



Transcript

Episode #006

“The one about converting even more leads.”

ilovemarketing.com

Dean: Hey, everybody, it's Dean Jackson.

Joe: And me, Joe Polish.

Dean: And me. How you feeling, Joe?

Joe: You know, before you starting recording this thing, Dean – because that's kind of the role that Dean has taken here, he's in charge of recording the I Love Marketing podcast – we were both talking about how we both have colds, and 'tis the season to have a cold.

Dean: Well, I'm blaming it all on the Egyptian uprising.

Joe: Whatever. There's all kinds of weird stuff going on in the world.

Dean: You guys wouldn't have down here and we either of us would have gotten that cold from our companion.

Joe: Yes. So the deal is I actually went and hung out with Dean a little over a week ago. It's now day 9, and I've been having this. We still have it. It's like this weird so of thing that half my staff has come down with a cold, but we're here. We're here to serve.

Dean: Nothing will stop us. Neither rain, nor sleet, nor colds from Egypt can stop us from the I Love Marketing podcasts.

Joe: Yeah, yeah, and by the way, since although we are kind of time-dating this podcast by talking about Egypt, there was an uprising recently, if you're listening to this right around the February 2011 time period.

I was on a plane to Cairo, it had left the gate at the JFK Airport. They were trying to get snow off the airplane and whatever they spray on the plane to try to melt the snow or remove the snow they couldn't. It was snowing harder than they could actually remove it.

So, the gate had to be pulled into the airport and basically they canceled the flight and postponed it until later in the day, and at that point, I'd already been either a 5-hour

flight from Arizona to JFK, a 7-hour layover, which I had an opportunity to go in and hang out with my buddy Ken Glickman and guy named Jeff Maddoff – no relationship to Bernie Maddoff. Jeff Maddoff has a production company, Maddoff Production, which does the commercials for Victoria’s Secret and a bunch of amazing people.

We had dinner together and then we head back to the airport, get on a plane at 10:20 pm, and our headed to Cairo. The protest had started, but it had not turned into a riot. Everything had not erupted in the country yet.

Basically, when they pulled the plane back in, because they couldn’t get the ice off of it, they postponed it until 2:00. It was really late, I was really tired, and you couldn’t leave the airport. It was shut down. There were no taxis going into the city. I never had to spend the night in an airport before. I think there’s a movie called The Terminal, or something, about someone that was stuck in an airport.

Dean: Right, right, right.

Joe: But it was bizarre. But as soon as I got off the plane, I saw a lady with 2 babies, and I was with my friend Tim Ringold, and I didn’t feel like I had anything to complain about, because you had this woman that had 2 babies, 2 twins, that she was caring for. So, my friend Tim went at got her some blankets and we found some cots, and we were passing cots out to people, and people are spread out all over the airport. It was wild.

But, in a nutshell, had that flight taken off or had I taken the plane that took later at 2:00 the following day – I actually canceled because I had the gut feeling that there was not good stuff going on in Egypt because of what I saw, the protest on the news, in spite of the fact that I called the hotel and they said, “It’s fine here, you can come. It’s safe.” I still had a gut feeling; I followed my gut. And had we taken that flight, or had I taken that flight later that did take off, we would have landed right dab smack in the middle of massive chaos in Egypt.

And then over the following week, it just erupted. And now that we’re doing this podcast, day before yesterday, the president had stepped down finally.

But it was wild. And in between all that period of time, we have caught a cold and I've had it now for 9 days, and it's been very interesting.

But we're here to share marketing ideas, and I apologize in advance that everything that I just said was not, per se, about marketing. What I will say, though, is the airline industry they have a motto which is, "We're not happy until you're not happy." That has proven to be true on every aspect of it, because it took 5 hours to even get my friends luggage off the plane. I actually had a carry-on and we were not packed for cold weather.

So anyway, we ended up flying to Florida, and hanging out with Dean. And me and Dean had a fantastic brainstorm session for a couple of days on all of the things that we are going to do and can do with ILoveMarketing.com.

What does I Love Marketing even mean to you, at this point? Because it's in its embryonic state right now.

Dean: It really is. It's shaping up, it's like I told you, when you were here, that I'm very excited about it because it encompasses so much stuff, everything that I love about marketing.

You think about all the stuff we love, love lead generation, we love lead conversion, we love all the psychology behind it, direct mail, all the Internet marketing things. There's so many things that go into marketing, that both of us were writing on the whiteboard in the evil scheme hatchery. We had this whole realization that it's like it could encompass everything that we love. It's a big enough container to house all of the ideas and stuff that we have.

Joe: Yeah. And you know what we should do? While I was there, I did shoot some videos in Dean's evil scheme hatchery, on flip video.

Dean: I'll post up the tour this week. I'll post when you were there.

Joe: Yeah, yeah, and I was even down at the café and I shot videos with the ladies behind the famous breakfast cookie. It was one of the very first pictures we ever put on

I Love Marketing.com. You can watch those videos on the I Love Marketing.com website. It was really awesome.

So, having said that, let's share with everyone, Dean, I think where we left off on the last podcast was...

Dean: Well, how could anybody forget where he left off last time, because you were going to share an idea, the one idea that you gave to Bill Phillips that helped him make \$3-million in the first hour of you working with him as a consultant. So, everybody would love to hear that.

