare bones testimonial. I like to add even more data to prove they are from a real person. Here's a few things you can add to make them appear more real and genuine:

1. Use a full name-

This is not hard to use at all. Nobody is going to track down the writer and point to them in the street.

2. Use the writer's profession-

This adds more credibility to the statement they make. If a testimonial is from a Police Officer, an Attorney, a Doctor, etc., it just makes the statement even more powerful.

3. Use the writer's age and sex- Again, adds to the credibility.

4. Use the writer's phone number and/or email address-

This is a little trickier. An email address is real easy to use nowadays... and they're really not a hassle on the writer. Maybe they'll get a few people writing them and asking them about the product... but not many. If you're mailing 1 Million letters, maybe they'll receive a dozen people writing them. A phone number can go directly to the writer... or you can set-up a voicemail for them in their state for \$10 a month. The user will put a message on the voicemail that says something like this, "I've been getting a whole lot of calls regarding my use of XYZ, so I hooked up this voicemail. Now, I may not be able to answer everyone's calls, I can attest the statements I've made regarding XYZ are my own and are absolutely true."

5. Use the writer's photograph- Adds to creditability.

6. Use before and after photos-

This works in cases where your product will give its user some sort of altering. Weight loss products, age reduction products, bodybuilding products, etc.

How to get users to give you testimonials:

You do not have to sit and wait for users of your products to decide if and when they are going to sit down and write you a nice letter. Wake up. What I like to do is offer your customer a bonus if they can tell you their candid comments about your product. A few days after they receive their order... or right in their order... include a letter saying you are looking for testimonials for your next mailing. Tell them if they send their testimonial in, you will give them a bonus. The bonus can be whatever you wish. Then go on to tell them if you decide to use their story in your ad, you'll give them \$500 or whatever.

I once sold a book and told my customers if they were to send me a testimonial about my book, I'd send them a free report. I was amazed when I was receiving letters from 50% of my customers! I was sending out 1000's of free reports! The stories I was getting from some of these people were amazing!

Bill Phillips of EAS did something radical in 1998. EAS was a company, which made bodybuilding supplements. Bill had a red Lamborghini he was going to give away to the person who used his products as recommended and had the greatest transformation using his products.

He made an entire promotion out of this car giveaway. First of all, he got more customers to try his products. Second, he got thousands of before and after photos and stories to use in future advertisements. Third, he got customers to use his product for a longer period of time. When you pencil out the numbers, he may have given away a \$150,000 car... but he probably sold millions more in product from people wanting to win the car... got millions more in added sales from people who remained faithful to the regiment of supplements they had to take to enter the contest... and finally, he got millions more in sales from the amazing testimonials and before and after photos.

We'll go in deeper detail in a later chapter about building believability. That's our #1 priority. If people really believed all ads... people who send out letters saying they have a "plan" that will make you a millionaire would be swamped with orders from 99% of the people the mail to. But they don't! What, 99% of people do not want to be rich? Absolutely not. People do want to be rich... it's just they do not believe what you are telling them. People are getting hammered with sales pitches all day long promising them the world... you have to gain their trust to get their money. Testimonials can help this process.

How to get permission to use Testimonials:

Insert a special form for testimonials. It can ask for all the information you seek to receive. There should be fields for age, profession, name, city, state, phone number, etc. Make sure to include a large box with enough lines for their story. You don't want these people to write you a book.

On the very bottom, ask for a signature allowing you to use their story in future advertisements if you choose. Also, I'd put a second box that they have to check off if they will allow you to use their phone number and/or email address. You cannot have prospects contact them without their signed permission. Now, including a phone number in the testimonial is extreme, and not a lot of people do this... It would be fine for you not to include a contact method to the user.

Celebrity Endorsements.

I once ran commercials on Howard Stern's radio show every morning. We had a sexy Penthouse Pet do the voice-over and results were very good. After we ran the commercial for several months, response dropped and it was no longer profitable to run. We told the sales rep at the radio station we were looking to pull the ads as they were not pulling for us any longer. Howard didn't want to lose the business we were giving his network, so he did the voice-over for our commercial for free. He endorsed the product and said how he's hearing from users how well it works for them, etc. I agreed to test his commercial for a few weeks and agreed not to pull the ads until I got the results. We ran Howard's new spot, and found it didn't add to the response at all. We did pull the ads in the end... but we did put the commercial on our website and the link said, "Listen to what Howard Stern Says About Our Product!"

The point of all this- Celebrity endorsements don't always add to response.

Another time, I was mailing a car stereo magazine's subscriber list. Results were good. In an attempt to increase response, we received a letter from the Publisher of the magazine saying how great our product was. I included his letter along with our sales letter, and response was no better.

Another time, one of our products received a very favorable write- up in a leading magazine. We included the review in our ads, but again... no measurable increase in response.

Don't misunderstand me. Do not confuse endorsements in your letter with endorsed mailing or "Host Parasite" offers as we spoke about in a previous chapter.

Bottom line: Celebrity Endorsements are not cure-alls. They will not double your response... but they do add some believability to your offerings. If you can get them, great. Add them. But don't think they'll save the promotion from losing money. Testimonials are a standard-fare to your offer and you should use them.

Chapter Ten:

Four Reasons Why People Don't Buy From Your Sales Letters and Advertisements

Getting a profitable response from your sales letters and advertisements can be complicated... but when you break it down, there are only four reasons why your prospects won't buy from you. I'll go over each one of them... and reveal techniques how to overcome them.

The Number One Reason-
They Don't Notice Your Sales Pitch.

If you're sending sales letters in the mail, many things can happen that prevent your prospects from receiving, seeing, and/or reading your sales letter.

If you're mailing Standard Mail- which I advise against... the Post Office may throw your letter in the trash. The Post Office is not supposed to throw away mail... but time after time we all read stories of some mailman who gets caught with ten tons of "Junk Mail" buried in his backyard. His response when he got busted was something to the effect that "people didn't want this kind of mail anyway".

