



Transcript

Episode #002

“The one where Joe grows his business 500%”

ilovemarketing.com

I Love Marketing Podcast 02

Dean: I'm Dean Jackson. He's Joe Polish. And this is the I Love Marketing podcast.

Hi, everybody it's Dean Jackson.

Joe: And Joe Polish. How you doing, Dean?

Dean: I'm good, Joe.

Joe: You like that?

Dean: Welcome, back to... I love that. That was great. Right on cue, just like that.

Joe: Yes.

Dean: Welcome back to episode #2 of the I Love Marketing Podcast. It's pretty exciting so far, isn't it?

Joe: Yeah, absolutely. Honestly, I can't even really remember that much about what we talked about last time, because I have entrepreneurial ADD. But I think we we're talking towards the end the jet ski story, where I met the rich guy out on the lake, and we're jet skiing, and he gave me some incredibly good wisdom about staying with the business I was in, or at least learning how to make a business work because. That's where we were at, right? Is that what you recall?

Dean: That's exactly where we were at. We left at a bit of cliffhanger from last week.

Joe: So, imagine like I'm a trained seal and you're the seal trainer. How would you like me to start? I can go right into it, Dean, but hey, there's very few people in my life I give that level of authority to. But on ILoveMarketing.com, hey, we're here to serve.

Dean: Exactly.

Joe: So you want me to just kind of go into it?

Dean: Last time, we talked about this kind of the earliest lesson, the earliest impacts of marketing, on our lives and on our businesses. And now, I think it's a great idea to kind of pick up that story, where you were sort of a struggling carpet cleaner and thinking about getting out of the business. Why don't you kind of refresh everybody's memory about the jet ski encounter, and then we'll hear from there what you actually did with that advice.

Joe: Yeah, and I was in my 20's. And, like I said, to go back to the story and kind of refresh you, I went out on this lake and I had this carpet cleaning company. I was looking for something else to get into, where I could make some real money. And I explained to

this rich, wealthy individual that I had a carpet cleaning company and I wanted to go onto something else.

Since he did really well, any recommendations he had for a business I could go into. He asked me if other people were making money in the business I was in. I said, "Yes." He said, "Well, if there's other people making money and you're not, there's nothing wrong with the business, there's something wrong with you."

And, of course, I defended myself with how I'd gotten certified and I was trained, and I do the technical side of the business. He basically said, "Well, if you want to go into another business, you're going to spend another 6 months, another year, another 2 years learning the technical skills of another business, so you can go out and repeat the same business habits that have caused you to be a failure in the business you're in right now. So, what you need to do, young man, is learn fundamental business skills and figure out how to make business work. Because once you do, you can then take those skills into any business. So, even if you hate the business that you're in, if you at least know how to make profits with it, there's certain fundamental things that if you know them and you've learned them, they apply to all different types of businesses."

So, that's when I sort of made a pact to myself to quit thinking that the grass is always greener on the other side. Figure out how to make this business work; other people were doing well.

Like I think I mentioned in the last podcast we did, that I'm young, I live in a great country, there's lots of opportunity, there's other people that are doing well, figure out what people that are doing well are doing. And that's when I started reading.

So, when I went back from this jet ski trip with this pact that I am not going to get out of the carpet cleaning business until I figure out how to make it work. And so, I didn't know if I'd ever get out of it all. Even to this day, I'm still in the cleaning and restoration industry. I just do something different in it. People can still stay within their same careers, industries, occupations, they can do many different things with them.

I mean, Bill Gates is doing something much different in the computer industry than he was the first time he even conceived of Microsoft. We all know that. You can grow in many different ways. So, what I did is I came back from that trip and, I'm going to talk about something, Dean, and then you can pipe in and interrupt me at any time.

I started on this mission to figure out what should I learn. What do I need to learn in order to make business work? Because the guy didn't give me an answer to my biggest problem, and the biggest problem was that I simply didn't know how to generate business. What he did do was he gave me a mindset, he gave me a perspective that "What are other people doing that you're not?" and I started thinking about that.

So, one of first books I came across wasn't a marketing book, however, it kind of sets the stage for me to be sort of very open to being coachable. My first introduction to marketing was a Gary Halbert newsletter that a guy had given me, and that's what really started me on the path to marketing.

But even before that happened, and I'll talk about that today, I read The E Myth, by Michael Gerber.

Dean: Yeah, me too.

Joe: Yeah, Yeah. He's one of the first books I read, and I just loved that book. I loved the message behind it, where you can systemize and automate a business. And what if you ran your business like a franchise? What if you had to set you business up so there were 10 of them, 100 of them, 1,000 of them? What would you do differently?

Dean: I can't tell you how many people that book is the turning point for their lives. That was fascinating to me, because it was speaking my language. He was talking about creating a business that works when you're not working. I loved that idea.

Joe: Exactly.

Dean: I loved that idea. I'm going to talk a little bit about that too, but you go ahead, so I can one-up you.

Joe: Yeah. Because, seriously, I Love Marketing, for all of our listeners, is all about me and Dean just one-upping each other. Because he's of the opinion that he's smarter than me. Of course, there's thousands of people that would disagree with that. I'm kidding. I'm kidding. Both have, hopefully, our own areas. Dean is just a genius. It's hard to me to even say that. I had to lower my voice. It's crazy.

Dean: You did have to lower your voice. I love it.

Joe: We're not even in the same room together. We're across the country, and it's still hard for me to say that. So, when I read The E Myth, one thing that really struck me was this whole idea of systemization, where you can automate things. However, unlike a lot of people that I think have read that book, I sort of thought of it differently.

I thought if there's any area of a business that is the most important to systemize and automate, it's the one area of business that responsible for bringing in the money. Because you know you can automate a computer system, you can automate a filing system, you can write a standard operating procedures, how to hire people and how to take out the trash, answer the phone. There's a bunch of different divisions of a company.