Joe: Okay, so let me take you back to 1997. There's this guy by the name of Bill Phillips, who had a big sport supplement company call EAS, Experimental and Applied Science. He had a magazine called *Muscle Media 200*, which it eventually dropped the 2000 and it was just called *Muscle Media*. He had been in the hardcore bodybuilding market for many years. He basically had a magazine with a rabid following. He was a great writer. He's the author of *Body for Life*, and his most recent book is *Transformation*.

Transformation.com is where we can find information about Bill Phillips.

Basically, he hired me for consulting when I was a whopping \$3,850 a day. Now, of course, I'm \$3,000 an hour whenever I do consulting. But basically, back then, it was \$3,850 was what I charged for a day of consulting.

So, he brings me in for a day of consulting, and we're sitting down. Within the first hour, one of the first things Bill does is he shows me a sales letter that he had, and the sales letter was basically selling Myoplex supplements. It was a ready-to-drink, not in the ready-to-drink containers but it was in little packets where you put it in a cup or a blender, and you blend it up and you drink it. So, self-serving sort of containers. They were selling boxes of this stuff.

He had a sales letter, and the sales letter had been mailed out to his list. He had a pretty big list. This particular campaign had brought in \$2-million in revenue. It worked really well. It was a sales letter with a photo of 3 semi trucks, which were EAS semi trucks, all backed up to the EAS warehouse, because he had a big EAS building.

I think, at the time, he was the second largest shipper for FedEx. He shipped out so many packages for FedEx daily, that FedEx actually staffed people in his building 24 hours a day, because it was a 24/7 operation.

When Bill actually own EAS, which he doesn't anymore, he sold the company a couple years later for \$300-million, I think in large part because of meeting me and implementing some cool ideas I gave him. But again, let's not give too much credit to me because, again, it's just ideas, Dean, and we know how important ideas are not, according to some.

Dean: It's not like it was execution or anything.

Joe: Yeah, yeah. Those of you who don't know what we're talking about, you have to go back to a previous issue of an I Love Marketing podcast to kind of catch up on execution versus ideas. But yes, me and Dean believe ideas are critical.

So, what he needed was an elegant idea, so I gave him a few elegant ideas, which he did a superb job of implementing. That's one very good thing I will say about Bill. The guy got stuff done.

So, he had this offer, 40% off Myoplex. And the sales letter went on to say, and I'm kind of going to shorten the story, the premise was he made an order from his manufacturer of Myoplex supplements. Unbeknownst to him, his general manager made an order, and both of them double-ordered. Now they have a warehouse full of Myoplex, and they need to get it out. There are so many boxes of stuff, that it's in the semi trucks, and they don't have room for it in the warehouse, so they're going to have a 40% off sale.

And he had mailed out this letter and it was working like gangbusters. It had brought in \$2-million in revenue.

One of the first things that he says to me, he said, "I am the marketing department here. I've got a couple hundred employees, and no one knows how to write copy like me. I need more copy like this." And he showed me the letter.

And I'm reading through this letter and I said to him, "Well, have you ever heard of 3-step letters or sequential mailings?"

And he's like, "Yeah."

I go, "Have you ever done them?"

And he said, "No."

I go, "Well, here's what you do. What you do is you don't need to write another letter. You take this same letter and you basically..." and I said, "can I handwrite on the letter?" And he's like, "Yeah."

So I scribbled, "Second notice. Sent you this letter 2 weeks ago, still haven't heard from you. This offer is extended. Call now."

And then I go, "And you put an X through one of the trucks in the picture," and you scribble 'We have more left.' So you mail that, and if you get more sales from that letter, you mail it a third time. And I wrote on the letter "Third and final notice. We've sent you this letter twice. This is your final offer to get 40% off Myoplex. Call and order now."

And I said, "So what you do is you mail this letter to ever person that hasn't already placed an order. So, you mail the second notice. After that, you go to the list and you mail the third notice."

And I go, "That's it. With the handwriting in there, in your writing, you're going to write what I wrote here or you tweak it a little bit, and you mail this letter 2 more times." I go, "You don't need to write a stitch of copy. All you need is muck-up the letter and scribble on it." People now call it copy doodles or there's all kinds of terminology.

What terminology to you use for like handwriting?

Dean: Now there's software that you can do it. Copy doodles.

Joe: Yeah.

Dean: It's something that makes it easy to make it look like handwriting right on your Word document, or whatever, or even on your website.

It's amazing to think like now nobody even thinks of sending a physical letter. Nobody thinks about that as a tool. So, Copy Doodles and things like that, you can do it on your website, where you can handwrite things.

But that was a very popular strategy for direct mail. It's handwriting that brings a lot of interest into the letter.

Joe: There was always a great line that I always remembered, which is, "Neatness rejects involvement – ugly works." I can't remember who actually said that, but I always loved that line.

Dean: That sounds like something Dan Kennedy would say.

Joe: I think it was Lew. Oh god, I can't remember. First name Lew, I think it was him. Denny Hatch actually originally told me that quote.

But I learned 3-step letters from Dan Kennedy because, at that time, Dan Kennedy was writing a good portion of my sales copy for me. So I was doing a lot of stuff with Dan. I even got Bill Phillips to actually hire Dan Kennedy for a day of consulting, and me, at one given time, just to strategize.

