

# SECRETS FROM THE MILLION-DOLLAR MAILBOX

***(How to Create a Million Dollar Home Business  
Starting from Scratch by a Guy Who Actually Did It)***

by Brooks Owen  
“the Mail Order Professor”  
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## Preface

*Secrets from the Million-Dollar Mailbox* is a Course that will teach you how to make a lot of money by mail and Internet.

How can I make such a claim?

Because for 21 years I’ve profited from the principles, formulas and secrets the Course reveals and became one of the more successful mail order entrepreneurs in the country. These methods work... they’re not theory, hype nor “fool’s gold”... and they’ve been *proven* profitable for over two decades.

Why am I giving you such valuable information? Why am I sharing my secrets... FREE?

The answer’s easy.

You see, newcomers who want to become successful in their own mail order business have been burned many times by slick swindlers who are trying to make a quick buck with their get-rich-quick mail order “plan.” Unfortunately, they promise much... but deliver little. To add insult to injury, the con artists have no clue how to really market products by mail. They’ve merely collected misinformation, rehased it, and are passing it on. Ad nauseam. (Usually for a large price.)

So, just as my friend, the late marketing master Jerry Buchanan, helped me many years ago I'm going to do what I've always enjoyed doing most... help a few sincere men and women make a go of their own "Mail Order" business. *Secrets from the Million-Dollar Mailbox* will take you inside the profitable world of selling products and services by mail, step-by-step. It's an honest, pragmatic account from someone who's successfully done it.

With that in mind, to help you learn the techniques and procedures easily, the Course is divided into three Sections each with its own series of Lessons. Some of the information is restated throughout the Course to emphasize importance and to tie everything together.

By time you've finished reading, studying and understanding all that follows, you'll have amassed a small fortune in "mail order marketing" know-how.

If you need additional information or assistance, I'm here to help. Just ask.

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## The Fine Print

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While the business firms, individuals, links, sources, and contacts (other than my own company) mentioned throughout this Course are deemed reliable, the author and publisher are not responsible for their activities, cannot confirm whether or not they infringe on the rights of any third party; nor be responsible for any association you may have with them.

Sources are current at this writing.

# Section No. One

## How to Turn Your MailBox into an Overstuffed CashBox

### Introduction to “Mail Order”

This rather long Introduction touches on the essential elements necessary for a successful mail order venture. Essentially, it's “Mail Order 101.” While this Section — indeed, the entire Course — has been prepared principally for newcomers, I'm surprised at how many seasoned pros often overlook, ignore or have simply forgotten many of the marketing fundamentals included here. So, for you old-timers, here's your opportunity to brush-up on the basics.

Too, you should know that marketing on the Internet is not entirely the same as traditional mail order marketing. Some of the methodology is different... *BUT you must learn and understand the basics*, then put them into practice online. As I mentioned earlier, some of new “marketing mavens of the ‘net’” promise much, but deliver little. They overlooked the most important ingredient...

*the fundamentals of direct marketing and “mail order”  
are KEY to success in e-commerce.*

As the Course unfolds you'll discover hundreds of insider techniques, strategies, tips and details... all based on the nearly quarter century I've successfully marketed my info-products and services.

Let's start at the very beginning.

Today, almost everyone buys some product or service through the mail. There's an endless variety of items sold such as: computers, software, telescopes, books, courses, crafts, sports items, newsletters, pet stuff, gardening wares, food, vitamins, toys, clothing, tools, kites, videos, cassettes, reports, and on and on. Most everything you can imagine. Marketing by mail is a multi-billion dollar a year way of doing business and is still growing by leaps and bounds.

Buying products by mail is a common, acceptable practice. But here's something that may surprise you — not all mail order items are sold by large companies like *Lands End, Prentice-Hall, Lillian Vernon, Brookstone, Sharper Image, Harry and David* and others. Hundreds of millions of dollars are made each year by small, one-person enterprises. And most of these entrepreneurs quietly operate from a low cost, home-based office.

There's a *huge* mail order market waiting to buy the products, services and information you have to offer. So how can you tap into this vast market? There are two factors to consider:

1. Having a product or service for which there's a demand
2. Profitably marketing that product or service to your proper prospects

Naturally, there are several elements to each of these two basic areas. As we go through this Course I'll divulge the many factors you should consider.

Mail order is not an exact science. No one can accurately predict how many sales will be made from each mailing, display or classified advertisement, or from online ads. *Mail order marketing is a continual testing process.* You design what you believe to be a profitable campaign and then test it. Once the results are in, you can then determine whether the campaign needs revision, or not. If so, test again.

There are many techniques that have been tried and proven over the years to produce better sales. There are also some business practices that usually do *not* work well in mail order. My goal is to show you what to avoid and which are the best techniques to use. And how to begin your home-based Internet Mail Order business with the least amount of investment possible.