A few years ago, in the Bronx, there was an abandoned building Postal Workers used to dump their advertising mail. Instead of delivering it, they just dumped it in this building. It wasn't until the damn building caught on fire that the authorities discovered what was going on for years! I've dedicated an entire chapter later in this book on the Post Office and how to ensure your letter gets delivered.

My Fiancé's Father used to work for the Post Office. I remember when he first got the job, asking him if he knew of any instances where Postal Workers were throwing advertising mail in the trash. He looked at me like I had two heads and was like, "What are you crazy? Of course not!" A few years later, do you want to know what his job description at the Post Office was? MAKING SURE NOBODY THREW ADVERTISING MAIL IN THE TRASH!

If you're mailing Standard Mail- your prospect may have moved and Standard Mail does not forward to his or her new address. People move around a lot. When you mail First Class Mail-, which I advise, mail will be forwarded to the new address as long as the person put in a Forwarding Order. If you mail Standard Rate-, which used to be known as "Bulk Mail"... there is no forwarding. If the guy moved... the mail piece goes in the trash!

If your sales letter screams JUNK MAIL, your prospect may throw it away before ever giving it a chance to get opened. In later chapters, I'm going to show you how to make your sales letters get opened by your prospects. I'll tell you this right now; if you send out a sales letter- or worse a FLIER... even worse, with an ADDRESS LABEL on it... it's not going to get a second of your prospect's time. In the garbage it goes... and you could have been offering \$1 Million FREE inside... your prospect will never get to that point because the letter you sent them looks like trash.

You may have the wrong headline on your sales letter or advertisement that fails to suck your reader into the body copy. Again, later in this book, I've dedicated an entire chapter to Headlines alone! If you are not flagging down the proper prospects for your offer... they will never get to read what you say in the body copy of your sales letter and/or advertisement. You've simply got to attract the right people your product is purchased by.

If you are running a magazine ad, your ad may not look appealing to read, therefore your prospect keeps flipping pages- overlooking your entire advertisement. I know it sounds like a broken record, but I've included an entire chapter on crafting magazine ads later in this book. If you've got a bad ad, laid out wrong... and not eye-appealing... the reader will keep on flipping and flipping until something does finally get their attention. If your ad does not go "against the grain" as far as what an "ad" is supposed to look like, it won't get all the readers it should be getting.

The Number Two Reason-
They Don't Want What You're Selling.

Nobody has a product that everyone wants. Even for the most beautiful women in America, there are men who will not have sex with them. Not every person you mail to will want your product. But in this business, we make our money from the 2% that do. If you target the wrong list... or if you run your ad in the wrong magazine... or simply have a product that is not that desirable... you're going to have a hard time getting enough orders to cover your advertising costs.

Its simple- You have must have a product that appeals to a large group of your prospects and you have to make sure you are getting it in front of the right prospects- and if you're running a magazine ad, or a TV or radio sport... you have to do this for the right price. Pay too much for an ad, and you just made it that much harder to cover your advertising cost. It is imperative you negotiate the absolute best media cost when you run an advertisement. If all ads were free, every product would be a hit.

There will always be someone who wants your product... the trick is having enough in your prospect list or magazine readership to buy and bring back more in sales than it cost to promote.

The Number Three Reason-
They Can't Afford What You're Selling.

I know tons of people who would love to own a Ferrari. I'd bet good money, if they cost \$20,000 brand-new, 9 out of 10 people would pick the Ferrari over a Honda Civic. The reason why the streets are not littered with these Italian works of art is because only the richest of the rich can afford them.

The same goes for other products. Sometimes they simply cost too much. I remember when I was first getting started in direct response; I wanted to go to a seminar that cost \$5500. I didn't have that kind of money... nor did I have any kind of asset I could "hock" to get the money. If there was a scale of 1 to 10 on how bad I wanted to go to this seminar... I would have rated my desire a 10. I really wanted to go... badly.

Now, there were two other options to purchase the seminar. First, the seminar offered a payment plan. It was like \$500 a month for 11 months. And the second option was a home study version of the seminar. It was basically a tape recording of the seminar before the one being offered. It cost just \$2200... and they also offered payment terms of \$200 a month for a few months' time.

If you're selling something over \$100... it may be wise to test a payment plan to attract more customers.

Remember I was saying earlier in this book, if there were no finance companies to give mortgages to people... no homes would sell. How many people have enough to buy their home in cash?

Maybe 1%? The installment terms makes people pay their home off over the course of 30 years or so.

You're a smart person. You can figure out other ways to make your product seem more affordable.

The Number Four Reason- They Don't Believe You.

I'd probably say this is one of, if not THE most important reason your prospects will not buy what you are selling. The funny thing is, when a mailer gets a poor response, they usually think they didn't sell hard enough, so they inflate their claims and promises even more. This is counter-productive. The reason why they didn't order in the first place is because they didn't believe your sales pitch. Making your claims even more hyped-up is only going to make them even more skeptical. Response may go up a little... from people who are gullible. But the at the cost of the increased chance of regulatory attention.

Here's what I believe. There are more people who would buy your product had you made your pitch more believable than people who would buy if your offer and/or claims were more powerful and exaggerated. Give it a shot in your next sales letter or ad.

I learned something important about believability and I want to teach it to you. Right before you make a claim for your product...

give a flaw. The admission of a flaw makes your claim seem more believable. It works like this:

“This is my first major book. I am not an accomplished author, so this book will have some flaws. If you read for style, or for literary quality, like I was saying before, this may not be a book for you.

But there are paragraphs in this book- ideas in this book- whole chapters in this book that I have never had the balls to put down on paper before! And they will open doors to you- maybe as soon as tomorrow- that otherwise might have taken a lifetime of waiting for you to walk through.”

Or something like this:

“Our new wrinkle eraser is not a permanent fix. The results you achieve with this product will only be temporary.

