



## **Transcript**

### **Episode 033**

**The one with John Jantsch  
(DuctTapeMarketing.com)**

**[ilovemarketing.com](http://ilovemarketing.com)**

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

**Joe:** And Joe Polish.

**Dean:** Joe, we've got a very exciting guest today, don't we?

**Joe:** We have an awesome guest today. And what's kind of cool is we were all together in New York at one of our 25K groups together, just a few days ago. Our special guest is one of the sharpest frigging marketing people in the world, and his name is, John Jantsch.

Just a real quick background on our guest, and then I'll ask him to say hello. His name is John Jantsch. He's been called the world's most practical small business expert for consistently delivering real world, proven small business marketing ideas and strategies, and he is a marketing consultant. He's an award winning social media publisher, and the best-selling author of *Duct Tape Marketing* and *The Referral Engine*.

He's the creator of the Duct Tape Marketing System and Duct Tape Marketing Consulting Network, that trains and licenses small business marketing consultants around the world. He has a really awesome blog that was chosen as Ford's favorite for marketing and small business, and his podcast is a top 10 marketing show on iTunes and was called the "must listen" by *Fast Company* magazine.

His take on small business is often cited as a resource in publications such as *The Wall Street Journal*, *New York Times*, and *CNN Money*.

I just wrote all that right before I just read it, by the way. I'm kidding. I didn't do that. I'm kidding. I didn't do that. That's actually who John Jantsch is.

John, first off, thank you for being on the I Love Marketing episode today, because I know it's going to be awesome. How are you doing?

**John:** I am doing great. I've got to believe, Joe, that your listeners, and Dean, get tired of you saying, "We have a really special guest this show, because every time I listen your guests are pretty cool."

**Joe:** Yeah, yeah. Plus, I think even if we don't have a guest, the mere fact that me and Dean are so darn special, I think, makes our listeners even that much more excited to hear us and from our special guest.

What I will say about I Love Marketing is we've had some pretty awesome people that we have had as guests on the episodes. I think it's super-cool because we're getting literally the best in the world.

One thing I do want to say about you and Dean Jackson, not only are both of you phenomenal marketers in the direct response world, but both of you are 2 of the top experts on referrals in the world.

Dean created a whole model called "Before, During, and After," which we're going to be talking about at our I Love Marketing conference here in a couple of weeks. He's done so much in the referral world with By Referral Only. And you, your recent book, *The Referral Engine*, which I found out about it from an email from Seth Godin, who highly endorses the book. And, it's awesome.

You both are not only marketing experts, but you have a real deep understanding of the psychology and application of getting people to refer.

So, my purpose here, with having you as a guest, is twofold: 1) to introduce you to the I Love Marketing community and talk about marketing; and 2) to have both you and Dean actually talk about referrals, so that all of our listeners can leave this episode with some real good takeaways and mindset and understanding about how to really just make it happen.

Dean, I know you have a million...

**Dean:** I can't wait to hear what he has to say. This is great.

**Joe:** Yeah, of course. So I'd like to ask you right from the beginning. You're a marketer, and our podcast and our episodes are called "I Love Marketing." I'd like to ask you either to define marketing, in your opinion, or describe why you love it.

**John:** Well, yeah, I'll give you both. I've been using a definition of marketing for about the last 10 years, because I found the textbook definitions went very lacking. Unfortunately, they're still teaching those in colleges today. But my definition of marketing is getting someone who has a need to know, like, and trust you. Again, as I said, I've been using that for about 10 years and I think it's become more true with each passing year, particularly for the typical small business that doesn't have \$1-million to spend on advertising, to buy know, like and trust.

The subject we're going to talk about today, referrals, is certainly a great way to build know, like and trust, but to do it without spending a whole lot of money.

The second part of that question, why I love marketing, certainly I love marketing. In fact, I think every business, whether they will ever come to realize it or not, is truly a marketing business. But the folks that I work with, so many of the kind of traditional small business, mom-and-pops even, their businesses are sucking the life out of them. I get the opportunity, through marketing and through showing them how to take a systematic approach to marketing, I really get the chance to help them get their life back. So, what's not to love about that?

**Joe:** Yeah, totally.

**Dean:** I have to say that Joe and I've talked about this too, but like Duct Tape Marketing is really one of the best brands I've heard. It says all the right things. It says practical, it says it's not necessarily going to be expensive, it says things that you can put together, and makes it seem kind of doable for small businesses.

**John:** Yeah, I mean I think you hit on all the words that I use in all my positioning. It's simple, affective, affordable, doesn't always have to be pretty but it always has to work. Obviously, it also has the added benefit, and I'd like to say I spent lots of time in research and focus groups on this, but it has the added benefit of just really taking advantage, just in 3 words, sort of people's entire association with all things duct tape, and happens to be a very positive association.

When I started using it, I really did it because I wanted to turn marketing into a product and create a system, and show small business owners that you could actually just follow a very set path. So, I had to give it a name, and I thought that that sounded like a better name than “John’s Cool Marketing System.”

It was amazing. The first 3 or 4 times I uttered it, I thought, “Are people going to think this is really stupid?” And come to find out that most people had the exact same reaction that you. They’re just like, “I get it.”

**Dean:** You get it immediately. It’s one of those things.

**John:** From a marketing standpoint, if somebody can get what your whole brand is about in 3 words, that’s pretty special.

**Dean:** Yeah.

**Joe:** We’re going to spend sometime talking about referrals, but I would like to have you throw out just some recommendations, some suggestions, some advice for people, just really what you’ve learned. You’ve spent a lot of time figuring out and learning and simplifying what is very complex to a lot of people, which is how to basically use marketing that works.

What are some things that people need to have in place in order to make their marketing work in their small companies? What are some fundamentals that you teach?