And here I had this carpet cleaning company, and how do you set up the van, how do you take the hoses out of the back of a truck for like a truck-mount? There's all these little procedural things that you can do to automate and systemize a process.

The thing that I really thought about the most was how do I automate selling? Because if I can systemize that, that makes business much easier. Then, you don't have to rely on so much human effort to do it. And that's where my mind was, but I just didn't know how to piece it all together.

It wasn't until I had a friend give me my very first issue of the Gary Halbert Letter, and I started reading it, that I pieced it all together.

Also, little did I know that 3 years from that period of time Michael Gerber would actually hire me for a day of consulting, to come down to the E Myth Academy and give him marketing advice. And, at the time, he had told me, this is back in 1997, he had told me that the day that he had spent with me was the best day he'd ever spent with a marketing consultant, talking about marketing.

Dean: Isn't it funny, when we're reading these thing? I mean here we are, in kind of local businesses, nobody knew who we really were. We weren't in the business of training yet, we were still trying to figure out our own businesses, right? And reading this book that's so impactful, and then you doing consulting with Michael Gerber. And we used to bring Michael Gerber to come and speak. He came to speak at 2 or 3 Main Events that we did in the mid-'90's. Same thing.

So, it's kind of funny how to get to meet these people who were so impactful for us, including Gary Halbert, and Jay Abraham, and all these guys who we were studying them. And then, all of a sudden, because of applying all the of the things that we learned from them and growing our own businesses and growing our own sort of sphere of influence in the marketing world, that we get to become friends with these people and get to be peers with them. It's an amazing journey.

Joe: Yeah, yeah, it is. And it really boils down to if people want to know the secret to it, apply what it is that people are teaching you. And if you apply what it is that we are sharing with you, there's no telling how far this knowledge will take you.

I'm a professional name-dropper, and I know a lot of people. And what I'm know for is just being a connector. When my top friends and clients need to know somebody, they'll ask, "Who can do this? Who can do that? How do I meet this person?" And that's why I do trips to Necker Island with Richard Branson, and now I just keep shooting for the moon.

Dean: With who, now?

Joe: Are you joking?

Dean: Yeah, Richard who?

Joe: Yeah, who's that guy? Basically, you know I need to make a correction, too, because I said 3 years later Michael Gerber would have hired me. Actually, it was 3 years after I started my marketing business that he hired me. But actually, at that time, when I first read *The E Myth*, that was in 1992, so it was really 5 years later, from the time I first read his book to where I actually met him in person and hired me. I actually did sign up for his *E Myth* program, in the very beginning, because I loved the whole concept.

However, knowing how to systemize and automate something has absolutely nothing to do with making money, if you don't focus on marketing. The marketing is what made all the difference in the world.

I remember I met Dan Kennedy very early on, too. Dan wrote a lot of my sales letters and a lot of the copy. He would speak at all of my conferences the first 9 years of my info marketing business, when I went from taking this small carpet cleaning company and, in a matter of 6 months after being introduced to Gary Halbert-style marketing, I took this cleaning company from doing \$2,100 a month in revenue, and I built it to over \$12,000 a month with a single van, in a 6 month period.

I had, in that period of time, quickly developed all these cool, automated systems – before the Internet – in order to generate business. I'd like to talk about a few of those things.

It's in the process of doing that, I turned this little carpet cleaning company around. It was still small, and I had dreams and aspirations of building the largest carpet cleaning company in Phoenix. That's what I was thinking about right when I first got introduced to marketing. "How can I build this big giant company, and be everywhere? I now know how to generate business and get jobs. How big can I make this thing grow?"

Where my passion was, though, is every day, every night, I would just want to read marketing. I would want to study marketing. I would want to read all these books that Gary Halbert was recommending, like *The Robert Collier Letter Book* and *Scientific Advertising*, and *Tested Advertising Methods* by John Caples, and all kinds, *Ogilvy On Advertising*, and all these classic marketing books. That's where my passion was. And I was studying all this stuff on direct mail and direct marketing.

Most people that were teaching it, at least teaching anything that was worth teaching, not the crap that's taught in most universities about marketing, most of them were information publishers. So, that's how I kind of fell into, "Well, instead of building this big carpet cleaning company maybe I'm better-served to focus on where my passion is at, which is really this one niche within the cleaning industry, which is like job-getting, how to generate jobs."

Because I loved to make the phone ring; it amazed me that you could change the message on an ad or a flyer, or in the Yellow Pages, and it would sometimes 10-times the response. Or you could take some marketing piece, some flyers, some Valpak type ad that wasn't working at all, and you just tweak the message, and all of a sudden you'd be getting a ton of calls, that sort of stuff.

You're saying huh a lot, so I want you to say something smart.

Dean: I'm fascinated, because I'm listening to the evolution here of it. So I'm interested to hear the very first application of this learning of direct-response into your carpet cleaning business. So, you started discovering this. What were you doing to get business before you started applying direct-response? What kind of marketing were you doing and what strategies were you using?

Joe: I was actually spending, like I mentioned in the very first podcast that we did, I was living off credit cards, so I was running ads in the Yellow Pages, but they were like a blown-up version of my business card, name, rank and serial number. And that's what a lot of websites are today. They're just the electronic, blown-up version of someone's business card. They've got their logo, they've got their name. It's just image advertising.

I was putting out flyers: 2 rooms and a hallway for \$39.95. I remember I used to have this little line that said, "We will beat any advertised price."

And I actually used to believe that people would clean carpets for \$6.95 a room, because they would run those bait-n-switch ads, too, in big cities like Los Angeles and Phoenix and Chicago and Houston, you name it. Any big city in the US, there's bait-and-switch. And bait-and-switch doesn't just apply to carpet cleaning, it's in all industries. Dentists even do it; every type of industry where they advertise a ridiculously low price in the hopes of getting the foot in the door, and then they rely on up-selling.