But even if the results last eight to ten hours, this product will enable you to hide every fine line and wrinkle on your face. The results this product provides, even if they are temporary, are absolutely amazing!”

Or something like this:

“But don’t think for a second this product will work if you do not participate in a healthy diet and exercise program. If you sit on the couch and continue to eat large portions of the wrong food, this product will do nothing for you.

But on the other hand, a recent clinical study did show this product could burn 930 extra calories each and every day when you eat and exercise properly. That’s nearly half your caloric intake for the day... ZAPPED!”

Do you see how the admission of the truth... or a flaw right before a claim is made makes the claim seem more believable? Here’s how I think of it. If you put a -2 fact right before a +4 claim... that +4 claim will have the believability power of a +8 claim. Understand?

Good.

Here's a few more ways you can make your sales pitch more believable to your prospects:

Increase belief with...

A STRONG GUARANTEE-

When you can offer them a money back guarantee, they feel you believe in what you're selling and if you were selling crap, you'd go broke pretty fast.

DOUBLE YOUR MONEY BACK GUARANTEE-

Even more powerful than the standard money back guarantee- Even if it is conditional or tied to a performance claim.

TAX RETURN-

If you're selling something on making money... its best to prove you're not full of shit. Include a tax return showing you made over \$2 Million last year. Also, if you're selling some form of a Tax Reduction service, include a copy of a few tax returns showing the best savings you had for your clients... of course with their names blacked out for privacy!

CPA'S SWORN STATEMENT-

If you're making a claim as to how much money you have or how much you're worth if you're promoting something of a financial nature, like a Business Opportunity, this can help.

ENDORSEMENT FROM A MUTUAL FRIEND-

This always helps. If you want to go out with Michelle and Michelle's friend Jessica not only knows you... but thinks you're the greatest guy... how much faster do you think you can get a date with Michelle- even if she's never seen you- when her trusted friend endorses you? Pretty darn quick.

TESTIMONIALS-

People really do read testimonials.

TESTIMONIALS WITH A PHONE NUMBER-

Even more powerful and believable. And the number of people who actually have the balls to call the testimonial are small. It's included more for the fact that if the reader wanted to call, he could.

CELEBRITY ENDORSEMENT-

Especially when the letter actually comes from the celebrity. People think they know the celebrity they see on TV. If you get a letter from Jennifer Anniston talking about a new product that she uses to keep looking younger... you're going to read it... believe it... and probably buy it.

FREE TRIAL-

Nothing beats a free trial. The customer can check out what you are selling for free and only after it lives up to its claims will he then decide if he's going to buy it or not. This is powerful!

WON'T CASH CHECK FOR 30-DAYS-

Simply hold your customer's check or money order. If he sends back the product within the 30-day trial period, you'll send him back the same identical check or money order he sent you. This puts his mind at ease knowing the money is not out of his account just yet.

WON'T CHARGE CREDIT CARD FOR 30 DAYS-

Again, the same benefit as above... just with a credit card.

LIST PATENT NUMBER-

If your product is patented, you can include this number and say something like, "This product is so amazing and unique, the United States Patent Office even granted us a Patent. The Patent Number is 1234565644."

USE PAYMENT TERMS OVER TIME-

Not only does this help the customer afford what you are selling, it tells him you believe in your product or else you'd want all of your money upfront.

USE A REAL STREET ADDRESS AND PHONE NUMBER-

In a sales letter or an ad, the worst thing to do is use a PO BOX for your address. It's so cold, and it almost looks like you're hiding where you actually are. Now, there are many private Mailbox companies that actually offer a street address... or if you wish you could really use your address and phone number. I've never had anyone actually come to a location from the address listed in a sales letter. Its there to give the reader the comfort that he knows just where you're sitting.

TELL HISTORY OF DEVELOPMENT-

All products have a history of development. If yours is remarkable... use it in your sales copy.

USE SPECIFIC INFO THAT CAN BE CHECKABLE-

If you're the ReMax #3 Realtor of the year... it could be real simple for someone to punch this question in Google and see your name.

NOTARIZED STATEMENT-

If you're willing to put your claims under oath... it seems more believable to your prospects.

USE SPECIFIC TEST RESULTS-

If your product has been clinically tested to burn 930 more calories over doing nothing... say so... but tell them how you came up with the data. "In a 60-person, 60-day, Double-Blind Placebo-Controlled clinical trial performed by Dr. Johansen at the University of Florida, he found that the ingredients found in XYZ burn 930 more calories than the people taking the placebo!"

USE A PERSONAL STORY-

Joe Karbo's famous ad for "The Lazy Man's Way To Riches" starts something like this: "I used to work hard... real hard. 60 hours a week... just to barely get by. But I didn't start making real money until I did less... a lot less..." A personal story about your pains... your angers... your frustrations you had before you discovered what you are selling... and then how you solved your problems with this product... and how it can do the same for them.

USE DATA FROM A MAGAZINE ARTICLE-

If a magazine did an article about your product, get permission and reuse it in your ad. This data does not even have to be about your specific product. For example, if you're selling a pill that helps you stop smoking... you can go on to tell of an article revealing the risks of smoking that was published in Lady's Home Journal, etc.

A BEFORE AND AFTER PHOTO-

If you're selling some form of weight loss... hair restoration... body building... etc. product, before and afters are quite powerful. Make that **EXTREMELY POWERFUL**.

A COPY OF A LICENSE-

If you're licensed to practice something, a copy of the license can add credibility.

PHOTOGRAPHS OF OTHER USERS-

Along with testimonials, it makes it all the more powerful if the reader can put a face with a story.

REFLECTED GLORY- Past history of successes. If you're revealing a new product, and you created a huge, popular product in the past, you can say something to the effect of "I first created XYZ back in 1999 and over 8 million people swear by it... now I'm just as excited about this new product!" If you did something huge in the past, free ride on it!