**John:** Yeah. The absolute number one, above all, to the point where occasionally people do stick the gun to your head and say, “You only get to tell me one thing,” it’s strategy over tactics.

So many businesses, they read about something, they go to a conference, they get an email from somebody saying, “Oh, you need to do this,” and they’re just fumbling around with the tactic of the week. Occasionally, some of them do some good, but they don’t ever build any kind of brand, any kind of momentum, any kind of awareness in the market because they’re just all over the place.

That idea of creating a marketing strategy before you ever really determine what method you're going to create know, like and trust with, is probably the most important.

Now, I always have to kind of add on to that, though, because so many people have heard "strategy," it's like, "What does that mean? Everybody says it, nobody knows what it means.

The absolute #1 thing in terms of strategies, you have to find a way to differentiate your business from every other business that says they do what you do. And as simple as that may sound, it is life or death, I think, for most small businesses, because the market thinks that one plumber, one accountant, one software person, is just like another. If you don't show them a way that you clearly are different in a way that matters to them, then they'll default to price every single time.

**Joe:** Yep, that is one thing I discovered, and that's when I first really learned, back in 1992, I think was the first time I actually learned about unique selling proposition. That gets overused a lot. When I say overused, meaning different people talk about it. Most people don't really quite understand it. Even to this day, fast forward 20 years later, most people that I still meet with that are business owners, they have universal selling propositions, but they really haven't differentiated themselves from pretty much anyone else in any unique or compelling or clearly understandable way, although I think a lot of people think they have, but they really haven't.

But strategy, going back to strategy, because I think that's really important what you said, "Strategy over tactic." So, go a little deeper with that. What do you mean by strategy?

**John:** Well, for me, it's just what you started to talk about. There are really 2 components to it: of discovery, and then, of course, the idea of communicating it in everything you do.

But first off, who makes an ideal client for you? So many businesses try to be all things to all people. If I'm an accountant, anybody who needs anything related to

accounting is my ideal client. I think in many cases of course, that's one of the challenges why many businesses can't differentiate is because they're all over the place with their message.

So, if you can get this very clear picture, almost like a drawing or a painting, of your ideal client, so when we start talking about referrals, so you can go out and tell somebody, "Here's how you'd spot my ideal client," that you really start, then, all of your language, all of your materials, all of your content on your website, you start talking to that person, that hopefully very narrowly-defined person. And it starts the process of differentiation right off the bat, because you are honing in on somebody who says, "Hey, you're talking about me and my specific problem or my specific demographic, or my specific need."

Now, the other side of that, though I already started to talk about, is this differentiation, because there are a whole lot of people out there after that same ideal target market. You have to find a way, be it through your product, through your package, through your price, through your delivery, through the way you provide service, some truly meaningful way to demonstrate how you're different.

The example I use when people ask me about Duct Tape Marketing is everybody else, at least in my market at the time when I created Duct Tape Marketing, was selling marketing as a service very much in a "It's a strange science and you tell us what you need, and then we'll come back and we'll give you a proposal for marketing consulting."

And what I said is, "What if I were able to walk into a small business and say, 'Here's what we're going to do. Here's the path we're going to take. Here's what you can expect. Here's the results you can expect. And by the way, here's what it's going to cost.'?" All of a sudden, changing the entire paradigm about how marketing consulting was purchased as a service.

That was a clear differentiator, because the great thing about having a strategy like that, and having a clear point of differentiation, is that people either said yes or no right away. And frankly, either answer was just fine, because you were able to laser in so

simply and so differently that the people that got it, the people that wanted it, that that differentiation resonates with, are coming to you and saying, “When can we start? And, by the way, I’m willing to pay a premium because I can’t get what you’re offering from anybody else.”

**Dean:** Uh-huh. And they know what they’re going to get.

**John:** Exactly.

**Dean:** It’s so amazing. The very first profit activator that we talk about is select a single target market. What you’re just describing there is exactly that. Narrow it down, get a crystal clear picture.

The biggest obstacle, and you probably run into this too, but the biggest obstacle that most small businesses have when they narrow, is they don’t want to just limit themselves to one target market. That’s not at all what we’re talking about. It doesn’t mean that you’re only going to be limited to this one ideal client. You could have 3 or 4 different ideal clients, but you have to speak to them differently because they have different needs.

**John:** Yeah. I often talk about instead of thinking in terms of being an okay solution for 1,000 people, be the absolute best solution for 100.

**Dean:** Uh-huh, that’s great.

**Joe:** You know what’s so funny about that? That’s great. And Dean, that’s exactly what I was thinking. We have a report that we let people download for free on ILoveMarketing.com, which is called “Breakthrough DNA,” and it kind of literally goes over the 8 profit activators that have to do with the before, during, and after unit of any business.

The very first one starts with strategy before we go into tactics. Our thinking is so aligned, which is why it’s great for us to be doing this because it just reinforces. That’s why everyone needs to read *Duct Tape Marketing* and pick up a copy of *The Referral Engine*, and all that stuff. I think it would serve everyone well.



**John:** Oh, what the heck, get a couple.

**Joe:** Buy them for the whole family. I think you should even put them in safety deposit boxes for the grandchildren, 50 years from now, because books won't even exist 50 years from now.

**John:** That's for darn sure.

**Dean:** Yeah. Spoil yourself. Get a couple. You're worth it.

**Joe:** You're worth it. Exactly, yes. So, John, let's talk about referrals. This is a good opportunity. Obviously, we could talk for 2 weeks on all the different stuff we know about marketing. Let's hone in on one strategy and one method of generating business, which is going deep with referrals. I'd love to have both of you just kind of talk about it, because I'm really not in the mood to talk to you guys anymore. I'll just kind of sit here and occasionally pipe in and act like I'm smart. But for the most part, you guys know referrals inside and out, and I'd love to have our listeners walk away from this episode with some killer understanding of referrals.