And there's nothing wrong with up-selling. There's nothing wrong with wanting people to buy more. It's how you go about doing it that's the difference. People love to be sold, they hate to be pressured. So, it's one of the ways of using pressure-selling and that sort of stuff.

So I was advertising just really prices. I was handing out business cards and I was doing a lot of manual marketing. If you have what we now call ELF marketing – Easy, Lucrative, and Fun – automated marketing strategies, the same stuff that you have successfully used for many, many years, Dean, that you've taught thousands of people how to use, that sort of stuff, which we'll get to, I was doing a lot of manual marketing, where you literally call people, you knock on doors. I'd go to restaurants and I'd hand out business cards.

I was getting business by going to apartment complexes. That just sucked, because I'm allergic to cats. I failed to mention that. And I would get these apartment units in the middle of summer. Cleaning carpets is hard enough work as it is. But in the middle of

summer in Phoenix, where you can go into an apartment that doesn't have any electricity, and you have to carry a portable steam cleaner up 3 flights of stairs, and you have to have an extension cord plugged into electricity somewhere downstairs, and you going into a unit that there's no AC and you're doing hard, manual labor, it's like working in a sauna.

And then when you're allergic to cats and you're wheezing because you can't breathe, that just sucks. There were days where I would spend all day doing that.

But I was committed. I figure out how. I didn't want to work for anyone. I was an entrepreneur, damn it. I don't care that I'm going bankrupt here, I'm going to figure out how to make this crap work.

Dan Sullivan, our friend, the founder of Strategic Coach, says, "There's 2 things you need when you first start a business: you need ignorance and you need courage."

And I had a lot of both, I guess. I just didn't know what I didn't know, and so not knowing what I didn't know kind of kept me in it, still swinging at the bat, but also it also kept me stuck because I had no idea that my biggest problem with generating business was knowing how to craft a compelling message and make sure that the right people see it, so that they can respond. Because marketing's basically what you say and who you say it to.

So, what I was saying was lousy and who I was saying it to was lousy. I was going after low-price apartment complexes, where the management would take 30, 60, 90 days, sometimes, to even pay you. But that's how I survived in the beginning. I just got a few apartment complexes that would throw me a few units here and there, when people were moving-out, having to get them ready, and that's what I did.

Before this marketing stuff showed up, I'd get – occasionally – a few residential homes. But, honest to God, I would literally walk through neighborhoods and put really kind of lame, price-based flyers on their doors. And if there was anyone there, I would talk to them. And would literally try to sell them face-to-face, if I could, because when you're starving you need to eat. Being hungry is a good motivator to get off your ass and do something.

So, that's kind of what I did, and that was where I was at, and I don't want to bore everyone with all the miserable details of it. I think most people either have their own version of that or might be in the middle of it.

So, what did I do first? Well, I had this guy give me a copy of the Gary Halbert newsletter, and I remember specifically, it was the issue about the Halbert Index. What we'll do, at some point, is post this on ILoveMarketing.com, and let people read the very first issue that I read, that got me into marketing. It was in 1992. And he talked about the Halbert Index, the things that you need to be successful in business.

What I first said to the guy that gave me this newsletter, I said, "Where do you get this?"

And he said, “Well, I subscribe to it.”

I said, “How much does it cost?”

And he said. “\$197 a year.” Back in 1992, that was a good chunk of money.

I said, “Well, what do you get for it?”

He goes, “Well, you get that newsletter every month.”

I go, “This 8-page newsletter?”

He’s like, “Yeah.”

I go, “That’s all you get?”

He’s like, “Yeah.”

I swear to God, I did this. I got a calculator. I said, “That’s \$16.25 an issue. You can get a book for less than that.”

And he said, “Joe, you’re the last person I thought that would say something like that. Continue to read it.”

That was about 4 pages into the newsletter that I made this comment, when I stopped reading it. And I continued on, and 2 pages later, about 6 pages into that issue, it said something like smart people are the ones that don’t value information by the pound, they value it by the quality that a real player – and he talked about players with money in the that newsletter – that a real player would rather pay \$1,000 for 10 pages of valuable information than \$10 for 300 pages of fluff.

What I first got was I got a marketing mindset that the value of something is based on what you get out of it. And the whole newsletter was about just real players with money and what the players with money invest in, what do they spend their money on. They spend their money on speed. They spend their money on things that will save their time, that will allow them to do things differently.

And what do the smartest people subscribe to? They subscribe to educational materials. They go to seminars. They subscribe to newsletters. And that’s what kind of hooked me.

So, I signed up for \$197 for this newsletter, and this bonus came with it, which was Gary Halbert’s book *How to Make Maximum Money in Minimum Time*. That was, to this day, one of my favorite marketing books. And all it was, was a compilation of some of his past issues of his newsletter.

Dean: Yeah. I got it, too.

Joe: Yeah. Yeah.

Dean: We talked a little bit about this, but it's amazing to see, step-for-step, the path early on. This was before we even knew each other. We're on identical tasks, so far.

Joe: Yeah. Exactly. In a very close timeframe, too. Right around, give or take a year or 2, where we're both right around there. When did you get into introduced to marketing?

Dean: Right around that same time. Yeah, it was like 1991, 1992, right around there. I mean to direct response marketing. I always have been interested in advertising and all that kind of stuff, but I would say that my real education really started with The E Myth. That was the big breakthrough book, and then it started with an introduction to Jay Abraham.

From there, Gary Halbert ran ads in Success magazine. I subscribed to the Gary Halbert newsletter very early on. I don't remember whether it was 1991, 1992, somewhere in there, but he would run ads in Success Magazine that were like "Free report reveals 14 ways to..." I forget what the actual headline was. But he listed them, and they were like "how to get the name, address, and telephone number of everyone in your city who's likely to be your customer."