NUMBER OF SATISFIED USERS-

345,342 Satisfied Users Cannot Be Wrong!

AMOUNT OF PRODUCT SOLD-

And be specific. Don't say "9 Million Sold". Say "9,123,432 SOLD SO FAR!"

EMPATHY- Push "Me-Too Feelings". "Hey, I was just like you. I was in my 50's and found it harder and harder to achieve an erection. It made me feel..."

WRITING IN THE FIRST PERSON-

You and me.

ENCLOSE A FAVORABLE MAGAZINE ARTICLE-
Reprint the entire thing and enclose it.

BETTER-THAN-RISK-FREE GUARANTEE-
This is where the customer will come out ahead... even if he asks for a refund.
Usually free bonuses they get to keep for free.

NUMBER OF YEARS IN BUSINESS-
Helping Women Lose Weight Since 1983

CV INFO (DDS, ESQ, PhD)-
If you're a PhD, DDS, etc., when signing the sales letter... include your CV info.

AS SEEN IN...
If your product has been advertised or written about in Entrepreneur Magazine...
you can say, "as seen in Entrepreneur Magazine"

TELL HIM HOW TO DEMONSTRATE-
If you can describe in writing how the reader can demonstrate some result right
now... do it. "Take three buckets. Put warm water in one... room temperature water
in the other... and cold water in one. Submerge your right hand in the cool one. Your
left hand in the warm one. Then plunge both hands into the room temperature
bucket. One hand will feel cold and one hand will feel warm... and they're in the
same temperature water!"

MEMBERSHIP TO THE BBB OR OTHER SOCIETY-
Proud member of the NNFA.

COPY OF BANK STATEMENT-
If you're bragging about a financial product, a big fat bank statement can be a
powerful believability device.

A SAMPLE OF PRODUCT-
Obviously, if a customer can sample the product first... especially if it is included
with the sales letter... like a packet of a wrinkle serum... before she buys... that is
powerful! But you better make

sure you're product is good... or you'll get less results than if you left well enough alone!

YOU'LL BILL THEM LATER FOR THE PRODUCT-

Bill Me Later is a powerful believability technique. If your product is junk... they're not going to pay up. And make sure you don't take too much of a beating if they don't pay up. Don't offer this on a diamond watch. If you're doing some tapes or CDs, maybe you can ask them to pay the shipping fee upfront... which will cover your hard costs to manufacture and ship the product.

PERSONAL EMAIL ADDRESS FOR QUESTIONS-

This comforts prospects that if they have a question, you'd be there. Now, many may email you; so make sure you keep on top of the responses!

IN-HOME TRIAL-

This is a powerful technique that practically every infomercial marketer is using nowadays. I explained how it works in an earlier chapter. Remember?

ADMISSION OF FLAWS-

I was speaking of this earlier in this chapter. People will think if you have the balls to tell the flaws... you're not exaggerating or lying about your positive claims.

PHOTO OF PERSON WRITING LETTER-

Sometimes I advise this... sometimes I don't. If you're a slick New Yorker... the cowboy in Texas may not identify with you. If you look too young... the older, wiser man may not believe you. But if you feel you have the look that may add believability, use it. I like to use a photo of my little girl and me sometimes. It makes me appear to be a family man who you can trust.

FREE-STANDING PHOTO-

A replica of a real photo is used sometimes. The way to make fake photos is to print them and trim them, then on the back, have a rubber stamp made that says "Acme Photo Labs" or something like it and stamp each and every fake photo.

DO NOT EVER USE HUMOR-

No two people think the same comedian is funny. Some people love Dice Clay... and some people hate him. What you think is funny... someone else may not think is funny. And hey, we're here to sell... and they're reading to buy. This is serious business. Don't fool around with humor.

WOW! That was one hell of a chapter! My fingers are on fire from typing! Again, some of the techniques listed in this chapter, I'll go into greater detail later in this book.

Your success boils down to your ability to persuade strangers to see things your way. Master and overcome the four reasons why prospects don't buy. Try to make your offer go with the current and not get snagged on any of the four reasons.

NOTE: Since writing this book, I have discovered yet another reason why someone may not respond to your offer. You can cover the 4 main reasons why they don't buy... but they still may not respond even if they want your product. They may not want it enough to exchange the dollar amount you're asking for it. Sure, they can have all the money in the world... but just because they have enough money- it does not mean they'll pay whatever you ask. For example... I had several millions of dollars in the bank, and I wanted this new Lamborghini. The only thing was that I did not want to pay the \$50,000 over sticker price the dealer was asking for it because it was such a hot car.

Sure... your prospect may want your new diet pill... but if you were asking \$100 a bottle... some people may not want it BAD ENOUGH to exchange their money for it. You could even price the damn thing at \$30 and there may still be people who will not want to exchange the \$30 in the bank for these pills. THIS IS WHERE EXCELLENT COPYWRITING SKILLS COME IN. You have to do a good job of convincing them the price you're asking is just a fraction of what he or she is to gain in RESULTS using your product. Make sure to read the next chapter.

Chapter Eleven:

Copywriting

The 6 Parts Of a Sales Pitch In Your Sales Letter or Ad:

1. The Headline or Opening Thrust.

The headline is the most important part of your sales letter or advertisement. David Ogilvy said it was, “The ticket on the meat”, in his book “Ogilvy On Advertising”. Five times more people will read your headline than will read your body copy. I’ve seen a headline out pull another headline by 300% to as much as 1900%. Same copy... Same product... Same price... Same media... the only difference was the headline. The next chapter is going to teach you all about headlines and how to write them. Eugene Schwartz’s book, “Breakthrough Advertising” spent an entire 50% of the book- the entire first half of the book on teaching how to find and write the headline! It’s that important!

2. The Basic Story or Pitch.

This is where you’re going to write about your frustration, the pains of it, how you dissolved it, what you dissolved it with, and how it works.