**John:** Well, let me just jump in, first to set the table.

Because I wrote this book, I can't tell you how many journalists, the first question is, "Why did you write *The Referral Engine*?" So, I've answered this question a lot. And it's because in speaking to small business owners for over 25 years now, I love to ask them, "How do you get most of your business? How do you generate your business?" It was always the same. "Well, I did a little good work for somebody, they told somebody, they told their brother, and next thing I knew I was getting a fair amount of my work by word of mouth or referral."

I still poll audiences that I speak to today, and I ask people commonly, "How many of you get 50% of your business by some fashion of word-of-mouth or referral?" and half the room, the hands go up.

But then I always turn around and say, "Okay, how many of you are actually doing something about it systematically, to make certain that you can even amplify that

number and make sure, or maybe even have a target of 100% of your customers referring business?” Rarely does a hand go up at all. I always found that to be rather fascinating, that people would readily admit and know a tactic, a specific tactic worked extremely well, and yet they did nothing to try to make it work better.

**Dean:** Yeah, and it’s so funny. You and I’ve talked about this, John, but the same thing with audiences asking about referrals, because everybody, every business, every category, if you’re doing something right, you’re getting referrals. You’re getting people to tell their friends and they show up on your doorstep ready to go.

But when you look at it, I always put them into 2 categories that people end up, the types of referrals that they end up getting: either passive referrals, meaning somebody shows up on your doorstep and says, “Hey, John, my friend told me that you really helped his business. I’d love for you to help mine too.” That’s a passive referral. You didn’t do anything to make that happen, and they just showed up on your doorstep and you feel great about it.

The other type is a reactive referral, where somebody calls you up, one of your clients says, “Hey, I was telling my friend, Bob, about how you were helping my business, and I think you could really help him. He’s probably ready now. You should call Bob.” I call that a reactive referral, because now you have to react to it and actually make something happen.

And both of those happen out of the blue for most businesses because, just like what you said, they don’t really think about that you can orchestrate that.

**John:** Or worse, there’s actually some, I can’t tell you how many business owners tell me, “Well, I don’t want to do that. It’s like I’m begging if I’m asking.” So, that’s another one.

**Dean:** Then you get into the whole mindset thing. I think you’re absolutely right. People don’t feel comfortable asking for referrals, or they don’t feel comfortable going down that path, because it feels like they’re begging.

**John:** I've probably alienated a few people in audiences because my immediate reaction to that is, "Then you don't feel 100% sure of the value that you have to offer. Because if you did, then wouldn't you be doing a disservice to your clients by not allowing them to bring that value that you can produce to their friends, neighbors, and colleagues?" Boy, you put it in that frame...

**Dean:** It becomes a moral issue.

**Joe:** Let me ask you guys that. I don't want to pass over that, because I think it's such an important thing.

Dan Sullivan, who we all know, he was just with us last week, he has this term called "unique ability," which is someone's number one skill set and what they're really skilled at, and what a lot of people kind of take for granted because they're so good at that, that they don't even notice it. It's kind of like tell a fish that he's in water, he or she or it or whatever. They're not aware of it.

And the whole comment of when someone doesn't really believe in the value they offer, for one, there may be a business that really isn't selling a good product or service, so therefore they don't have confidence in it. But there's a lot of people that actually do deliver really good stuff, but they get weird about it. Like you just described, they're worried about asking for a referral. They don't have the belief that they deserve it. A lot of times, they're not aware of the value that they're delivering.

If people are giving you money for something and they're happy with it, and they would tell other people about it, but you don't believe you can ask them or you can engage a great sort of referability in that client, then there's a problem there. How do you get people to see that? Do you have kind of a process, John?

**John:** Well, I actually do. I make a lot of audiences laugh when I tell them, "Look, you don't have to read the first half of the book because all it tells you is you just need to be more referable to get referrals," because that really is absolutely the truth.

So, part of that, the companies that get lots of referrals, they get over that mindset because it becomes an expectation. I haven't seen a business yet that follows this path,

that doesn't come around and say, "You know what? We're not only hurting ourselves, we're hurting our customers if we don't take this advice and take this path."

You guys use the before, during, and after, and I use something called the marketing hourglass, and it's kind of my same approach. That if marketing is getting someone to know, like, and trust you, then you turn know, like, and trust, into try, buy, repeat, and refer.

The sort of repeat and refer starts and ends almost with having a process where you're actually meeting with clients. And I know not every business model can do this, but where you're meeting with clients or have some way to measure the impact after the fact. I call it the results review. Whether it's 90 days after you finish a project, or some period of time after you provided support or sent out a product, that you actually have a very specific process. And I'm not talking about sending out a survey and hoping they fill it out. A real process where you are helping them understand the value they received, as well as certainly demonstrating that and measuring it on your part, too.

Because when I get people that really take that idea to heart, and they start realizing that they're actually producing value that's 5, 6, 7 times maybe what they're charging, in a very short period of time, all of a sudden not only do they get really confident about asking for and seeking referrals, a lot of times they raise their prices.

**Dean:** Yeah.

**Joe:** Well, if your marketing hourglass and Dean's before, during, and after unit were like physical creatures, and they had to get in a physical fight, which one do you think would win?

**John:** I'm sure mine's prettier. That's all.

**Joe:** No, you're right. From literally a sexy standpoint, I think the hourglass would look probably physically better, which means that the before, during, and after would probably go for the kneecaps. Just take him out.