## **Getting Started**

Your first step is to learn the special techniques of doing business by mail. This can be accomplished at little, or no, cost. Here's how:

1. Pick up a variety of magazines, either at the newsstand or free from your library. Carefully examine the direct response, or mail order, ads that appear in each magazine. (Notice I said "direct response" ads. Those are the ads that ask you to reply, to send for something. Not "institutional" ads, like for *Compaq* computers, *Nike* shoes, *Ford* cars or *Kellogg's* cereals that promote the brand name.)

Note what kinds of products are being sold by mail, their prices, guarantees and the style of the ad. Go back several issues, or years, of the various magazines and observe which ads continue to run month after month, year after year. Study the ad headlines and copywriting styles. Collect copies of long running ads for your files.

2. Write to some of these advertisers (both classified and display) and request more information. Order a few products you want and can afford. You'll find some surprises. Some companies will send you sales material for only one product, while others will send an exhaustive catalog of related products. Some brochures will look much better than others. And others... well, you'll wonder how they even stay in business.

Some sales letters will get you reaching for your wallet to buy the product. Others will leave you cold. Some firms will answer you immediately, others will take weeks. Most often, you'll receive the product you ordered within days. And, on the dark side, some sleazy company will take your money, along with a few other people's, and run for the hills. Sad, but true.

3. Start your own mail order library of information. Get as many books on the subject as you can afford. (See *Mail Order & Marketing Pipeline* at <http://www.brooksowen.com>.) Or, if you're on a limited budget, check your library for books on mail order/direct marketing. Thing is, you should expand your mail order arsenal to really become a master. And to help you realize success easier, quicker.

4. Actually start selling a product via mail order/Internet. That's right, your best lessons in mail order selling will come directly from personal experience. You can begin by selling another company's products as a dealer, distributor or affiliate. Or by developing something profitable of your own. (You'll learn how as we go along.)

Beginning your own mail order business is actually quite easy. In contrast to most business start-ups, it'll cost very little to begin and you can "learn as you earn" which may result in large profits later. To get started, the basic steps you'll want to take include: choosing a business name, opening a business checking account, and setting up a record keeping system. These, and other basics to help you keep your business organized and focused, are covered in the *Mail Order Operations Made Easy* Lesson.

## **Choosing Products**

This may be a good time to take a new look at the old adage for success in most any business... "find a need and fill it." In retrospect, that may be the wrong objective. To me, as I've taught over the years, a much better goal is to...

*"Find a Want, Then SATISFY It!"*

You see, no matter who your prospects may be... no matter what they may "want" or "need"... they are all looking for some kind of SATISFACTION. And when you give them that satisfaction, you can be financially set for life.

As we progress through the Course you'll learn many ways to deliver "satisfaction" to — and DELIGHT — your customers. And how, by doing so, you can multiply their "lifetime value" many times over.

But, for now, you may have accumulated a few ideas while going through the four steps described in Getting Started. (Or, perhaps you've had an idea all along which you feel is just right to

sell by mail.)

In any event, begin defining those product ideas.

First, if you haven't already done so, make a list of products or services in which you may be interested. Better yet, make a comprehensive list of what you enjoy. For example: sports, model trains, consulting, a special craft, sewing, horoscopes, the occult, gardening, woodworking, pets, writing, cars, and so on. Don't limit yourself. Write down everything you enjoy doing and might want to sell by mail. The list will be trimmed later.

Your list should have two major divisions. (1) Products and (2) Services. Each of these divisions can also be subdivided into (a) proven products or services that other companies are already successfully selling, or (b) new or unique products that few, if any, companies are currently marketing.

Now, let's begin to shorten your list a bit by finding out approximately how many other people share your interest. Again, at your public library ask to look at the giant *Standard Rate and Data Service (SRDS)* or *Oxbridge's National Directory of Magazines* reference volumes. Begin checking your list against the various classifications in these references. For example, "Gardening": you'll find several magazines mailed to millions of subscribers. "Black Powder Guns": there's just a couple of magazines sent to only a few thousand enthusiasts. You get the idea.

You've now identified what you enjoy and where to reach millions of people who share your interests.

You can also look in the same *SRDS* volumes under available Mailing Lists. There you'll discover exactly what products or services have recently sold by mail, and how many.

I'll discuss this in more detail later. Right now, my best advice to the beginner is to sell what's selling. Now is not the time to become a pioneer.

You see, untried products will generally cost more to get a new company off the ground. That's because you'll have all the costs associated with developing a new product and testing the market. Also, new products are more risky because it's not known whether they can be sold via mail successfully. Or, if the product or service will even be accepted by enough prospects to make your effort worthwhile. So stick with a proven product until you get a good "feel" for mail order/direct marketing. While this means you'll be competing with other companies for a market share, it also means that there is a proven, existing market. For example, there's an endless, avaricious market for how-to-make-money information.