Joe: Right. Right.

Dean: All these things, like point-by-point, which were basically the chapters of the book.

So, you'd call in and you just leave your name and your email address. He was using free recorded messages, not your email address. You call and you leave your name and your mailing address. He mailed you a letter that told you how to get the free report.

It was funny, because my initial reaction to it was that it felt a little bait-and-switch at the very beginning, because it was saying "Free book reveals how..." all these things, and you call this phone number and leave your address, and then you get a letter, it was a dollar bill letter that he mailed, and I was like, "What's going on here? Somebody's giving money in the mail?"

And the letter went on to tell you how you can get the free book when you subscribe to his newsletter. I thought the free book was coming. I thought that's what I was ordering. But I subscribed to the newsletter anyway, and I got the book, and it was just wonderful. That whole world then became an obsession for me.

Joe: Yeah, and Gary was, I think, first off, Gary Halbert was a tormented, demonized person in so many ways, and he was also a funny, reverent, just brilliant marketing genius. I mean, truly. But Gary would burn bridges with some people. He became a

really close friend of mine. I'm still very good friends with his sons, and a lot of stuff we have, we're going to be putting out a lot, already have, of Gary Halbert materials.

I've got this triple X Halbert consultation I did with him, which I recorded back in '97, when I was doing a lot of work, right when I first started doing a lot of work with Bill Philips, when he had company EAS and writing the book *Body for Life* at the time, and all that sort of stuff. Gary was very involved with helping Bill. At least Bill learned a ton of stuff about marketing.

Gary Halbert gave Dan Kennedy his first copywriting job for \$500. He taught Ed Suarez how to write copy.

Dean: That's amazing, isn't it? The impact.

Joe: Yeah, yeah. Totally. The whole impact of it. Gary was a character, but he really knew how to explain the importance of marketing using copy. And what I never realized was the value of words. That one thing I would always, and I still do to this day, the difference between a \$1 bill and a \$100 bill is the message on the paper.

Even when Gary would send the \$1 bill at the top of the letter, that was a very powerful headline, even without using words.

If someone mails you something and there's money attached to the top of it, it doesn't matter if it's a penny or a \$1, or \$10, or \$100 bills, or whatever, it's pretty darn impactful.

He would always say, "The people of America sort their mail out over a waste basket, and it's going to go into 2 piles: either the A pile, which is everything that is personal or appears personal, or the B pile, which is everything that is junk or looks like junk." And he said, "If you want people to respond to your offer, for one, you better make sure it sure it gets delivered, opened and read. And one of ways to be sure it gets delivered is use what's going to be the highest likelihood of deliverability. Send it either FedEx, send it through some sort of priority mail or overnight mailing where people have to sign for it, or use a first-class stamp. Don't use bulk mail. Don't put teaser copy on the outside that would say something like, "How to save 50% off your subscribe to Time magazine." He's like, "It immediately yells out that's a sales pitch."

You want it to look like a personal letter that Aunt Minnie was sending. Because if it gets opened, then boom, then you've got to capture their attention once they open it. And that's where he would use \$1 bill letters, headlines, very powerful copy.

So, even the way he sold to me and got me hooked into it had a lot to do with me understanding how it worked, even before I started applying it. Because you asked me what are some of the first things that I did, and I'll tell you a couple of the things.

One of the very first things I did was I learned the whole concept of education-based marketing. And if someone really wants to understand marketing, and wants to read what every great copywriter will always consider just fantastic, one of the best market books ever, read Scientific Advertising by Claude Hopkins. It was written in the early 1990's, but that's a great primer for what I'm going to talk about. And you've been teaching this for many, many years, Dean.

But basically, I got the whole concept of copy: educate people about what it is you're doing, so that they're not making a decision totally based on price.

So, I'd hired a copywriter, a low-level copywriter, paid him \$1,800 just based on conceptually what I had in mind.

What I learned from Gary Halbert's newsletter was you've got to have a really good sales letters. So it's like, "Okay."

So I started writing some sales letters, changed the offers and things on my business card. I put a free recorded message. Actually, I got a red stamp, at the time, that said, "Warning: don't call any carpet cleaner until you listen to this free recorded message. Call anytime, 24 hours a day," and I would stamp that on the back of my current, boring business card that said the name of my company, the phone number, residential or commercial. You know, it said basically nothing.

I used a free recorded message. That was one of the first things I did on a business card.

But, I hired this copywriter to talk to me. It took about a month to actually get this done. He was asking me questions about all of the things that people didn't know about carpet cleaning, but they didn't know they didn't know these thing.

Dean: Right.

Joe: And so it doesn't sound confusing. It's all of the things that your prospects don't know that they don't know. So, I came up with this whole thing of... And I'm doing this off memory, because I've done this a lot. But I had this consumer awareness guide to carpet cleaning. Imagine an 8½ x 11 piece of paper, folded over, and it's laid out. Word processing is not like it is today. You can do this stuff online.

Dean: Oh, I know.

Joe: Videos. You can do all kinds of crazy stuff. But basically, it said, "Read this guide and you'll discover 6 costly misconceptions about carpet cleaning; 8 mistakes to avoid went choosing a carpet cleaner; 7 questions to ask a carpet cleaner before you invite him into your home; crawling critters and crud: a guide to the slime, grime and livestock that's seeping, creeping, and galloping through your carpet; how to avoid 4 carpet cleaning rip-

offs; the different between value and price; how to get your carpet cleaner to 100% guarantee their work, and much, much more. Open this guide to learn.”