**John:** Well, I use that concept so much, that we created this giant poster. And my consultants will actually, for a sales call in some cases, will actually walk in with the poster and say, “What are you doing here? What are you doing here? What are you doing here? What are you doing here?” And they find that, “Well, okay, I’m doing 1½ out of the 7 things. When can I hire you?” Because it just so simplifies the whole process of marketing.

You just have to fill in these gaps and all these touch points, and have a product or a service or a process that makes sure that you’re delivering an elegant experience along the path, and pretty much the rest will take care of itself.

**Joe:** Yeah, that’s awesome. So, Dean, what do you have to say for yourself about that?

**Dean:** You know, I’m speechless.

**John:** That’s right. On your next I Love Marketing podcast, you guys will be talking about the marketing hourglass like you invented it, right?

**Joe:** Actually, no, because I never try to claim I invent anything, unless I really do. But when someone else invents something, I think they should always be credited for it, because that’s just what a smart, cool, ethical person would do.

**John:** You know I’m just kidding. No one would accuse you otherwise, Joe.

**Joe:** Exactly, exactly. Because I’m known. So, how do the listeners of I Love Marketing start the process of becoming more referable? And what should they do? If you only had a limited amount of time and you want to really give a group of people some of the best thinking, processes, strategies for creating a highly-referable business and making it work, what would you tell them to do?

**John:** There are kind of 2 things, 2 separate exercises I’ll give them. The first one that I love to do is so often we think, “We’ve got this great product, let’s go sell it. So, what’s the marketing copy got to look like?” And what I like to do is try to get people to work backwards, all the way from the point of you getting the referral from a happy customer.

So, what happens 180 days after the sale? What happened 90 days after the sale? What happened 30 days? What happened 2 weeks? What happened at the actual transaction? What happened a week before? What happened 6 months before?

So, in other words, working backwards and really paying attention to what are all the touch points? What are all the ways that we could or should be actually providing a nice touch, a nice experience, keeping the experience everything that we promised on the front end? Because that's where really people drop the ball I think. A lot of times, marketers think in terms of getting the sale. We do such a great job of creating this enticing copy, maybe even creating great products and, certainly, coming up with ways for other people to refer us.

And where the ball sometimes gets dropped is at the point the person says, "Buy," and what do we do after to keep that experience? Even the transaction. They thought we were so incredible before they bought something. And it's not because we're unethical or doing anything that we're just trying to take money and run, but so often we're so wired for the hunt.

Really, the referral comes in that whole period, 15, 30, 45, 90 days after they gave you their money. So, if you start that process of working backwards, all the way from the referral and then working backwards through that whole path of what that great experience is going to be, a lot of times I think you fill in the gaps. You say, "Hey, you know what? We could do this process here. We could make sure they get this email, or we could send out this video that gave them more education."

People that do that are the ones that get the referrals.

**Dean:** What's amazing is that it's so similar, the way you think about things and the way that we think about things. You start out with identifying that single target market. Then, our next step in that process is then to jump forward and answer the question, "What would be a dream come true for that person?"

That question right there, I heard that from Derek Sivers, the guy that started CD Baby.

**John:** Oh, yeah? CD Baby? Right.

**Dean:** Yeah. When you really think that question, I think that elevates your thinking. It's not just like what would be the least amount I could do to transactionally get this done for them, but what would be a dream come true for them? That's a more exciting approach to take.

When you start thinking about your service delivery or whatever it is that you do, when you start thinking about it in terms of going, just like you said, 15, 45, 90, 180 days out, after you've already delivered the service, it's like there's almost this dividing line that most of the time people look at their during unit. They look at the actual transactional part of their business as ending when the job is done and you get the check and everybody is happy. That's kind of traditionally the end of the transaction.

But if you're taking that lifetime view, you're taking the view that you're going to build, nurture a lifetime relationship with this person, and orchestrate referrals, something magic happens when you do something after you've already, in their minds, done your job and been paid for it. Because everything that you do up to and including the moment they give you the check, is all under that umbrella of "You're doing that because I'm paying you." But as soon as you get the check, and as soon as you're done, everything that you do above and beyond that is now something that they weren't expecting. It's something that is setting you apart. It's really demonstrating that your intention is to build a lifetime relationship with them.

The big benefit of that is in almost every situation, if it's something that somebody buys or some result that somebody has gotten from working with you, they're most excited about it immediately after. It's going to be in the first 15 or 30 days that they're telling all of their friends about this cool new thing that they just bought, this deal, showing them their new car, inviting them over to their new house, talking about their new marketing plan that's working so well. Whatever it is you do, that's when they're going to be talking about it.

So you're really setting the stage for being introduced to all those people that they're telling about it.

**John:** Our expectations as consumers have been so lowered, because nobody's providing anything. It's probably one of the easiest ways. You want a simple trick? Send somebody a handwritten note after they buy something from you. They'll be floored.

**Dean:** Can you imagine?

**Joe:** No, no. You're so absolutely right. Dean interviewed me on like the process of people are always asking me how I meet everyone? So, we did an episode on the magic rapport formula, which is Fabienne, who you know, Fredrickson. She actually interviewed me on how to meet people and stuff. One of the suggestions, which you've heard a million times, probably, in the past – people that are younger kind of haven't heard this advice as much, but the whole send 10 postcards a day to people. If you simply do that and you did it for like a year, literally a handwritten postcard or a note or a card, your network will be so dramatically expanded, the bonding that you have with people.

Not just business, it could be friendships, personally, whatever. It's so simple and it's so easy, and you can automate that process with technology in so many easy ways. People don't do it.

I've got carpet cleaners that are doing some of the most "sophisticated," not difficult but sophisticated in the minds of the client, ways of follow-up and communicating and everything, simply because they just do a little more than the next person. You don't have to be a genius in order to get ahead in business. You've just got to do a little bit more than everyone else. And like you just said, most people are not doing squat. So, there you go.