So, in the beginning, don't try to blaze a new trail. Stay on safe ground. Sell what's selling. (Later, we'll discuss how to achieve greater success in specialized niches.)



Now that you have your list of potential products or services to sell by mail to others who share your interest, you can further define your list. Each product should be evaluated under the following conditions by asking yourself:

1. Are there any special skills required? Will I need a lot of training to produce this product? Example: selling printing may require that you know how to operate a specialized printing press. Even though you may have a passion for printing, you may have to sharpen your skills to accommodate a flood of orders. Or, hire an associate as business builds.
2. Do I need special equipment? Do I have the funds to buy this special equipment? Does this kind of equipment break down frequently? Is it dangerous?
3. How much time will it take to start-up and operate this business, then produce the products? For example, it often takes a lot of time to produce craft items. Do I have enough time required to do a thorough, quality job at a profit?
4. How much money do I want to earn? Some products or services are limited in the amount of potential earnings. Example: you'll not get rich with a word processing service — typical earnings range from \$25,000/year to \$75,000/year. Some other kinds of mail order enterprises have an almost unlimited earnings potential, such as selling info-products.
5. Is the competition too great for my product?
6. Is there an easy way to reach my potential customers? If it's too costly to reach your prospects, perhaps you should consider a different product on your list. Example: are there magazines or e-zines in which to advertise? Or good mailing lists you can rent? You don't want to use just any list or magazine, but instead use a media which specifically targets the people most interested in your product.
7. What special problems might be associated with my product? For example: can you ship your product without breaking it? Can it spoil or go out of date quickly? Is your product hazardous? Are there any potential legal problems?
8. Is the product easy to describe and does it have easy-to-define benefits for my prospect? In other words, will it be easy to write descriptive, benefit laden promotions for the product?
9. Is my product easy to store, make, or obtain? Are the suppliers reliable? Is the cost of the product relatively stable?
10. Is my product/service outdated? Does anyone any longer want, need or even care about the product?

Evaluating each product with the above questions should help you eliminate all but a few

potential products. You can then simply select the most suitable product or service that you enjoy and which fulfills your requirements.

### **The Ideal Mail Order Product**

The ideal mail order product should be: lightweight, easy to get or make at low cost, easy to ship, sturdy, easy for the consumer to use, not dangerous, and of course, be beneficial to your customers. But, most importantly from a business standpoint, there should be a ready and willing group of people who want your product — that is, a big demand. Examples of ideal mail order products are: “how-to” books, reports, manuals, e-books, software, CDs, and audio/video tapes. Consumers are buying all kinds of these products by mail in record number.

OK, by now you’ve probably pared your list down to 3 or 4 products which you can sell by mail to an eager market. You can now take a closer look at each of these remaining items. Things to evaluate include: marketing ideas you have, related items you could sell, cost of supplies, actual size of the market, and your own special needs. At this point, you should be able to pick a product and get started.

### **Product Dealerships**

A low cost way to get products to sell by mail is by acquiring dealerships from manufacturers or publishers. Many companies will sell their products to you on a wholesale basis. You can then resell these products at the regular retail price. Some companies will even “dropship” the products for you.

Dropshipping means that when you receive an order you pay the wholesale price to the manufacturer, distributor or publisher. (You keep the difference between wholesale and retail.) The company then ships the product directly to your customer for you.

The advantage of dropshipping is that you don’t need to maintain an inventory, thus freeing capital for advertising and expansion. The disadvantage: lower profit margins. But again, you’ll be selling what’s selling and can start your business low cost.

Some dealerships are free, others require that you pay a small up-front fee. Either way, you can find information on many dealerships from direct marketing publications, business opportunity magazines, or by contacting manufacturers directly. Where can you locate U.S. manufacturers? Once more, your public library. Ask to see the *Thomas Register of U.S. Manufacturers*. Look under the appropriate heading for the product in which you’re interested. Also, your library should have directories of overseas manufacturers listed by country and by product.

As I mentioned, dealerships are an easy-to-start way to obtain products to sell. You can use dealerships exclusively or combine their products with your own for additional profits. Dealerships can be an excellent way for a beginner to get started without spending an arm and a leg for product costs.

## Basic Mail Order Math

Basic mail order math consists of simple calculations designed to tell you how you're doing with your promotion. The first set of calculations you need to make is to determine the cost of your product and its best selling price.