And when Bill came out with the book *Body for Life*, there's a little strip that had all the before-and-after pictures on the cover of the book. It was like a removable strip. That idea for that book, *Body for Life*, came from the brainstorm day of consulting that me and Dan did with Bill.

So, going back to that letter, I told Bill to mail that same letter 2 more times, with the handwriting on it. So, he did. What happened was he brought in another \$3-million in sales.

So the point is, had he just mailed that first letter once, it was a very successful campaign, it brought in \$2-million. That's huge for someone to bring in that level of

sales. He also had a big list. He had a big business. He was doing \$60-million a year in revenue when I met him.

However, within the first hour of hiring me for consulting, I gave him one idea, which is simply mail the letter 2 more times, and it brought in another \$3-million in revenue; revenue that never would have been brought in from that campaign, had he not done that.

So the point is that when it comes to conversion, one of my favorite lines – and I will say lines and quotes a lot, because they explain things – is “The time to quite going back to the well is when you put a put a bucket down into the well and you come up and there’s no more water in the bucket.” So, as long as you’re continuing to extract water, keep dipping into the well.

The same thing goes with any sort of mailing list, be it an offline, online. You can continually do sequential sort of mailings in order to stay in touch with people, because people are busy. You’re just going to capture their attention at different times. And that period of time could be a one-week period, where you can communicate to people multiple times. That’s why you see people emailing every day. The most I’ve ever seen a person on a list is they email 3 times a day for some categories that have such a rabid following.

It’s something to think about. And so Bill, of course...

Dean: I forget who it was, but I asked them how often they mailed them. They said, “Only on the days that I want to make money.”

Joe: Yeah, exactly. Exactly. And people are like, “Yeah, you don’t want to mail too frequently, because you’re going to bug your customers.” It’s like, well, I’ll tell you this. If people don’t like you enough to where they’re going to communicate to you, then you either need to develop more engagement with them or you need to come up with better stuff, better offers, better connection.

Can you over do it? Yeah. But you shouldn't be the one that decides that. Your customers should tell you when they're sick of hearing from you. They'll tell you by either opting out of your list or not buying from you, or complaining.

However, rarely, rarely are we going to come across someone that is over-communicating to their list. It's the same thing with any type of relationships. If they just loved me too much, I couldn't handle it.

Dean: Exactly.

Joe: Although in certain dysfunctional situations, that could be the case. However, usually people leave because of neglect and being ignored.

The time that you will lose your customers to your competitors is when you allow your competitors to pay more attention to your customers than you do. It's our job, as business owners, as marketers, to continually stay in touch with our clients.

Dean: Well here's the thing, I've got a really great story that will tie that in.

When you look at it, people are afraid to communicate to their list or talk to their people because they don't want to offend anybody or they don't want people to think they're communicating too much.

The reality is that the very best thing you can do is communicate to the very best people on your list. Only worry about them.

If you're thinking about it, who are the people that you really want to serve? They're the people who want you to help them. They're the people who want to get the benefit of what it is that you offer. They're the people that you're communicating with, especially when we're talking about email lists, because it's so easy to communicate to people. It's so easy to do it every day, or multiple times a day, that they sometimes worry about people unsubscribing. But, if I email too much, then they might unsubscribe or they might get mad or whatever.

The reality is it doesn't matter. Don't mail stuff that isn't adding value. Don't mail stuff that isn't giving people a benefit. If you've got some information, you've got

something that's helpful for people, don't worry about it. Communicate as often as you can bring value to people. And here's an example.

Joe: Can I highlight what you're saying, really quick though? Because this is always what you said. As long as it's valuable and it's creating value for them and it's useful for them, no one is going to get offended by that. And if they do, it's doesn't matter. You're not going to help them anyway.

If you're going to provide value and share something, even if you're charging money for it or even if it's educating them, or sharing some piece of information, some story that's engaging, something that they will perceive is cool and valuable, if they're going to get offended from that, are they ever going to give you money? Are they ever going to really be clients? Of course not. So, I just want to highlight that.

Dean: That's it exactly. The only people that you want to communicate to, you want to imagine the one person on your list who is your ideal buyer, your ideal client, the one that you can help the most, that one that you really want to be in a relationship with. Do it as if you're only doing it for them.

With the real estate agents, one of our clients is in Canada. Chuck Charlton in Milton. We worked together just about a year ago now, to come up with this idea of doing a daily video blog of all of the new listings that have come on the market in Milton. He had list of 6,000 people in his email list. What everybody would be concerned about is, "What if I email and people unsubscribe?"

So, the way I talked about it with him is I said, "What's going to happen is that we're going to polarize your list; that you're going to repel the bottom 20%, the people that don't want to buy a home in Milton and don't want to hear from you, but on the flipside of that, we're going to attract, we're going to energize the top 20%, the people who really are looking for a house in Milton, and really would like to hear about all the new listings that come on the market every day.

So, we started just about a year ago. February 18th flipped the switch. Literally, within the first 30 days had, or first couple of weeks, about 1,000 or 1,200 people had

unsubscribed from the list. So immediately, his list went from 6,000 people down to 4,800 people within a few weeks.