3. The Proposition.

This is where you’re going to go into how the product can help the reader, and why he or she should use it.

4. The Exact Offer.

This is where you’re going to talk about price and what he is going to get for his money... what does the purchase come with... and free bonuses... etc.

5. The Guarantee.

This is where you are going to remove all of the risks your prospect is scared of. Anything that may leave him thinking there's a chance he'll lose his money if this does not turn out to be what you said it was going to be. You got to get rid of this feeling. You got to assure him in a powerful way, he is not at any financial risk for going with his gut and ordering this thing through the mail- from a total stranger- without even seeing it!

6. The Call To Action.

This is where you tell him how to order. What numbers to call... where to send a check or money order. And maybe even a little push. Here's a version of one I "copied" from a Joe Karbo ad, I love it to this day...

"Look- 30-days from now you can be nothing more than a month older, or you can be on your way to financial freedom. You decide. You have nothing to fear, because you're protected by a full 30-day **DOUBLE YOUR MONEY BACK GUARANTEE**. So, have your credit card handy and call 1-800-123-4567 right now, before the limited supply of 327 are sold out forever."

I fit this closing to almost every product I'm selling. The 5 Components Of a Winning

Ad or Sales Letter:

1. Command Attention.

You need a strong visual appeal to your ad or sales letter. A killer headline... a photograph... an appealing layout that does not "blend" with other magazine ads in the magazine.

2. Show People The Advantage Of Using Your Product.

The body copy will show the prospect why your product exists. Why people are buying it. What it is going to do for the person who uses it.

3. Prove That What You Are Saying Has An Advantage.

There are tons of weight loss aids. But the one you are selling has been clinically proven to burn as many as 930 calories in a given day's time. That's nearly half a woman's 2000 caloric intake for a day's time. This study result has to back up your claims... otherwise the claim will go in one ear and out the other as all direct response product claims automatically get discounted 50% from your reader- and that's at a minimum.

4. Persuade People To Grasp That Advantage.

You're going to have to tell your prospect why he should grasp the advantage your product delivers. You already got his attention. You already told him what your product could do for its users. You then proved it was true. Now you have to persuade him to grasp this advantage. You can entice him with a great price... a great guarantee... BOTH. The sky is the limit.

5. Make a Call To Action.

Now you have to close the thing up and get them to reach for their wallet and call you right now. If you have a poor closing... he may put the letter down and go on with his life. You have to close correctly. Here are 4 steps I use to ask for the cash:

A. Create an offer no sane person could refuse.

Pile it on. All the bonuses you can include. Make it such an awesome offering; he'd be a total jerk not to grasp it.

B. Erase all the risks from your customer's mind.

People are scared they're going to lose their money. Scammers are all over the place. You're not the first sales letter or advertisement he's read in his life. He's seen it all... and read it all before. He's been ripped off in the past. He knows your sales copy is probably full of hyperbole. Put him in a position where he "thinks" he'd really fuck you up if he wanted his money back.

C. Light a big, fat fire under his ass.

If your prospect procrastinates... you lost an order. He's got to order right now! Right this very second! No thinking about it! And the way to do this is to let him know if he snoozes... he's not going to get the free video... he's not going to get the low price... he's not going to even be able to get his hands on the product.

You see this on infomercials all the time... "Order within the next 14 minutes and you'll receive John's Quick Start video- where you'll learn step-by-step... yada... yada... yada... a \$30 value- yours absolutely free!" Of course, the order takers are not sitting there with a stopwatch... counting the minutes... or counting until the 250th order comes in... but it is a technique that works... as long as you make sure it's believable. Obviously, if you're writing this in a sales letter or a magazine ad, you're not going to say "14 minutes"... you'd say 5 days... first 250 people... etc.

D. Make it as simple as possible to order.

Some people love to make things complicated. Dumb people make simple things complicated. And smart people make complicated things simple. Placing an order should not be hard to do... but you'd be amazed by how many marketers really mess it up.

Simple. Simple. Simple. An 800#... 24 hours a day... 7 days a week... even if you have an answering machine on! A simple order form to fill out... an easy to use response envelope to stick the order card in and mail. SIMPLE. Keep it SIMPLE.

I go to websites, that before I can view anything, they want me to register... or they want me to download some sort of software I do not have... or do not have the latest version of. Stupid. Stupid.
Stupid. I go to another website.

Chapter Twelve:

Headlines

In his book, “Breakthrough Advertising”, Eugene Schwartz dedicated the full first half of his book... an entire 50% of it... to creating the most powerful headline for your advertisement.

Why would he do this? The answer is simple. When you pick up a newspaper and you’re browsing through the pages... the only thing that makes you read a particular article is the headline. If the headline does not do it’s job of attracting the proper audience... the ad will fail.

Do you know what’s even funnier than having the wrong headline? Having NO HEADLINE. Most advertisers use either a poor headline... or no headline at all. This is why they fail. This is why they say, “Advertising Don’t Work”.

Now, you don’t always have to re-invent the wheel when it comes to creating headlines. Once you get better at direct response writing, you may want to explore creating more original headlines... but like I keep saying throughout this book- let’s keep it safe. We’re going to mold our new headlines off old headlines that have been proven to work... time and time again over the past decades- selling millions of products and services.

I have a few guidelines when creating headlines-

1. Try not to use negatives...
2. Avoid humor at all costs...
3. Avoid trying to be cute...
4. Always try to have the reader’s self-interest in the headline...
5. State your products most valuable benefit...

One headline tested against another can result in increased orders by many, many multiples. Here's an example Jay Abraham tells about a simple headline swap that tripled an ad's pulling power.

Jay was doing consultation work for a financing company for gold and silver. This company was offering 2/3rds bank financing on gold and silver as long as they got to hold the actual gold or silver.

They were running huge ads in newspapers and their headline was...