And they’d open it up and it would start out saying, “Dear Homeowner, choosing a carpet cleaner isn’t easy. Why? Because you’re bombarded with unqualified technicians, to near-worthless methods, to bait-and-switch companies. How do you ever find a qualified, competent carpet cleaner? You start by reading this guide. In this guide, you’ll learn...” and then it reiterated what it said on the cover. “And we wrote this guide to help you make an informed, intelligent decision.”

And that’s the key, because people don’t want to make an uninformed, stupid decision. They want to make in informed, intelligent decision.

So, I basically taught them, in this guide, everything they needed to know to choose a carpet cleaner. The funny thing was is it wasn’t totally biased toward to my company. If they never hired me, the consumer would learn a tremendous amount of valuable things that they would need to know, and they would simply know how to hire someone.

That was like a contrarian way, where people don’t want to give up their trade secrets or don’t to explain how they do things. Or, God forbid, they would actually help someone in their advertising, actually not only why they should hire this company but how to actually that sort of service. Like, how do you buy a DVD player? How do you buy a television? How do you buy a computer? How do you buy a car? They’re all like price, price, price, buy from us.

Even to this day, there’s a tremendous amount of education-based marketing that’s lacking in every industry. Not that the information isn’t out there. With things like Google, now we have all kinds of great ways that we can do research, and people that don’t understand good marketing today are more commoditized than ever. I mean, but they were still very commoditized back then, because everybody chose a carpet cleaner based on price. And why do people say, “How much you charge for something?” Well, void of any other criteria to make a buying decision, people always default to price.

So, before I learned this, my main buying premise was, “I’ll give you a good deal.” But after I created this consumer awareness guide, I then paid the copywriter another \$250 to take the consumer guide and guide and turn it into a 24-hour free recorded message script.

So then, here’s what happened. I got magnetic signs that said, “Warning: don’t call any carpet cleaner until to you listen to this 24-hour free recorded message,” and I slapped that on the side of my van; so when I was driving around, people could get the phone number. I’d put it on my business cards. I’d put it on all my flyers. I ran a phonebook ad that said that.

I also came up with another. I needed an irresistible offer, so the irresistible offer I came with was a free room of carpet cleaning, up to 200 square feet, and a carpet audit. And I came up with this process that not only included the offer, which is a free room of carpet cleaning, but is also included the carpet audit. And the carpet audit was a system of evaluating the condition of someone carpet in their home, so that when I went in there, I was not doing what everyone else was doing, which was giving them an estimate.

Everyone was like, “We’ll, give free estimates.” Well, okay, free estimates. What’s that mean? Free estimate means free sales pitch. And no one wants a free sales pitch, so of course there’s going to be a free estimate. How many people pay for estimates? So I wanted to do something valuable.

Can you imagine? “Let’s go to the auto mechanic and pay for an estimate.”

Some industries actually do, of course, depending on what it is, but you need to call it something different. You know, what you call something is critical. That changes the whole perspective in perceived value. Most business owners you talk to, even lousy ones, actually think they’re valuable. And you could be.

Dean: A funny thing, though. I’ll give you like the funniest reframe that you’ll ever hear. You know the café by my office, where I go every morning?

Joe: Oh, yeah.

Dean: The girl there, Christie, she’s been making these cookies that are like with oatmeal and all good stuff in the cookies. But she reframed it, she some basket of them out in the morning with a sign that said breakfast cookies, and people gobbled them up. I mean, it was just the funniest thing to call them breakfast cookies.

Joe: But you know, seriously, how important is that little example? It’s like, yeah.

Jay Abraham would always talk about the famous line that, “All human beings are secretly wanting to be led. I mean, absolutely. People don’t want to think. Look around the world. People only do what they want to do.

Dean: People want an excuse like, “Okay, well here it’s okay to have a cookie for breakfast, because these are breakfast cookies.”

Joe: Exactly.

Dean: Anyway, go ahead.

Joe: Okay, so I started using all this education-based marketing stuff. And all of a sudden, I no longer got phone calls that said, “How much do you charge?” If I did get a call like that, I’d say, “Oh, Mr. or Mrs. Jones, if you would like...” And this was before the

Internet. See Dean, this was so much easier to do today, because now all you need is someone's email.

Dean: I know.

Joe: And you don't even need to talk to them. They can opt into your website and you just automatically send them your free report or your educational video. I mean today, we now have carpet cleaners all over the world that use consumer awareness DVD, they have it uploaded on their iPad. We have links that they've put on the websites that give them an educational video on how to choose a carpet cleaner.

I've now created EthicalServices.com, which I first created in 1999, when I went on ABC's 20/20 and that show was viewed by 20-million people in the US, and I was dressed-up. I had long hair and a ponytail hidden behind a little hat that said, "Pope John Paul II Comes to Saint Louis," because that was the only hat that we could find, I think at Kmart, early in the morning, before we did this sting operation with 20/20. So now, my consumer awareness guide has been read and viewed by just hundreds of thousands of people.

And basically, back in 1992, when I first started using direct-response, I had a little booklet and I had a free recorded message. So, people that would call up, I'd say, "If you'd like, I'll send you a consumer awareness guide that will teach you everything you need to know on how to choose a carpet cleaner, or if you want to write this phone number down, go ahead and listen to this free recorded message and it will teach you everything you need to know. If you would like to do business with me after you've listened to that, go ahead and call me back. If not, we'll at least tell you what you need to know."

And by taking that sort of approach, in a lot of ways it was kind of like not begging for business. It was proper positioning. People would call that free recorded message and they would call me back and say, "I want to do business with you." And the phone calls were not like, "How much do you charge?" They were, "When can you come out?"

And when I added the free room of carpet cleaning and a carpet audit, people would call up to schedule, because I would have copy, I wouldn't just say "Free room of carpet cleaning and a carpet audit," because no one even knows what that means.