But it was okay because, on the flipside, he was getting 800 or 900 people a day coming and watching the videos that he was doing every day. Since that, he's had 100,000 views of these videos over the course of the year, and it's just been the most tremendous lead-conversion tool.

And he never makes an outgoing phone call, never makes a prospecting call. He does the videos and people will call him when they're ready; because, of course, he's making offers to people. He's got the cookies right there for them. You think through what would be the next logical step for somebody? What are they going to want to do next, if they care somebody who's looking for a house in Milton?

So, you look at the offers that you make. Our offer's to come to a homebuyer class to learn more information, or to take a tour of Milton homes. Join us for a daily tour, talking about running daily tours of homes in Milton. Or if you just have questions and you want to just get together, meet me at Starbucks.

So, every single time that he communicates with people, it's offering one of those 3 things. And that's exactly what happens, is people then email him back whenever they're ready. He's built this rabid following of people who watch his videos every single day. Husbands and wives who tell him they watch it right before they go to bed, every night. In bed, they're watching about a 10- to 15-minute video every day, where he goes through a talk about all the new listings.

But that is the ultimate lead-conversion tool – giving people what they want, giving them the most valuable experience that you can give them.

Joe: That's what I'm trying to say.

Dean: That's all you're trying to say. Exactly.

Joe: No, the funny thing about it is that every person that has ever done business with a company and been ignored... Well, I shouldn't say every single person. Everyone

listing has had the experience where they bought something. Think about in the last 30, 60, 90 days, when you've hired a service company, you've bought anything from someone. Has there ever been any follow-up? Typically, no.

There's maybe some thank you with that, but rarely is there some continuous follow-up. But then, take the prospecting customer-generating sort of situation, and how many people actually do a great job of continuing delivering value? They really don't.

Barney's, the clothing store, are fantastic with the email follow-up. If you ever go into Barney's and buy something, they just do a fantastic job. One of the reasons they charge so much money for what it is they do is because they do things like that, and they develop a relationship with people that will come in and will spend typically 3, 4, 5, 10 times the amount of money on a shirt, on jeans, then on even high-end clothing stores.

There's a lesson to be learned from the very most successful people is they develop and nurture relationships, and they continually stay in touch. They're not transaction marketer, they're relationship marketers. And that's what you teach people how to do.

I had to figure this out in carpet cleaning, in an industry. I'll say this a lot, just to remind people, because they're like, "Wow, it might work for carpet cleaning, but it doesn't work for my business."

Carpet cleaning is an where we're having to sell something to people that they don't really want to buy. Nobody wants to buy carpet cleaning. If you can figure out how to do relationship marketing and make it work there, you can pretty much apply that to almost any business.

The same exact strategies of follow-up that I was teaching my carpet cleaning clients, which were the same exact strategies that I was using to change my carpet cleaning company around.

In a lot of ways, Dean, me and you are just converts of our own system.

Dean: Yeah, that's true.

Joe: We really are. Everything that we're talking about, we're just convert of our own system. We developed a system because we needed to eat, we needed to make a business work, and it ended up becoming these marketing businesses and us being these "marketing guys." That's what I Love Marketing is talking about it. Here's this cool sort of stuff.

One point I want to make to really drive this home is one of the most successful follow-up systems that we use is a newsletter we call a Client Compounder. It's a monthly newsletter, and it just compounds your clients. You do it with the world's most interesting postcard; we do it with the newsletter. We have all these tools that we use and that our clients use and that people can use to make money.

Every month, I will recommend that someone mail a newsletter to their clients or joint venture partners in a carpet cleaning or service business, or almost any business, for that matter, if there's reasons to stay in touch with them. We'll always get people that will be like, "I'm going to mail every quarter. I think monthly is too much." And we always have to have this conversation about arithmetic, like currently it costs about \$1 to mail. We've talked about this on previous episodes of the I Love Marketing Podcast, but I want to continue to bring this point up.

So, it costs say like \$1 to mail, so let's say \$12 a year, you are going to mail someone. Let's just say that the average gross profit on a job is going to be \$120. Well, you can mail a monthly newsletter every month for the next 12 years before you actually lose money in that sort of scenario.

So, anyone that does business with a carpet cleaner any less than once every decade, then it makes sense for them to mail, pay and mail, snail-mail – we're not talking email here, that's free...

Dean: Oh, I know. Yeah.

Joe: Pay, snail-mail an actual physical letter, newsletter with a stamp, to someone every single month for a decade, and it will still be profitable if they do business with you once a decade; which, of course, if they don't do business with you after...

Dean: You look at the thing that that \$120 profit, most people who you're going to be trying to attract as a carpet cleaner, are going to be people want to get their carpets cleaned twice a year. Right?

Joe: Oh, yeah. Twice a year, they're going to refer people. Exactly.

So my point being with a caveat being unless you do a crappy job, the only reason to not stay in touch with your clients or your customers is if they hate you and you're trying to escape from them, because you're some sort of unethical businessperson. Then, you don't communicate with them. But assuming that's not the case, which I always say too, because there's bait-and-switch in carpet cleaning, where people use these low-price coupons, and I always say, "Hey, bait-and-switch leads to hate and bitch, so why would ever do that to somebody? It's the stupidest way to run a company."