**John:** A lot of it comes with a mindset, too. I think, Dean, you hinted on this too. I wrote a blog post. I think the title was "The Sale's Not Final Until The Customer Gets A Result." You can't always make that happen.

I remember when I first started selling. I have a system that people can buy; the typical binder and audios and that kind of stuff. I remember when I first started selling that and we'd been doing it for about 6 months, and we weren't getting any returns or



anything, but we also weren't getting any, "Hey, this is the greatest thing I've ever bought," emails either. So, we reached out to a handful of customers. Imagine that. There's another tactic you might actually jot down for folks.

So, we reached out to a couple customers and asked them. We just wanted to survey and find out were they getting result. About the first 3 that we called, "Oh, you know, it's sitting on the shelf. We haven't really done much with it."

I think that a lot of times, even if we make a great product, that doesn't mean that the customers going to get the value. I think that some of the follow-up and some of the touches, and certainly some of what's going to lead to word-of-mouth and referrals, is for you to really study and put together processes and education and whatever it takes – like you said, so much of it can even be automated – that really makes sure that they get the result, as well.

Because even if they thought the price was fair and you did exactly what you said you were going to do, what leads to that referral is when they actually get the result, so they can go out to somebody and say, "Wow, this is incredible."

**Joe:** Yeah, totally. It's one thing about creating referability in your own clients and getting people to refer you, but to go out and do joint ventures, strategic partnerships. You have a chapter, chapter 9 in *The Referral Engine*, which is the Strategic Partner Network. Can you talk about that?

**John:** Yeah. I probably come at it from again, my background is really more the traditional business, not necessarily the online business. So, a lot of the folks that I'm dealing with, even the term "joint venture" might not even mean as much to them. But the way that I talk about it, and I think that it doesn't matter if you're online or offline, is to think in terms of your customers. Just visualize, every other product or service that they might need to get what they want out of life or out of their business, whether it's related to yours or not.

Think in terms of building a team of best-of-class providers for all of those services. And I talk about how you identify those and things like that in the book. But the idea is to adopt this mindset where you become the go-to person for your clients.

So, when they say, “Gosh, do you know a plumber? Or do you know a copywriter, or a graphic designer?” you’re able to say, “Yes, I do. And, as a matter of fact, let me introduce you.”

Because if you start with that point of view a lot of times what happens is people get this idea of, “Oh, we need to do joint ventures, or we need to get some strategic partners,” and the mindset is always, “so they’ll send us business.” I think if you flip that around and say, “What if I could build a team so that I could actually be seen as so valuable to my customers they would never leave? Oh, and by the way, I would start sending referrals to these folks.”

Well, of course, the end of the story is that team, if they all should be on the team, and they all want to enjoy that relationship, they’re going to start sending business to you, just by virtue of that process.

Now, there are a lot of things you can do to formalize that, to create content opportunities, and to really turn that into a real machine for you. In fact, I’ve taken some small businesses over the years to the point where that little network of 8 or 10 businesses are basically driving all of the business to each other.

**Dean:** Yeah, that’s amazing. It’s almost like you take the role of being an advocate for your clients, realizing that they’re going to need all kinds of other things that you don’t do, and if you’re the one that is sort of advocating for them and taking their best interests under your wing and making sure that they get the right service.

Have you ever read *The One To One Future*? Do you remember that book? It was written in maybe 1996. Don Peppers and Martha Rogers.

**John:** I don’t recall. Yeah.

**Dean:** Okay, so they wrote a book, Don Peppers and Martha Rogers.

**John:** Oh, okay. Well, I know of them, right, yeah.

**Dean:** Yeah, 1996, called *The One To One Future*. Back then, this whole idea of thinking about your clients and about the relationship that you can have with people, and sort of taking that advocacy role of introducing them to the people who can provide the services that they need, was so far out of the box at the time, and a little bit more difficult to execute.

I think about it now, today, with the Internet and with email and with all the advancements that we've had in technology, how much easier it is to really execute the things that they were talking about, and build those relationships.

**John:** I think you hit on a key thing there, too. What you end up doing is you ultimately generate referrals, but the first thing that you do is you make yourself more valuable to your clients.

Joe, I know a lot of your listeners, you talk about the 25K Group – I've got to believe that while there are tremendous ideas that come out of every session as folks that are in it, I've got to believe some of the people stay because they know that they can be introduced to X, or to get this resource, or to know that they're going to have what we used to call rolodexes. You younger people look that up. They know they're going to have access to that, and that's got tremendous value.

**Joe:** Yeah, I mean actually I think that's one of the primary reasons people are actually in the group, is just the access to the relationships. I think a lot of people, I am their go-to person, and I provide access to things. Most people in 25K are very, very accomplished, so it's not like they don't know smart people, it's just I am a conduit. That's one of the roles that I want to play, so I truly do become valuable to them.

Even with my carpet cleaners going along the lines of this, By Referral Only did this, having a homeowners rolodex, teaching them that, "Hey, you're already in the home doing a service, and there's lots of other people that you know that are great companies." And going back to what you're saying, definition of marketing, someone has a need to know, like, and trust you. If your clients need a plumber or a pool service

company, or a painter, or an electrician, or a pest control company, or a roofer, you have all of these different service businesses that you know, like, and trust, and they know, like and trust you. If you could just become that connection for them, you've made yourself infinitely more valuable than just the guy or the gal that cleans their carpets.

I think any way that a company can identify that sort of service that they can provide is critical for longevity.