"2/3rds Bank Financing On All Silver and Gold"

Now, their ads were breaking even at this point. The ad was bringing in enough sales to cover running the ads... paying the commissions to the salespeople... and basically keeping the lights on. This company called upon Jay and within a few minutes he changed the headline to this:

"If Gold Is Selling For \$300 An Ounce, Send Us Just \$100 and We'll Buy You All The Gold You Want"

This simple headline swap resulted in an immediate 300% increase in the selling power of their advertisements. And this company had another headline for Silver...

"If Silver Is Selling For \$6 An Ounce, Send Us Just \$2 and We'll Buy You All The Silver You Want"

Jay's new headlines were saying the same things... it was just making it more clear and telling the reader how the 2/3rds financing benefited him.

I swapped a headline and saw an ad increase in pulling power by 300%. Others claim they have seen as much as a 1900% increase in sales from one headline to another.

The point of this chapter right now is not to talk about testing headlines against each other... but how to create the best headline for your ad or sales letter off the bat.

I'm going to list over one hundred of my favorite headlines. When you go to write your headline... simply insert your product and/or offer into them. Here's an example:

The old, classic headline:

"They All Laughed When I Sat At The Piano... But When I Started To Play!"

Your new version:

"They All Laughed When I Said I Was Going To Lose 37 Pounds In 30-Days... But When They Saw Me Four Weeks Later!"

This was just a quick, off the cuff example... but for you to insert your own product is not too hard to do- even for a beginner.

Here's this list of my favorite headlines you can adapt to fit your own products or services:

1. THE SECRET OF MAKING PEOPLE LIKE YOU
2. A LITTLE MISTAKE THAT COST A FARMER \$3,000 A YEAR
3. ADVICE TO WIVES WHOSE HUSBANDS DON'T SAVE MONEY -- BY A WIFE
4. THE CHILD WHO WON THE HEARTS OF ALL
5. ARE YOU EVER TONGUE-TIED AT A PARTY
6. HOW A NEW DISCOVERY MADE A PLAIN GIRL BEAUTIFUL
7. HOW TO WIN FRIENDS AND INFLUENCE PEOPLE
8. THE LAST TWO HOURS ARE THE LONGEST -- AND THOSE ARE THE TWO HOURS YOU SAVE

9. WHO ELSE WANTS A SCREEN STAR FIGURE?
10. DO YOU MAKE THESE MISTAKES IN ENGLISH?
11. WHY SOME FOODS “EXPLODE” IN YOUR STOMACH
12. HANDS THAT LOOK LOVELIER IN 24 HOURS -- OR YOUR MONEY BACK
13. YOU CAN LAUGH AT MONEY WORRIES -- IF YOU FOLLOW THIS SIMPLE PLAN
14. WHY SOME PEOPLE ALMOST ALWAYS MAKE MONEY IN THE STOCK MARKET
15. WHEN DOCTORS “FEEL ROTTEN” THIS IS WHAT THEY DO
16. IT SEEMS INCREDIBLE THAT YOU CAN OFFER THESE SIGNED ORIGINAL ETCHINGS -- FOR ONLY \$5 EACH
17. FIVE FAMILIAR SKIN TROUBLES -- WHICH DO YOU WANT TO OVERCOME?
18. WHICH OF THESE \$2.50 TO \$5 BEST SELLERS DO YOU WANT -- FOR ONLY \$1 EACH?
19. WHO EVER HEARD OF A WOMAN LOSING WEIGHT -- AND ENJOYING 3 DELICIOUS MEALS AT THE SAME TIME?
20. HOW I IMPROVED MY MEMORY IN ONE EVENING
21. DISCOVER THE FORTUNE THAT LIES HIDDEN IN YOUR SALARY
22. DOCTORS PROVE TWO OUT OF THREE WOMEN CAN HAVE MORE BEAUTIFUL SKIN IN 14 DAYS
23. HOW I MADE A FORTUNE WITH A “FOOL IDEA”

24. HOW OFTEN DO YO HEAR YOURSELF SAYING, “NO, I HAVEN’T READ IT: I’VE BEEN MEANING TO!”

25. THOUSANDS HAVE THIS PRICELESS GIFT -- BUT NEVER DISCOVER IT!

26. WHOSE FAULT WHEN CHILDREN DISOBEY?

27. HOW A “FOOL STUNT” MADE ME A STAR SALESPERSON:

28. HAVE YOU THESE SYMPTOMS OF NERVE EXHAUSTION?

29. GUARANTEED TO GO THROUGH ICE, MUD, OR SNOW -- OR WE PAY THE TOW!

30. HAVE YOU A “WORRY” STOCK?

31. HOW A NEW KIND OF CLAY IMPROVED MY COMPLEXION IN 30 MINUTES

32. 161 NEW WAYS TO A MAN’S HEART -- IN THIS FASCINATING BOOK FOR COOKS.