Dean: You're like the Mohammad Ali of marketing.

Joe: I like that.

Dean: You've got a line for everything. It's great.

Joe: I should actually start getting a title. Maybe someone could make a comment about that.

Dean: People are going to remember episode 6 of the I Love Marketing Podcast, Dean Jackson knights...

Joe: Knighted me as the Mohammad Ali.

Dean: Joe Polish as the Mohammad Ali of Marketing.

Joe: I like that. I really do like this. I like what I'm hearing.

I have sat in front of rooms of these business owners and having showed them the arithmetic. And the average job is way more than that. But like I showed them the arithmetic, saying, “This cannot not work. There’s no way. You can do this. You can just mail a monthly newsletter.” And for our cleaners, they don’t even have to write it. We write it for them. It’s done. They don’t have to even think that much. It’s done for them.

I will still have people be like, “Oh, I think it’s too frequently.”

It’s like, “Well, you’re going to make money off this.”

Then I’ll say, “If you could remember the first time you went out on a date with your wife or your husband or whatever,” and I don’t know what that whatever part is, if that means they dated a tree or something, I don’t know, “if you could remember the first date you ever had, if you actually went out on a date with someone, and let’s say,” and I’ll keep this clean so it’s family listening here, “and at the end of the date you had a wonderful time, and you say to your date as you – let’s say it’s a woman – you’re dropping her off at her doorstep of her home, and you say, “I had a wonderful time, I think it was fantastic.” Give her a kiss on the cheek and say, “I’d love to do this again. I’ll call you in 6 months.”

Now, if you said that to someone, first off, you’re never going to go on a second date. It’s ridiculous. But that’s exactly how most business owners basically approach follow-up.

They’re like, “Okay, we bought from you. We’ll see you again. Look for us online. Find us in the Yellow Pages,” or whatever.

And I used to have people, back in the day of when Yellow Pages were a very big thing, which I still have people that make good money on the Yellow Pages, bringing in 5:1 and 10:1 because they used direct response ads, driving people to get free reports online or call free, recorded messages.

People think that Yellow Pages don’t work anymore. There’s a lot of ways that you can continue to use Yellow Pages with their direct mail campaigns that they do

now, with their tie-in to websites. There's some clever stuff you can still do with Yellow Pages.

But I would have people all the time say, "The reason I advertise in the Yellow Pages is so my customers can find me." And I always thought that was the funniest thing. You're going to run an ad in the one area where all your competitors look, because you're too inept to actually take control of targeting and communicating, and being in charge of you communicating to them; not waiting for them to come to you, but you directly going to them.

So, the point of this conversation, in a lot of ways, is you need to take control of the communication with your customers. It's not up to them to remember to you. It's not up to them to perceive the value. You need to continually deliver it to them.

You don't need to do this. You don't need to do anything me and Dean are talking about. If you do, you're going to make a lot more money, you're going to have a lot happier clients, you're going to be able to distribute and share more of whatever it is that you sell, and that's what makes the world go around.

If you choose not to do this stuff, you very well could go bankrupt because you don't have any clients. So, our objective here is to share what we absolutely know – from experience, our own and through many, many others – works. And that's continual follow-up and sharing value, and not being worried about offending anyone because, as Gary Halbert said, "Don't worry about offending the dogs when you're trying to attract the foxes."

Dean: I was just going to say that. When you look at that, one of the things that I always talk about is identifying who is your ideal customer. Who is the ideal person that you really want to do business with? What are the characteristics that they have? So, for the real estate agents, one of the things that I talk about are 5-star prospects. And I've helped people do this in any business. I'll tell you what they are and then we can talk about them for what it would be for carpet cleaners.

For the real estate agents, the 5-star prospect is 1) somebody who's willing to engage in the dialogue, 2) somebody who's friendly and cooperative when you talk with them, 3) somebody who knows what they want, that they're moving, they have a plan and they're willing to share it, 4) that they're moving in the next 6 to 12 months, and 5) that they'd like us to help them.

That's a 5-star prospect. That's the ideal prospect that you could hope for as a real estate agent.

Now, if you're going to try and turn people into 5-star prospects, it's very difficult. It's either people are 5-star prospects or they're not. If they're not willing to engage in the dialogue, there's probably not a good chance that you're going to be able to work with them anyway. If they're not friendly and cooperative when you talk with them, why would you want to work with them? If they don't know what they want, they don't have a plan that they're willing to share, that's not somebody that you can help.

If they're not going to be moving in the next 6 to 12 months, if it's going to be 3 or 5 years from now, if you've got a great follow-up program, you may be able to keep in touch with them. But a 5-star prospect is somebody who is going to reasonably work with you within the next 6 to 12 months, and then would like you to help them. That's the kicker, right there.

So, the bottom line is those are the only people that you want to be communicating with; but you don't know which of your prospects is the 5-star prospect until they reveal themselves.

So if you're generating a lot of leads, like all the people who call for the 6 Steps to Home Ownership Guide or the Guide to Halton Hills House Prices, or any of those things, the people who are calling, you can't tell just by their names, just by looking at their name and address that they leave on your voicemail or fill out on the form on your website, you can't tell just by looking at that whether they're a 5-star prospect or not.