So I had sales letters that would accompany this, and basically it would like, "We'll come out to your home, we'll give you a free room of carpet cleaning up to 200 square feet. There's no cost or obligation of any kind. We're also going to give you a 15-minute carpet audit, and we're going to evaluate the condition of your carpet, let you know what recommendations you're going to need in or to maintain your carpet in the best state possible," and it would go on and on.

When I would go out to the home, I actually had a form. Going back to the E Myth, it was an automated process. What's their name? How many adults? How many pets? How many children in the home? Does the vacuum use environmental filtration? What stains

or spots? What are the areas of concern? Does anyone in the home smoke? Is the carpet matted? And all of these things where I would be able to keep track of the condition of their carpets.

The real simple things that you really should find out about them, but most people really don't think to put it into an automated system, where I was like, "How often do you clean your carpets?" If the person put, "Every 5 years," man, this is a person that really neglects their home. But if they put every 6 months, every year, you're like, "Gold mine! This is a person that really cares about the condition of their carpet."

Have you ever purchased carpet protection? Then you never put yourself in the position of having to up-sell somebody something, if they've already acquired the habit of buying in.

Dean: Right.

Joe: So, I would capture all this information. We do a free room of carpet cleaning and then wa-la, reciprocity would kick in. Whenever you provide something of value to somebody, I mean of real value, I wasn't going in and cleaning a tiny little spot out of the middle of their living room. We're literally letting them take one room up to 200 square feet. If they wanted to do a larger room, we'd say, "Well, you're obviously going to have to pay for the larger room."

Dean: 200 square feet is a good-sized bedroom.

Joe: Yeah, it is a good-sized room, and it certainly is a good enough of an area to go into someone's home and clean for free. But see, I was doing this built something I learned listening to a Jay Abraham tape. Let me share that story, real quickly.

It's funny how Gary Halbert, and all these, they kind of lead to other people. Because, I met Dan Kennedy through the Gary Halbert newsletter. I got reintroduced to Gary personally, in a lot of ways, through just being in that circle. I met all kinds of interesting marketers from the very beginning, including getting introduced to Jay Abraham's material.

It wasn't until probably a decade later that I actually first met Jay, and now Jay's a friend. And you get to know all these people.

However, back then, I got this cassette tape because Jay Abraham was pitching a really expensive seminar, and he sent out some tapes, audio cassette tapes, if you can remember those. And this was his way of instilling reciprocity.

Dean: I got that exact one. Yeah, yeah.

Joe: That's so funny. So he told this story of 2 carpet cleaners that wanted to hire him. And at the time, Jay Abraham was like \$3,000 an hour, and he always counted himself as being the most expensive marketing consultant that you could hire.

So basically, these carpet cleaners didn't have \$3,000. The 2 young guys scraped together \$2,000 and Jay gave them 45 minutes of consulting and taught them, in that 45 minutes, the lifetime value of a customer, the concept of a lifetime value of a customer; that you don't know how much you can afford to spend to acquire a customer until and unless you know how much they're actually worth to you in the lifetime they're going to do business with you.

So, as an example, let's say, at the time, an average carpet cleaning job, \$150 to \$200. Let's say it was \$200. Well, if they clean their carpets once a year, in a 5-year period that person is worth \$1,000 in revenue, if you have a carpet cleaning company. And if that person refers one other person just like them, just one, only one in a 5-year period, just like them, that cleans their carpets once a year for 5 years, that's another \$1,000.

So, instead of going into a home and thinking of, "Well, this is a \$200 job," you go into every home thinking, "This person is worth \$2,000 to me if I do a really good job of wowing them and impressing them."

So, using that premise, what would you be willing to do in order to generate a client? You're going to pay for business anyway.

A lot of people are like, "I don't do any advertising. I'm never going to pay to get business." It's like, "Really? You pay with time, you pay with money, you pay with energy. If you don't pay with money, you're going to pay with your time, you're going to pay with energy, unless you just happen to be so lucky that you're in a business where everyone is beating a path to your door, and a lot of people want to live in that fantasy.

But the reality is, I always use example where it's like if the world's supply of toilet paper ran out tomorrow, and you happen to have a garage filled with toilet paper, you don't need to be a brilliant marketer. You get a cardboard sign, you put it in your front yard: "I've got toilet paper, \$50 a roll." You can be a complete idiot and you're going to sell a lot of toilet paper because supply and demand is on your side.

So, if you're ever in a situation where supply and demand is, where everyone in the world is buying houses and you've got a house for sale, look what's happened. You know what I mean?

So void of having supply and demand in your favor, being lucky, you usually have to be a little bit more sophisticated about it. That was sort of the situation.

I kind of went on a tangent, but I want to let you say something before I just kind of go off, because you know how I can be.

Dean: I know exactly how you can be.

Joe: Yeah, it's an entrepreneurial ADD. I just keep rambling.

Dean: But it's all sort of heading in one direction, which is good, because you always come back. Right now, you're at a point where you've completely switched from doing the traditional kinds of carpet cleaning advertising and now you're advertising educationally, and people are calling you instead of you having to go out and try and just yell at people to choose you when they need to get their carpets cleaned, or trying to convince them they need their carpets cleaned.

Joe: Okay, let me talk about that, if I could then, because it's really important, what you said. You're a master at this and you know this. One thing that I want to reiterate to everyone listening, and we'll talk about this probably in depth in future I Love Marketing podcasts. You're always going to hear me and Dean come back to some of the fundamentals, like education-based marketing, automated marketing, lifetime value of a customer, that sort of stuff.

One of the things that we'll talk about a lot is before, during, and after, what you've created for the real estate industry. What do you do before the job, to get business? What do you do during the job, to increase the average sale and to bond with the clients? What do you do after the job, to make sure they keep coming back?