I do want to ask you, though, about this. I want to say this as serious as can be. In order for people to set up and have a business that is very referable, do they have to work harder? In the scheme of things, are we recommending things to people where they're just going to have to work harder than they already are right now in order to make this a reality and make it work long term? Or is this more of the setup isn't that difficult compared to the results that it will produce? And in the scheme of things companies that actually do what you suggest actually don't work as hard as companies that don't have this in place?

**John:** Well, it's like a lot of things. The farming is such a great analogy. It's a lot of hard work to plant the seeds and till the dirt, but you do that and then you enjoy a harvest without having to work so darn hard going out there looking for food.

I think that that's probably an analogy that maybe makes some sense. However, having said that, really doing a few simple things in your business, changing your mindset about expectations.

I'll give you a real simple example that we coach people on doing all the time. It's so stupid that it works, I think. Or so simple that a lot of people look at it and go, "Are you kidding me?" I can't tell you how many thousands of referrals I have been able to help people generate by just telling them to introduce the concept of referrals in the lead conversion process, in the actual selling process, rather than most people wait. They sell. "Oh, good. Are you happy? Do you know anybody who needs what we do?"

What if on the front end, when you're selling somebody, you said, "You know what? We know you're going to be so thrilled with what we've proposed here that, at the end of 90 days, we're going to come back and we're going to make sure you're thrilled. And at that point, we're going to allow you to introduce us to 3 other people who you know should get this result."

A salesperson that adopts that phrase and that mindset will get 5 times the referrals of somebody that waits until after the fact and goes back and asks. Now, obviously, you have to thrill them, you have to go back and ask.

But the thing I love about just that one simple thing is that, first off, it plants a seed. It sets the expectation. They know you're going to come back and ask. But, think of the marketing message: "We know you're going to be so thrilled before we even start this project, that you're going to want to give us referrals." That is a pretty strong statement.

Again, you can do simple things, like that. And if you're doing nothing right now, that will change your reality.

**Joe:** That is worth the entire price of someone listening to this podcast. Oh, wait. Actually, the podcast is free.

**John:** Well, that will take care of the people that want a refund then, won't it?

**Joe:** Right, exactly. Well, no, no, no. Let me highlight what you said.

**Dean:** We're going to send you all the refunds, John.

**Joe:** Now, you said if someone does this, if they introduce the referrals into the lead conversion, they'll get 5 times the referrals. I mean, you said that statement, but is that really true, that you can confirm that?

**John:** Well, I mean obviously mileage is going to differ for everyone, depending on what they're doing, what they're selling, how good a job. Because you can say it, but if you don't make them happy, and you don't have a process to go back and collect those, it's not going to happen.

But, I can tell you this right now. Folks that are getting some level of what I call the accidental referrals right now, meaning that they just show up on their doorstep without them doing anything, will easily see 3, 4, and 5 times, if they start introducing this simple process. Again, you have to follow through. You have to make sure that they're thrilled. All those steps have to happen.

But just the fact that you set the table, you set it as an expectation. I haven't anybody yet that came back to me and said, "You know what? They're telling me, no on the front end, no they're not going to refer."

**Dean:** You know what? That's so brilliant to set that up. Joe Stumpf, who is the founder of By Referral Only, and I worked very closely with him for about 14 years – we did lots of big seminars for realtors and a big coaching program – but he is perhaps the most brilliant referral wordsmith that I know. I got to experience that and listen to him talking about it.

One of the things that he always advocated is bringing it up appropriately, when people are asking a question. Like in a real estate situation, sometimes people ask, "Well, how much do you charge?" And so if you can skillfully turn that into a referral dialog, where you're talking and planting those referral seeds right at the beginning by taking that question and you say, "That's a great question. We get compensated in 2 ways. First of all, we're going to take on all the expense of marketing your house. I'm going to go through all the time. We do that on a contingency basis, and when it sells we get 6% of the sale.

"The second way we get compensated is that we're going to deliver such an incredible experience for you that you're going to want to refer your friends and your family to us throughout the transaction." So by presencing it right there, that it's not just I'm in it for the transaction and to get out, but that we've got a higher sort of standard that we're shooting for. It's that you're going to be so thrilled, and you're setting that up, you're future pacing, that you're going to be so thrilled that you'll want to introduce your friends and your family.

That's kind of a fantastic way, whenever you can bring that referral conversation right up front.

Joe and I talked one time about Patti Lund, the dentist from Australia. I'm sure you're familiar with him, John.

**John:** Yeah, yeah.

**Dean:** With setting it as an expectation that he truly has a by-referral-only dental practice, where the only way you can get in is to be referred. And one of the prerequisites for getting in is that you understand that in order to be in, you're going to have to refer 2 people. You set it up as a requirement for doing business. It depends on how bold you want to be about it.

**John:** I've heard that story. A lot of people tell that, and they almost kind of have this, "Oh, well that's a snobby approach. We do good work and people refer us because they feel motivated to do it without us asking them." I think that, in many cases, it's all about positioning.

We've been talking about this. You know they're going to be thrilled. You know that they get value. So you have to understand those 2 things. Those 2 things have to be true. Once those 2 things are true, then you'll have no problems, no issues at all taking that mindset, because you know you deliver value. You know you can only work with so many people. You know you can only chase so many leads. It's really in everybody's best interest.

Now, one of the things that it certainly does is it makes you elevate your game too. If you're not ready to do that, then it's a little tougher approach to take.

**Dean:** And if you turn it into a benefit for them, one of the other languages that we would use is to say to people that, "Most real estate agents spend 80% of their time prospecting and looking for new business, and how we're different is we focus all of our time on actually working with you and serving the people that we're serving right now, and know that we're able to deliver such an incredible experience that you'll refer your friends and family, so we don't have to spend our time looking for new business."