There's 2 choices that you have. What most people do is they take the choice of treating people like they're not 5-star prospects until they prove that they are; meaning that people don't want to spend money, they don't want to spend time, they don't want to go out of their way for people until they know for sure that this is a real prospect or that they're a real buyer, that they're not just a tire-kicker or a looky-loo.

When you think about it, exactly the opposite is the very best course of action that you could have. The very best thing you can do is treat every prospect that comes in the front engine, the front part of your lead generation funnel, is to treat every one of them like they are a 5-star prospect until they prove that they aren't, because you're treating everybody like they are a 5-star prospect. This goes back to what we were saying about not being afraid to communicate with people as often as you can bring value to them.

When Chuck was making the switch to doing a daily email to everybody on his list, there's a little bit of fear in that, because most people are afraid that they would maybe pull the plug because they'd look at it and say, "Oh, this isn't working! 1,200 people unsubscribed."

But the reality was, on the opposite end of that, 20% of the people who were left were polarized, were attracted to it, and they were watching those videos every single day because he was treating everybody on that list like they were a 5-star prospect, like they really want to buy a home in Milton. And he's going to communicate to them as if they are going to buy a home in Milton, the way that those people would want to be communicated with. You only focus on the 5-star prospects, which would be the foxes like Gary Halbert talks about.

Joe: Exactly. That's one thing that always has to be remembered, is when you're marketing, you're always attracting the right people and repelling the wrong. If you're not repelling, then you're being way too vanilla, you're trying to please everybody, and you're not going to make some impact.

Who is the highest-paid radio personality that you can think of?

Dean: Howard Stern.

Joe: Yeah, exactly. Does Howard Stern polarize anyone?

Dean: Yeah exactly. But go down the list. Who are the others? Rush Limbaugh, Glenn Beck. That's exactly it. They're not afraid to have an opinion, and they're speaking directly to their audience, the people that they want. The ideal audience for Rush Limbaugh is somebody who is very different than the audience for Dave Ramsey.

Joe: Exactly. Exactly. All of this is applicable to whatever business that you're in. You asked me what would be the 5-star...

Dean: What would be the 5-star prospect? So, let's think about that. We'll go through the exercise for the carpet cleaners, and then we can think about how it can apply to any business.

I've been thinking too, Joe, how we talk about all these examples that I kind of give are real estate examples and the examples you give are carpet cleaning. But when you look, most any business is going to be somewhere in between those 2. Real estate being a high-ticket item that only occurs once every 5 or 7 or 10 years, and yours being a lower-ticket item that happens every 6 months.

Joe: I think it's actually a match made in heaven, in terms of a couple of real-life examples that we can share with people, that lots of people can relate to and lots of people can use.

You know what's funny? In my life, I've also my 25K group, which is currently the highest-level mastermind group in the world for direct response information marketers. The criteria is make a net income of \$1-million a year, have 3 years experience in direct marketing, have an ethical reputation. I don't even invite people into the group that I knowing know could cut the check, but they're kind of ego maniacs; because, a lot of times, very successful people financially are not very coachable because they've done so well financially that they think they know it all.

So, I don't want to do business with people that are know-it-alls, so I don't try to attract know-it-alls. As a matter of fact, in the marketing, I actually make fun of people like that, so it sort of sifts them out.

So, that's a very high-end \$25,000-a-person ticket prize. So, I have an income criteria, I have a year experience criteria, and I have a personality criteria.

Dean: That don't have any 5-star prospects.

Joe: Yeah. You have it broken up very well. For carpet cleaners, of course, high-end homes are the ideal, since I teach my cleaners to do be at the higher price points in the marketplace. They're typically not targeting anyone that rents. They're targeting homeowners. They're targeting people that make a certain level of income. They're targeting people that have children. If they buy lists, will have everything from allergy sufferers.

What I teach the cleaners to do, more than anything, is do a lot of joint ventures. Do joint ventures with carpet retailers, interior designers, dry cleaners of clothing.

I've gotten so many cleaners throughout the world to use dry cleaners, where people go and drop off their clothes, to actually endorse them to their client base. That typically is a type of individual that's not going to do a lot of their own cleaning. They will typically live in a nice home, because they have the type of occupation that they would actually go to a dry cleaner to drop off clothes, or they just simply don't want to do it.

The beauty of the carpet cleaning industry, and I would always say this to even my carpet cleaners that would complain about, "Well, how do you find great prospects?" I said, "My father used to be a locksmith. A locksmith cannot go and drive a nice neighborhood and know who's going to lock the key in their car that night or who's going to get into an argument with their spouse and want to kick the other person out and change the locks in the home, who's going to get burglarized.

You think you have trouble selecting a list! You guys can actually pick targeted homes based on income, and know that as long as they have carpet in that home and you craft a promotion, you ask them to actually hire you, you make an irresistible offer like a free room of carpet cleaning and an carpet audit, you literally can go to

neighborhoods and target those. That's much different than emergency work, like a locksmith as an example."

In a lot of ways, people make such a big deal about how hard it is to find prospects. If you actually just sat down, like you just described, as a real estate agent and really said, "Who's my ideal 5-star client?" and you made a list, no matter what it is, it would be great.

Gary Halbert, remember the hamburger stand story?

Dean: Yeah. Exactly.