So, when I learned lifetime value of a customer, what really dawned on me was that being in the relationship business, not the transaction business, and these 2 carpet cleaners that were on this tape set with Jay Abraham, he said, "Go out and give away free carpet cleaning. Give away entire homes of carpet cleaning; because when you do so, you're going to basically acquire clients. And in 6 months or a years, maybe they'll come back and, in a lot of ways, they're going to have reciprocity. So, they may refer other people to you.

So these 2 carpet cleaners, paying \$2,000 to consult with Jay Abraham for 45 minutes, spent a month going out and literally giving away entire houses of carpet cleaning. And according to this tape set that I was listening to, these 2 guys built a 6-figure-a-year carpet cleaning business, giving away free houses of carpet cleaning. They would go to county fairs, they would knock on doors, and they survived that first month by referrals and by tips that people gave them.

And I thought, "Huh, how can I take that same idea? That sounds pretty cool. I've been reading all this Gary Halbert stuff, so I sort of get the education-based marketing angle. How could I create an offer that is as good as that, but doesn't require me to actually have to give the entire thing away for free?"

So, there were some companies that were teaching people to go into a dry cleaning system called Host, and I some Host machines. I had a steam cleaning method, I had a dry

cleaning method, I was thinking, "Oh, let the consumer decide what they want." I was going through all these evolutions of trying to figure out how to make a business work.

Because, at the end of the day, you know that most business owners just get up, most human beings, and bumble their way through life. I was just trying to figure out what the hell to do.

One of the demonstrations that this company did was they would go into a commercial setting or a home and they would take some tape, and it would look kind of like duck tape or painters tape, and they would put it on a square area in a carpet. They would clean the square and then remove the tape and you would clearly see this really clean contrast.

And I thought, "You know, that's a really cool way to demonstrate the quality of your cleaning of before and after." But I felt that it was little kind of not the right thing to do, because you force the person to have to hire you, or they're going to have a clean square in the middle of the room, and it was a tiny little area.

So I wanted to take a little bit of the Jay Abraham stuff, of the whole house, a little bit of the demonstration, and create a very powerful, irresistible offer; and, at the same time, have the customer be thinking this is totally ethical. This person provided great value." And if they liked more, they would hire me. And if they didn't, I would say thank you. I wouldn't use any high pressure. I would simply impress them and wow them with the quality of my service.

And so I came up with the free room of carpet cleaning and a carpet audit. And the thing that allowed me to really make the free room really appear valuable is before I'd start the free room of carpet cleaning, I would go in and evaluate the condition of the carpet, and I would talk to them about their carpet. I would give them a consumer awareness guide, or I made sure, before I showed up, they listened to the 24-hour free recorded message, so that they knew they had a professional coming over to their home. And then, when they were properly positioned, then they were more likely to do business with me.

So, that's what I want to say that you're a total master of, in the before/during/after. It's positioning.

The difference between selling and marketing, selling is when you're on the phone or face-to-face with somebody. Marketing is what you do to get someone on the phone or face-to-face with you, properly positioned, so that by the time you talk to them, they're pre-interested, pre-motivated, pre-qualified, and pre-disposed to do business with you.

I'll say that again, because this is something that everyone should write down. When you do you're marketing right, selling is easy and ideally unnecessary. Because if you do your marketing right, it does your selling in advance. Really good marketing is the quickest path to the sale. Really good marketing does all of your selling in advance. And the

people end up becoming pre-interested, pre-motivated, pre-qualified, and pre-disposed to do business with you.

That's what's I first learned from Gary Halbert: how to actually create that positioning robotically, through a sales letter, through a sales message delivered by paper and ink, delivered through a free recorded message, delivered through advertising. In today's day and age, you can deliver it through a website, you can deliver it through email, you can deliver through – you created the first – opt-in page, you can do it through Facebook, you can do it through social media.

There's a lot of different ways that you can actually educate people in advance, deliver valuable information, give stuff to them for free, that sort of thing, because the number one question in all consumers' minds is, "Who can I trust?" That's what our friend Richard Rossi says.

And your job as a marketer is to establish trust and rapport, so that people feel they can do business with you.

Now, if you have something that no one else has, lots of times people will do business with companies they've never heard of because they're so in love with the pitch or the offer, or they so badly need it.

However, if you have a lot of competitors, you're way better-positioned to have people really have trust and rapport with you. And if you understand the lifetime value of the client, you'd will be willing to do a lot of things to acquire them.

So, I quit doing what every other carpet cleaner was doing, which was trying to sell jobs. They would go and they would get a job, and then they'd spend all this time, money and energy to acquire a customer, and then they'd forget about them. They wouldn't mail them a newsletter, they wouldn't send them a thank you, they wouldn't try to get referrals, they would just try to go to their next job.

And I was like, "This is ridiculous! You're just chasing after new customers, new customers, new customers, and you're neglecting the ones that have already given you money."

So, I not only improved my marketing, but I looked at every single client I'd ever done business with and I started communicating to them. I started mailing them monthly newsletters. I started asking them to introduce me to other people for referrals.

I developed an automated referral program, where every time someone would give me a name, I would send them \$10 in the form of 5 \$2 bill, so that they would totally remember me because no one's going to spend a \$2 bill. And every time they opened up their wallet, I wanted them thinking about me and my carpet cleaning business.

So, that's some of many things that I started doing in the beginning.

Dean: How long did it take you to roll a lot of that out? The consumer awareness guide was the very first thing?

Joe: Honestly, probably about 3 to 4 months. It took me about 3 to 4 months. I instantly increased my prices. Even before I wrote a sales letter, I started talking to people differently, because I started realizing, "Wow your customer." Don't do what everyone else does. If you want to have success in business, look at what everyone else is doing and do the complete opposite, and you're probably going to be better off than trying to copy what everyone else is doing, unless you're modeling the very successful.