**John:** Absolutely, yeah.

**Joe:** Could I highlight something also, which is such an obvious, but a lot of people don't always think about this. All customers, clients, prospects, patients, whatever it is they are to whoever's listening, all of them are not created equal. Some show up in a much better positioning than others. And in the pursuit of where most business owners attention goes, which is new customers, new customers, new customers, they sometimes forget that some are infinitely better, more profitable, more pleasant, more endearing than others.

And a referred prospect, a referred client, is infinitely easier, better, more profitable in almost all cases to have than someone who is not. So, where all of the different things that people can do in order to generate business, really getting this area of their business handled, in my opinion, is critical.

You talked about harvesting and the setup. Dan Sullivan, through my many conversations with Dan, he has like a process where you think about like the conditions that you want to have in your life. In order to have the conditions, there needs to be a setup, because you've got to set it up or you're not going to get what it is you want.

So, I wanted to ask both of you before we kind of wrap up, the conditions that someone will have if they setup their businesses where clearly better clients, more profitability, in many businesses you'll eliminate slow seasons and stuff because you kind of have an engine. You call it a referral engine for a reason. It's sort of runs.

But, what's the setup? We've talked about some of it, where you have to have the mindset and stuff. But I'd like to ask you guys in order for our I Love Marketing listeners to have the best conditions that they can in their business, what are the setup that they really need to have, so that they can walk away from this episode and have the desire to go out and read your book, *The Referral Engine*, really go out and put into place these things?



Obviously, we're doing this because we want all of our listeners to succeed and have great success with this. So I wanted to just have you guys give your perspective on that.

**John:** Well, I'm not sure if this is going to answer your question fully, but I mean if you're talking about what should they go out and do tomorrow to start getting this referral engine built, the best piece of advice – and I would give this to any business owner of any type, any industry, any size, is to go out and identify 8 or 10 of what are your ideal clients. Because we all have some that maybe aren't, I feel. So, the ones you want more of are your ideal clients.

And get them on the phone or sit across the desk from them or do something where you can engage them for 15 or 20 minutes, and just ask them why they buy from you or how they found you in the first place, why do they keep buying from you, what do you do differently, that other people in the industry don't or maybe even their past vendor for what you provide.

Really try to get at the heart of how you're different, how you're unique, and maybe you'll discover some gaps, too, where you could provide better service.

But one of the things I've found is that if you take the time to do this exercise – and don't let people off the hook. Don't let them say, "You provide good service." Everybody says that. "What does good service look like to you? Tell us about a time when we provided good service."

Get those stories out of them. Because to me, that is probably the most important way or most powerful way for you to actually get a handle on how you are different, how your business is unique. Because my experience is 90% of the business owners out there are wrong about that part, what they think customers value is, generally speaking, not what the customers really value.

When you can get that right out of their mouths, the actual phrases and words right out of their mouths, it will be absolute gold to you in terms of kind of repositioning and differentiating your business.

**Joe:** I like it. I like it. Dean, you have anything that's going to sound better than that? I mean look, honestly, we are in the entertainment business here, as much as we want to be serious.

**Dean:** I agree with everything that John just said. In addition to that, I think that if you understand why it is that people are buying from you, and that whole question that we ask, what would be a dream come true for them, I think when you focus on the actual service that you deliver or the product that you deliver, or making that the very best that you can for whatever category you're in, that is really where it all starts.

The number one thing, and John said it earlier on the call, the number one thing to improve the number of referrals you get is to be referable. What makes you referable is that you get a better result than anybody else.

When you really feel that and you can quantify it and you can point to it and know in your heart that anybody who's thinking about doing anything in your category, like we said, it becomes that moral issue that you really owe it to them to make sure that they get that need met.

That's the most referable thing. If you have that kind of starting point, it makes it easier for you to feel comfortable asking people to help.

**John:** Well, and I'll throw in one other last little thing here, since we're trying to entertain a little bit. Stop being so damn boring, too.

**Joe:** I've been telling Dean that the whole time we've been doing I Love Marketing.

**Dean:** Well, nobody refers boring businesses. Do something that makes people talk, and your life will be a lot simpler.

**Joe:** Me and Dean, I think they refer-ability strategy with I Love Marketing is we just continually insult each other.

**Dean:** That's true.

**Joe:** I just think it just – no, you're right. You're absolutely right. You cannot bore people – what's that?

**Dean:** It becomes standup routine, right?

**Joe:** Yes, yes. David Ogilvy said “you cannot bore people into buying,” and it is so true. We have something with I Love Marketing that’s our free episodes and everything. And this is almost like a conversation that I’m making public, that would typically be something like, John, if we were just on the phone talking I would be like, “Hey, I want to get more people that listen to I Love Marketing to refer it.”

**Dean:** This is cool. This is great. We’ve got John’s answer.

**Joe:** If you were like advising me, what would you tell me to do?

**Dean:** That’s perfect.

**John:** So not only you put me on the spot, you’re putting me on the spot on tape, huh?

**Joe:** Yeah, yeah.

**Dean:** We’re getting free consulting. It’s perfect.

**John:** The thing that we probably all could do a lot more is to be more shareable.

**Joe:** More shareable?

**John:** Shareable, yeah, yeah. Make it a lot easier for people. Put tools in their hand. Give them tangible stuff. On the I Love Marketing website, and I know you have a little bit of this, but make lots of ways very easy for them to pass the content on to other people. Maybe even figure out a way to make a game out of it.

I think that that aspect, that behavior, has really become so ingrained in kind of this social media and social network’s world, that I think we have to find ways that, with a push of a button, 10, 12 people now have been invited to be a part of the show.