33. PROFITS THAT LIE HIDDEN IN YOUR FARM

34. IS THE LIFE OF A CHILD WORTH \$1 TO YOU?

35. EVERYWHERE WOMEN ARE RAVING ABOUT THIS AMAZING NEW SHAMPOO!

36. DO YOU DO ANY OF THESE TEN EMBARRASSING THINGS?

37. SIX TYPES OF INVESTORS -- WHICH TYPE ARE YOU?

38. HOW TO TAKE OUT STAINS... USE (product name) AND FOLLOW THESE EASY DIRECTIONS

39. TODAY... ADD \$10,000 TO YOUR ESTATE -- FOR THE PRICE OF A NEW HAT

40. DOES YOUR CHILD EVER EMBARRASS YOU?
41. IS YOUR HOME PICTURE-POOR?
42. HOW TO GIVE YOUR CHILDREN EXTRA IRON -- THESE 3
DELICIOUS WAYS
43. TO PEOPLE WHO WANT TO WRITE -- BUT CAN'T GET STARTED
44. THIS ALMOST-MAGICAL LAMP LIGHTS HALLWAY TURNS BEFORE
YOU MAKE THEM
45. THE CRIMES WE COMMIT AGAINST OUR STOMACHS
46. THE MAN WITH THE "GRASSHOPPER MIND"
47. THEY LAUGHED WHEN I SAT DOWN AT THE PIANO -- BUT WHEN I
STARTED TO PLAY!
48. THROW AWAY YOUR OARS!
49. HOW TO DO WONDERS WITH A LITTLE LAND
50. WHO ELSE WANTS LIGHTER CAKE -- IN HALF THE MIXING TIME?
51. LITTLE LEAKS THAT KEEP MEN POOR
52. PIERCED BY 301 NAILS... RETAINS FULL AIR PRESSURE
53. NO MORE BACK-BREAKING GARDEN CHORES FOR ME -- YET OURS IS
NOW THE SHOWPLACE OF THE NEIGHBORHOOD!
54. OFTEN A BRIDESMAID, NEVER A BRIDE
55. HOW MUCH IS "WORKER TENSION" COSTING YOUR
COMPANY?
56. TO MEN WHO WANT TO QUIT WORK SOMEDAY

57. HOW TO PLAY YOUR HOUSE TO SUIT YOURSELF

58. BUY NO DESK -- UNTIL YOU'VE SEEN THIS SENSATION OF THE BUSINESS SHOW

59. CALL BACK THESE GREAT MOMENTS AT THE OPERA

60. "I LOST MY BULGES... AND SAVED MONEY TOO!"

61. WHY (brand name) BULBS GIVE MORE LIGHT THIS YEAR

62. RIGHT AND WRONG FARMING METHODS -- AND LITTLE POINTERS THAT WILL INCREASE YOUR PROFITS

63. NEW CAKE-IMPROVER GETS YOU COMPLIMENTS GALORE!

64. IMAGINE ME... HOLDING AN AUDIENCE SPELLBOUND FOR 30 MINUTES

65. THIS IS MARIE ANTOINETTE -- RIDING TO HER DEATH

66. DID YOU EVER SEE A "TELEGRAM" FROM YOUR HEART?

67. HOW ANY AUTO REPAIR JOB CAN BE "DUCK SOUP" FOR YOU

68. NEW SHAMPOO LEAVES YOUR HAIR SMOOTHER -- EASIER TO MANAGE

69. IT'S A SHAME FOR YOU NOT TO MAKE GOOD MONEY -- WHEN THESE MEN DO IT SO EASILY

70. YOU NEVER SAW SUCH LETTERS AS HARRY AND I GOT ABOUT OUT PEARS

71. THOUSANDS NOW PLAY WHO NEVER THOUGHT THEY COULD

72. GREAT NEW DISCOVERY KILLS KITCHEN ODORS QUICK! -- MAKES INDOOR AIR "COUNTRY-FRESH"

73. MAKE THIS ONE-MINUTE TEST -- OF AN AMAZING NEW KIND OF SHAVING CREAM

74. ANNOUNCING... THE NEW EDITION OF THE ENCYCLOPEDIA THAT MAKES IT FUN TO LEARN THINGS

75. AGAIN SHE ORDERS... "A CHICKEN SALAD, PLEASE"

76. FOR THE WOMAN WHO IS OLDER THAN SHE LOOKS

77. WHERE CAN YOU GO IN A GOOD USED CAR

78. CHECK THE KIND OF BODY YOU WANT

79. "YOU KILL THAT STORE -- OR I'LL RUN YOU OUT OF THE STATE!"

80. HERE'S A QUICK WAY TO BREAK-UP A COLD

81. THERE'S ANOTHER WOMAN WAITING FOR EVERY MAN -- AND SHE'S TOO SMART TO HAVE "MORNING MOUTH"

82. THIS PEN "BURPS" BEFORE IT DRINKS -- BUT NEVER AFTERWARDS!

83. IF YOU WERE GIVEN \$20,000 TO SPEND -- ISN'T THIS THE (type of product, but not product name) YOU'D BUILD?

84. "LAST FRIDAY... I WAS SCARED! -- MY BOSS ALMOST FIRED ME!"