Joe: This is a good exercise to kind of go through. Gary Halbert would...

Oh, by the way, let me have another ADD moment, because one of the beauties of I Love Marketing is it's not scripted at all and I can just go on as many tangents as I want with Dean, and he just plays along with it.

In the Halbert Index, the very first newsletter from Gary Halbert that I read, which we posted up on ILoveMarketing.com, and everyone should read it, in 1992 is when he originally wrote that newsletter. That's the first newsletter I ever wrote that got me introduced to direct response marketing. The cool thing is that, in that particular newsletter, he said, "It doesn't matter how great of a home you have, if you're trying to pitch a \$500,000 home and someone only has \$100,000. It doesn't matter how great of deal it is. They can only afford the \$100,000 home."

So, his point was you want to target your efforts at players with money. That's what everyone really, in your own business and your own life, you want to think about who are the people who actually have money or have certain conditions or certain criteria or certain pains that your product or service or your business addresses. And that's how you want to craft the offering in the communication for those people.

Gary had a story where he talks about a hamburger stand. He would ask people, "If you were going to open up a hamburger stand and I was going to open up a hamburger stand, what are all the advantages that you would want, that would give you

the highest possibility of having success with your hamburger stand?” And if you’re vegan or vegetarian, let’s say a vegan hamburger stand. People would always say, “Well, we want the best location. Real estate is important. We want the best employees. We want the best food. We want the best storefront. We want the best advertising.”

People would go through a whole list of things that they thought would be the most important things that they needed in order to have success.

And Gary said, “Well, if you give me just one advantage, if you had all of those other things perfectly well, you gave me one advantage, I could smoke the pants off of you with one advantage. And the one advantage would be give me a starving crowd. If there’s a starving crowd, it doesn’t matter.”

I’ve always thought of this when you got to a professional sporting event. They’re selling hot dogs and nachos and popcorn and cotton candy and soda and licorice. If you’re a person that eat healthy and you’re hungry, and you’re going to a football game or a baseball game or something, and you’re hungry because you haven’t had time to eat dinner, when you first get there you’re not going to eat that crappy food. But an hour or 2 goes by and you’re really hungry, you might find yourself eating food that you typically don’t eat. Why?

Dean: It’s so funny, but I told Gary this that when, because I heard him tell that story and I told him, “That my friend Neal and I had a hotdog cart. We had a hotdog cart where you make the hotdogs and the sausages, the ones like you see on the street. We had one of those.

Joe: You really had one of these?

Dean: We did. And I’ll tell you the story.

Joe: I don’t know if I like you anymore.

Dean: We contracted with a nightclub to put our hotdog cart outside of the nightclub. We would only do it on Friday and Saturday nights. We would show up about 9:30 and we

would be there until 1:30. And from the moment we got there until the moment we left, it was lined up outside the door because it was the only food.

The nightclub didn't serve food. People were in all night dancing and drinking, and they would come out and, of course, they were hungry. This club was not very close to other stuff. They'd come right out the door and there we were, and we had the hotdogs and the sausage and Cokes and chips, and that's all we would serve.

We would make a lot of money doing that just 2 nights a week. We could make \$1,200 or \$1,500, at the time, in one night, just selling hotdogs and sausages to drunken dancers coming out of the club.

Joe: That's fantastic.

Dean: Here's the thing. That is the exact thing of being in front of a starving crowd. Now, those 2 nights in front of a starving crowd would outperform if we took that hotdog cart and walked up and down the street all day yelling out, "Hotdogs! Hotdogs!"

We wouldn't sell that many hotdogs in an entire week of being right in front of a starving crowd, you know?

Joe: You know what we have to do? We have to put this on the I Love Marketing website. I've got a video that I took probably a couple of years ago, with my buddy Jeff Maddoff. He's the guy that does all of the commercials with Victoria Secrets. I always say Victoria's Secret versus Victoria's Secrets, I always mess it up.

Dean: Victoria's Secret. Singular.

Joe: Well, there was a street vendor in New York City that had a totally disco hotdog stand. I don't think you've even seen it, Dean. I'm actually going to go to YouTube and I'm going to send you a link for this video, and we're going to pop that up the I Love Marketing.

So any of you that are listening to this podcast, trust me, this is worth watching. It is a very funny video, but it shows some really good marketing on how someone can even doll-up a street vendor food cart.

So, what does that have to do with...? I know what it has to do. I'm asking you a devil's advocate question. What does that have to do with conversion, Dean? All of the things we're talking about here.

Dean: I'm glad you asked that, because so much of conversion is beginning with the end in mind. So much of the easiest thing to improve your conversion is to generate better leads. And by better leads, I mean know what you're looking for and target the right people.

So we've talked about it tonight. We've talked about – for real estate agents – targeting people who are going to buy a home in your town in the next 6 months. We talked about it with carpet cleaners: people who live in high-end homes, who probably have carpets that they want to keep looking nice and would get their carpets cleaned every 6 months. And when you do find somebody like that, it's a bigger job, so it's a higher-dollar ticket item. If you own a hotdog cart, to get in front of people who want hotdogs.

It's like knowing how to set things up so that all of the pieces fall into place, from the beginning to the end. If you know where the story is going, if you know how the story's going to end, it's easier for you set it up at the beginning, to find the right people to fit into that role.