What happens is people model idiots. They look at what all their idiotic customers are doing. They listen to what their idiotic brother-in-law says on how to run a business. They get advice from all kinds of people that know nothing about what they're asking advice for.

It's kind of like relationship advice. How many people that have bad relationships talk to their other friends that have bad relationships? And everyone that has bad relationships is talking about how to have a good relationship. It's gossip. I think currently the stats on gossip in the United States are 2/3 of everything that people talk about is gossip.

As it relates to advice in business, when I went on the jet ski trip, I listened to the advice of a guy that was a multimillionaire. Every one of my other friends that were broke; they all were giving me business advice. What I learned very early on is the best advice to take is from people who are actually doing it. Anyone can have an opinion, but I can't tell you how many "marketing experts" are out there that never even read a book on marketing, have never built a successful business, but they certainly think they know what they're talking about.

Dean: Do you remember how long it took for all this new stuff to have an impact on your revenue?

Joe: Oh, yeah. Well, like I said, I went from \$2,100 a month average gross to \$12,300 a month within 6 months. So, more than 5 times the revenue of the business with a 6-month period.

Some people say double your business in a year. I more than 5-timesed my business in 6 months, by simply changing the message. I didn't learn anything more about the technical side. I wasn't a "better carpet cleaner." I simply changed the message on the paper. I conveyed a different message.

And that was fascinating to me, that you can change a headline and increase response. You can change the offer, you can target a list. It's literally about the offer and the list. The offer and the list. And now when I say offer, that means including the copy.

Gary Halbert would always say that almost any problem in the world – well, he didn't say almost any, he said, "Any problem in the world" – can be solved with the right sales letter." And I didn't believe that in the beginning. And the more I've been in this business, the more I realize that if you need a kidney transplant, you can write something. And in today's day and age, when it's a sales letter, that could mean a video, it could mean an audio.

This podcast is an example. If we spent an hour trying to educate people about something and offered to sell them something, which we're actually not going to do on this episode. Maybe down the road we'll suggest things. This I Love Marketing podcast is simply going to be 2 guys that have done really well in marketing, that love marketing, share what it is they know. Why? Because we love marketing. This is a cool subject. We like talking about it.

We could use audio to try to educate someone, and then sell them something. Because what is selling anyway? I think any business situation, if you do not have a sales letter, put it together, write it. Sit down and create something that educates people, that explains the reasons why they should look at what it is your doing, why they should buy, why they should acquire.

So many people will just do everything they can to avoid any sort of selling, and then they wonder why they don't have any money, they wonder why they don't have any business.

What I learned early on is go out and ask for the money.

I remember this great story about John Lennon and Paul McCartney. Paul, I think, was talking about how, I remember, people saying that the Beatles weren't capitalistic, and he goes, "That's not true at all. I remember sitting down with John and saying, 'Hey, let's write ourselves a swimming pool,'" meaning let's sit down and write ourselves a song, and the song will pay us royalties so we can buy a swimming pool.

And I always wanted to do that. A few years ago actually, I had a guy built a swimming pool for me in my backyard, that I taught marketing to. So, that was kind of cool.

Dean: That's fantastic. So, you built yourself a swimming pool.

Joe: Oh, yeah. Well, someone else built it for me.

Dean: No, you wrote yourself a swimming pool.

Joe: Yeah, yeah, yeah.

Dean: Or talked yourself.

Joe: I talked myself a swimming pool, in that particular situation. Bill Phillips, back in 1999, gave me a brand new convertible Jaguar that cost I think \$81,000, because he made

a few million dollars from one single marketing strategy I gave him. All the same marketing ideas.

We'll go back and forth during the podcast on this, in future episodes, but I ended building this carpet cleaning business, turned it around, was originally thinking I was going to build it into a large carpet cleaning company in Arizona. Then I decided I love marketing, so let me just stay totally immersed in that.

I ended up selling the carpet cleaning company a couple years after I first got introduced to the marketing, went full-time into my marketing business, had a partner in the very beginning for like a year, and then I literally bought this person out, and Piranha Marketing was in full throttle.

I ran an ad in an industry trade magazine, offering a free report on how to build and grow your cleaning company.

Dean: It's amazing how you take those same lessons that you applied to build your business, that you moved into a completely different business.

Joe: Same principles. Completely. What's that?

Dean: We've come up to an hour.

Joe: Oh, are really an hour? Okay, where here's the deal.

Dean: I get to think, for a whole week, of how I get to one-up you with my early days success story.

Joe: Yeah, during the next episode, Dean is going to be doing...

Dean: I'm going to monopolize the next episode.

Joe: Yeah, yeah. This will be the I Love Marketing feature. We should change the name from where it say Dean Jackson and Joe Polish. I really think we should do a vote. I think everyone that's listened to this, in the comment section, should vote. Should it be Joe Polish and Dean Jackson? Because I said, in the very beginning, I wanted this to kind of be like Batman and Robin, where you're like Robin and I'm like Batman, and I'm like the Lone Ranger and you're like Tonto. I don't really know, but I'd love the listeners to give us their viewpoint on that.

Dean: There's we go. So that, I think, is another successful episode. It's amazing how fast it does.

Joe: Yes.

Dean: I'm looking forward to next week, because I'm amazed at how similar – so far – our stories are. Getting to that point of really applying education-based marketing, that was the very first thing that I did as well. So, I'm really looking forward to sharing that story, and you can see the similarities there.

Joe: Yeah, I can't wait. Can't wait. So thank you, Dean. And to all of our listeners, thank you. Give us your comments on if you're finding all of this extremely valuable. And go out and create some educational stuff and literally apply it, because you're not going to get any results if you don't take any action. You'll hear that a lot. But the idea is only useful if you use it. So, thank you.

Dean: There we go. Okay, Batman, we'll see you here same bat time, same bat channel.

Joe: Awesome. Bye.