85. 76 REASONS WHY IT WOULD HAVE PAID YOU TO ANSWER OUR AD A FEW MONTHS AGO

86. SUPPOSE THIS HAPPENED ON YOUR WEDDING DAY

87. DON'T LET ATHLETE'S FOOT "LAY YOU UP"

88. ARE THEY BEING PROMOTED RIGHT OVER YOUR HEAD?

89. ARE WE A NATION OF LOW-BROWS?

90. A WONDERFUL TWO YEARS' TRIP AT FULL PAY -- BUT ONLY MEN WITH IMAGINATION CAN TAKE IT

91. WHAT EVERYBODY OUGHT TO KNOW ABOUT THE STOCK AND BOND BUSINESS

92. MONEY-SAVING BARGAINS FROM AMERICA'S OLDEST DIAMOND DISCOUNT STORE

93. FORMER BARBER EARNS \$8,000 IN FOUR MONTHS AS A REAL ESTATE SPECIALIST

94. FREE BOOK -- TELLS YOU TWELVE SECRETS OF BETTER LAWN CARE

95. GREATEST GOLD-MINE OF EASY "THINGS TO MAKE" EVER CRAMMED INTO ONE BOOK

96. \$80,000 IN PRIZES! HELP US FIND THE NAME FOR THESE NEW KITCHENS

97. NOW! OWN FLORIDA LAND THE EASY WAY... \$10 DOWN AND \$10 A MONTH

98. TAKE ANY THREE OF THESE KITCHEN APPLIANCES -- FOR ONLY \$8.95 (VALUES UP TO \$15.45)

99. SAVE TWENTY CENTS ON TWO CANS OF CRANBERRY SAUCE -- LIMITED OFFER

100. ONE PLACE-SETTING FREE FOR EVERY THREE YOU BUY!

101. IT SHOULD BE ILLEGAL TO MAKE MONEY THIS EASILY!

102. IF YOU'VE PURCHASED A NEW CAR IN THE PAST 12 MONTHS...
DON'T READ THIS. IT'LL BREAK YOUR HEART!

103. WHERE THE MONEY IS, AND HOW TO GET IT

104. WHO ELSE WANTS TO MAKE BIG MONEY IN
ELECTRONICS?

105. THE AMAZING DIET SECRET OF A FRUSTRATED
CLEVELAND HOUSEWIFE

106. HOW TO BURN-OFF BODY FAT... HOUR BY HOUR

107. AN OPEN LETTER TO EVERY OVERWEIGHT PERSON IN PORTLAND

108. FINANCIAL COLUMNIST MAKES UNIQUE DISCOVERY

109. HOW THE EXPERTS BUY GOLD AND SILVER

110. THE AMAZING FACELIFT IN A JAR USED BY HOLLYWOOD STARS
WHO DON'T WANT PLASTIC SURGERY

111. WHICH OF THESE 5 SKIN TROUBLES WOULD YOU LIKE TO END?

112. THE MACHINE THAT PEELS-OFF POUNDS WHILE YOU SIT BACK AND
ENJOY IT

113. HOW TO WAKE-UP THE FINANCIAL GENIUS INSIDE YOU

114. HERE'S HOW TO FIND OUT IF YOUR BANK IS ABOUT TO GO BANKRUPT

115. THE AMAZING BEVERLY HILLS WRINKLE ERASER
DISCOVERED BY TOP ORIENTAL CHEMIST.

116. IS NOT HAVING YOUR HIGH-SCHOOL DIPLOMA KEEPING YOU FROM
MAKING THE MONEY YOU WANT?

117. IS YOUR HAIR-LOSS PREVENTING WOMEN FROM
DISCOVERING WHAT A GREAT GUY YOU ARE?

118. WHAT DO WOMEN SECRETLY SAY BEHIND THEIR LOVER'S BACK?

119. IMPORTANT NEWS FOR WOMAN WITH SMALL BREASTS

120. RECENT FDA STUDY ON BREAST IMPLANTS REVEALS SHOCKING
INFORMATION

121. MEN- BE TALLER!

122. AMAZING NEW DIET PILL BURNS MORE CALORIES THAN RUNNING
3 HOURS ON A TREADMILL!

123. HOW TO WIPE 10 YEARS OFF YOUR FACE IN 60 SECONDS OR LESS:

124. WE'RE LOOKING FOR PEOPLE TO WRITE CHILDREN'S BOOKS

125. THIS IS THE AD WE HAD TO CANCEL LAST MONTH BECAUSE
WE SOLD-OUT SO FAST

Quotation Marks.

When you add quotation marks around a headline... it increases its pulling
power. So when you get the opportunity... use the quote marks.

"They All Laughed When I Said I Created a Pill That Burned 930 Calories a
Day... But Now They're All Asking Me For Samples!"

Johnson Box.

A Johnson Box is a box placed around a headline to make it stand out more.
Give it a try in your sales letters and see how it looks. I wouldn't use one in
magazine ads.

Proven Starters. “HOW TO” headlines:

How to make \$2,000 a week... without leaving the house: How to win friends and influence people:

How to make every work-out give the results of three: “WHO ELSE” headlines:

Who else wants a whiter wash... without hard work? Who else wants a screen start figure?

Who else wants to drive a Ferrari... for \$340 a month?

Two Most Powerful Words In a Headline. FREE and NEW

Questions In Headlines.

I really do not like to ask questions... unless they are 99% sure going to get me the answer I want.

How Many Words To A Headline?

The New York University School of Retailing did a test and found that headlines with over 10 words usually sold more product than headlines with less than 10 words. Basically, there is not limit. I’ve seen headlines with 3 or 4 words work... I’ve seen 10 words work... I’ve seen 17 words work.

Grabbers.

Grabbers are a specialty of my friend and direct response guru, Gary Halbert. Instead of a headline... he’ll stick a dollar bill to the top of a sales letter. The letter will open like this...

“Dear Friend,

Why did I attach a genuine, US Currency \$1 bill to the top of this letter? The answer is simple.

What I’m writing to you about concerns a lot of additional money your restaurant can start making as soon as today... and I thought a little financial eye-catcher would get your attention.”

And the sales letter will go into the sales pitch. Grabbers can be almost anything...

Band-Aids...

Photos...

Currency From Another Country...

A Sample Packet of a Wrinkle Cream...

Here's how the "packet" grabber would work... "Dear Friend,

Why did I attach a little packet to the top of this letter? The answer is simple. Enclosed in that packet is \$3 worth of our most advanced 2-Minute Fine Line and Wrinkle Filler.

If you've been noticing a few fine lines and wrinkles... and want to keep them a secret- I believe this product can help you in less than 2 minutes time.

Here's what you should do right now. Remove the packet from this letter. Tear it open and apply a small drop of the clear serum to your index finger. Go to the nearest mirror and apply a small amount of the serum to the right side of your face where you want to hide a wrinkle or fine line. DO NOT APPLY TO THE LEFT SIDE! Leave the mirror.

Now, remain still and give this amazing formula 60 seconds to dry. Then go back to the mirror... Amazing isn't it? Wrinkles and fine lines are gone!"

Now you'd go on to your sales copy and sell a ton of this stuff.

Sometimes a grabber can be a great visual attractant... even better than a wordy headline... but it does cause other problems such as

how are you going to attach thousands of these things when you are rolling-out? If you're using \$1 bills... you almost tripled your mailing costs... are you sure it's worth it? You got to test different ideas as you go.

There are many books on copywriting and headline writing... I think you should read them all. I've done a pretty good job here... but there are tons of other books that are dedicated only to writing copy and headlines.

THAT'S IT! You now have everything you need to get started and make a FORTUNE in the direct mail marketing business.