So, it's probably the easiest thing that you can do to convert more of your leads, is to generate leads by presorting them at the beginning.

One of the things that you can do that is to stop thinking about your prospects as one thing. You start looking at the different types of prospects that you have. Same thing like our friend Eben Pagen talks about with creating the avatars for your ideal customers, creating sort of representations of who those people are. And it might be that there's a number of different people who you could target from a lead-generation standpoint that, when they raise their hand, you know what they're looking for, so that you can craft the next steps to get them into a relationship with you.

With the realtors, it's a different person who's looking for a condo than the person who's looking for a horse farm. So, you treat them differently. You don't look for the generalized idea of looking for somebody who's looking for real estate. You narrow it down, right from the beginning.

If you generate a lead by offering a free guide to Georgetown condo prices, and somebody calls for that, there's a good chance that just by calling for that, they've identified themselves as somebody who is interested in a condo. So, it makes it easy for you to communicate with them in a way that's going to lead to them ultimately finding a condo.

I mentioned in carpet cleaning, it's the same thing. There's people who are interested in having their carpets cleaned because it's a cosmetic thing. They like their carpets to be sparkling, and they want it because of the décor element of it. But then, you've also got other people maybe have children or themselves who are allergic to dander or to dust and they're concerned for the health benefits of having clean carpets.

If you know upfront which path people are on, it's easier for you to ultimately convert those leads. What other kind of things would people be interested in about their carpets?

Joe: People who have pets. I have a lot of carpet cleaners that do joint ventures with veterinarians and pet stores and stuff. Because, obviously, if you have pets, they're going to be sometimes peeing or throwing up on the carpet. And it's a good indicator, considering the carpet is the sink that captures everything, that you want people who know how to clean sinks. Metaphorically speaking, of course.

It doesn't require a tremendous amount of thought. You just really need to put yourself into the shoes of your client. And if you don't really know what it is that people are buying, for instance there are some cell phones that sell – what do they call them? I'm trying to think of the name? I'm going to do a search real quick, to see if I can actually find it.

They are a division of Nokia called Vertu, and they're cell phones that sell from \$5,000 all the way up to \$50,000 and above. It's a total status play, but the question is what are they really selling? Are they really selling a phone? What are they really selling? Why is someone buying a \$5,000 or \$50,000 cell phone?

The point is ask your clients why do they buy from you? Why do they buy from anyone in your industry? If ask them why do they get their carpets cleaned? People will say, "Cosmetic reasons." Some people will say, "Well, the kids are going back to school." Other people will talk about asthma, allergy sufferers.

Dean: And some people only get their carpets cleaned when something visible happens, when they've got a stain or something.

Joe: Exactly. You see the job of many of my clients is to educate people on why they should get their carpets cleaned beyond appearance. We'll use things like, "Would you sleep in your bed for 6 months without washing the sheets? Would you wear your underwear everyday for a week and not wash them?"

People would be disgusted by that. But would you let every neighbor and kids walk through your carpets with the same shoes that they walk through everything on, walk all over the carpet, lay all over it, have the dogs run, and you think cleaning it every 2 years is sanitary? It's not."

I've become Howard Hughes clean freak as a result of being in the cleaning industry, because I know how disgusting upholstery and carpets can be, and I know beneficial it is to actually clean that stuff.

Having said that, if anyone needs a really good carpet cleaner just go to a website that I set up, called Ethical Services, and type in your zip code. There are people that are professional cleaners that have signed a code of ethics that they will not use any unethical advertising. They won't use bait-and-switch. They 100% guarantee their work. They carry proper insurance. They won't employ technicians that are forced to do high-pressure selling in order to make a livable wage. They're just great companies that want to do a good job and want to acquire clients.

I set it up that way, so people can find companies that are good companies. It's EthicalServices.com. If there's not anyone in your area that is an ethical services member, you can at least get information on the site on how to choose the right type of cleaning company, so that you can make an informed, intelligent decision.

Dean: And there we go. And I think we can leave it at that.

Joe: Yeah, so go get your carpets cleaned this week. Come up with your ideal 5-star prospect. Look at just one or 2 ways that you can increase conversion in your business, and go for it.

And like Emerson said, "If you ask for a new idea when you haven't used the last one that we gave you," please make sure that if you have a business that you're implementing many of the things that you're hopefully picking up from the I Love Marketing website and the I Love Marketing Podcast, me and Dean really, truly get immense satisfaction and joy out of being able to share this stuff, knowing that our ideas are going to get utilized and benefit other people.

As long as you take everything that we share and use it to create value in the world with ethics, go capitalism, because capitalism is collaboration between other individuals wanting to create value and exchange value for money. I believe it's the best system on the planet for making the world a better place.

Dean, thank you very much. Anything you want to say?

Dean: That's it. Let's wrap it up for today. We'll be back next week with even more cool stuff on ILoveMarketing.com

Joe: Awesome. Hopefully, I won't have a cold and I'll sound more sane, because I'm a little crazy right now.

Dean: Me, too.

Joe: Alright. Have a good day, good evening, good whatever everyone. See you next time. ILoveMarketing.com. Make a comment. Let us know what you thought of this podcast. Thank you.