**Joe:** Right. I like it. Okay. And until then, with the difficult referral sharing strategy we have, I would really hope that everyone listening, as soon as they’re done with this call, calls their grandmother, tells her to listen to I Love Marketing. Go and tell all their friends. Literally mail, snail mail, postcards, telling everyone I Love Marketing. Forget the whole email thing, just send everyone postcards. That would be awesome.

That was a joke, by the way. That was for entertainment purposes only.

Listening to this, what's kind of cool about doing this is I think in terms of the stuff we talk about on this podcast, even in the midst of being on it and doing it, I always get so much out of listening.

Some of the highlights that I got here – I got a bunch of notes – is your definition of marketing: someone who has a need to know, like, and trust you.

Every business is a marketing business. Strategy over tactics. Not just the tactic of the week, but find a way to differentiate yourself from everyone else. The Marketing Hourglass. Try, buy, repeat, referral.

Think of ways to be the go-to person for your clients, and be so valuable that they will never leave. Introduce the referrals into the lead conversion system; that will increase 5 times the referrals.

Your process of identify 8 to 10 ideal clients on the phone. Speak to all of them 15 to 20 minutes; ask them why did they buy? What do I do that others don't? Get at the heart of why you're different. Don't let people off the hook. Get the stories out of them, because the stories, when it comes to copy and communication, are critical. Your own existing happy clients will create better marketing for you than you can, in many cases, ever hire a world class copywriter to create.

And share it, make it a game.

So those are just some of the many things that we talked about on this particular episode. I want to very much thank you, John, for taking the time to do this. And we don't have to wrap up right in this second. I want Dean to kind of say anything that he wants to say.

Before we wrap up, though, I want to give people an opportunity to get a copy of your book. I think everyone really needs to get a copy of *The Referral Engine*. Seth Godin said that, "This book will pay for itself in one day." So it is a great book. It will be very valuable. And also, *Duct Tape Marketing*, too. Anything else you want to say?

**Dean:** They cut that quote off, because Seth probably said, “This book will pay for itself in one day, or I’ll pay for it.”

**Joe:** He should actually pay for it. I personally think Seth should buy everybody a copy of this book. But we’ll take that up with him later.

**John:** Years ago, I picked up a book, 8 or 10 years ago, Guy Kawasaki had written a blurb on the back of the book. He actually wrote, “Buy this book. If you don’t think it’s wonderful, send it to me, and I’ll send you your money back.”

**Joe:** Really?

**Dean:** Right.

**John:** Yeah.

**Joe:** You know what? When I have a book come out, because I’m going to be co-authoring a book with Dan Kennedy, and possibly with someone we won’t mention yet. But a very, very well-known dude. And I think if I ever do it without Dean, because me and Dean probably are going to do a book at some point, I’ll have it say, “If you don’t like this book, please send it to Dean Jackson.”

And even if you do, please send the receipt to Dean, and he will pay for it, because I think that would be cool.

So, Dean, why don’t you finish this up with some smart stuff, and then we’ll have John give out any information, so people can continue to follow him, read his stuff, all that sort of thing.

**Dean:** Well, every time I talk to John, I like him more and more. It’s kind of nice to get to know you a little bit better, John. And I love how our ideas are so parallel. They’re complementary. So, everything that we talk about, you’re really onboard with. There’s nothing radically different. I love it when you find somebody like you, who is very passionate about marketing and about how it all fits together. All 3 of us have spent our whole careers really studying marketing and getting our own perspectives on it, and applying it. Even though we’ve got different ways of articulating the things at its core,

they're all very harmonic. They're all very complementary to each other. It's just another viewpoint, another layer, and I just love hearing about it. And I'm really looking forward to getting to know you even better.

So, thank you for being on with us.

**John:** Oh, absolutely. Absolutely. And thank you very much.

**Joe:** John, so how do they pick up your book?

**John:** I have, as we mentioned, the blog and podcast and traditional kind of weekly email newsletter, and all of that good stuff can be found at [DuctTapeMarketing.com](http://DuctTapeMarketing.com).

The books, of course, that you mentioned, fortunately, can be acquired pretty much anywhere people sell books. But certainly, the Amazon, Barnes and Nobles, those kinds of folk as well.

**Joe:** Awesome. Awesome. And one thing I've got to say. I registered and still own the website [TapeOfTheMonth.com](http://TapeOfTheMonth.com), because when I used to have my Genius Network interviews on a monthly tape, like audio cassette tapes, and I know some people can't remember those, I had [TapeOfTheMonth](http://TapeOfTheMonth.com) but I never used it. And now, I'm trying to think, "Well, unless I sell it to a tape company that has like a continuity program where they deliver like duct tape or something, every month they'll send you a new color or something, I don't know what the hell to do with [TapeOfTheMonth](http://TapeOfTheMonth.com)."

Maybe we should get rid of this Duct Tape brand, and just maybe we can change it over to the tape of the month or something.

**John:** I'll consult my marketing team here.

**Joe:** Talk to your sales prevention department about that one. I'm kidding.

So, everyone, go to [DuctTapeMarketing.com](http://DuctTapeMarketing.com). Do get a copy of John's books. They're great. Like Dean said, they will totally be aligned with everything that we teach.

As usual, we're going to continue to bring really smart people and great strategies and capabilities to all of our I Love Marketing listeners. We want to thank you all very much. Some of you, at the time of this podcast, are going to see us live in Arizona, here in just a couple of weeks. And if you are still not registered for our I Love Marketing event, then go to [ILoveMarketing.com](http://ILoveMarketing.com) and read about it. Also, download the Breakthrough DNA report, which is there. It will totally be aligned with some of the things we talked about today. And if you want to get the recordings, the videos of the event, or watch it live via webcast, you can do that too.

So, thank you all very much. John, again, thank you. Appreciate it. Dean, you're handsome.

**Dean:** Thanks.

**Joe:** Thanks.