There are a number of elements that go into the cost of your product. I'll use a how-to book which retails for \$15 as an example:

Cost to have the manual printed:	\$ 1.00 each
Mailing cost of each manual:	.85
Overhead costs (envelopes, office expenses):	.25
Author's royalties, if any, (10% of retail):	<u>1.50</u>
Total:	\$3.60 each

This \$3.60 is the cost to actually produce the book and deliver it to your customer. You could also have an additional one-time typesetting fee to be factored in.

The big unknown right now is the cost of marketing. You have \$11.40 (\$15 less the \$3.60) left over for marketing and profit. The marketing cost can only be determined by some educated assumptions and by testing. But, you can bet it will be higher than the production and shipping costs. This is generally true, except for higher priced items where production can exceed marketing costs.

Let's take a look at what your marketing costs could look like.

Say you've decided to place a full page ad to sell the book. Illustratively, we'll assume the ad costs \$3,000 and will circulate to 100,000 readers. Let's further assume that ½ of 1% of these readers actually buy the book for \$15. (**Warning:** ½ of 1% is only a shot-in-the-dark guess in order to explain a potential return and work the math involved ... in reality it could be much less. Or more. Do *not* take these figures as an "industry average." There is no such thing. We're just playing around here to show how it works.)

Anyway, ½ of 1% of 100,000 equals 500 sales at \$15 each which equals \$7,500 gross that you've generated from your ad.

Remember, though, it cost you \$3.60 for each of these 500 books you sold. So, 500 x \$3.60 is \$1,800. Therefore, your overall profit equals \$7,500 (gross sales) less \$3,000 (ad cost) less \$1,800 (production/fulfillment cost) which leaves you \$2,700. This appears to be an excellent result. But, if you had only received ¼ of 1% response, your gross sales would be \$3,750, minus the \$4,800 in costs leaving you with a loss of \$1,050.

But wait. Is that bad? Perhaps not.

You see, you can figure that the loss of \$1,050 is your cost of acquiring buyers names for additional promotions. (On a one-shot promotion, of course, you've lost a grand.) So, if you had included a catalog of related products with your book, a percentage of your buyers would buy something else from you.

The cost, then, of those sales would be negligible, thereby giving you a tidy profit. Furthermore, you've now captured the name of your buyers and can, periodically, send them literature on additions to your product line, or let them know about special promotions, and so on. Plus, *and this is important*, you are building a mailing list of buyers that you can rent for additional earnings. By the way, many firms doing business by mail actually make their greatest earnings from renting their mailing list. It's true.

Now you can see the importance of understanding simple mail order math. Actually, this math can become a bit more involved. For example, you must eventually know about Return on Investment, Cost Per Inquiry, Cost Per Thousand of Circulation, Cost Per Order, and the like. So, as your business grows, you should become more familiar with mail order math. (We'll delve deeper into this subject later in this Course.)

As I mentioned, many mail order companies hope to at least break even on the first sale. They plan to profit by making many additional sales to the same customer over a period of time. So it's vitally important to keep accurate records.

Another phase of mail order math is tracking the response of each of your ads and marketing campaigns. (That's easily done with MailMAXX software. For information, go to <http://www.BrooksOwen.com> and click on "How I Slashed My Work Day in Half.")

When you know the percentage of people who respond to an ad, or direct mail piece, you can then determine how much money to invest in additional ads and what your prospective profits may be. You'll also need to keep close tabs on the cost of all catalogs and sales literature. If you print them in larger quantities, the price per item will go down and your profit potential will go up.

Note: even though you've determined the response to a particular ad or mailing, you'll find that the exact same response will not always occur. Many factors affect this business, such as timing, some months to advertise are better than others, diminishing effectiveness of a rented list, world events, varied response from ads placed in different publications, obsolete product, and so on. So, although it's essential to track the results of your ad campaigns, you can only use the accumulated data as a basis for an educated guess for your next campaign.

As you can see, simple mail order math and record keeping is a vital part of a successful operation. You must always be attentive to what I've coined as the 3 Deadly P's ... Postage, Printing

and Promotion. They're your greatest expenses and you must constantly watch to keep them under control.

## **Mail Order Marketing**

There are several ways to market your product. However, the two basic methods are (1) Advertising to generate inquiries or direct sales, and (2) direct mail.

With either method you hope to achieve: (1) getting inquiries (prospects requesting more information about your product), or making sales directly from the ad. This is accomplished either with traditional ads or online. Or (2) making sales from the literature you send to a rented mailing list. The method you use and the goals you have will dictate the type of sales literature you prepare.

Advertising is simply placing display ads (or small, low cost classified ads) in publications likely to reach people most interested in your product. Most all publications will give you a profile of its average reader when you request a Media Kit.

There are many special-interest magazines geared toward some particular field. Examples are:

1. *PC World* — a magazine for IBM computer users
2. *Home Office Computing* — a magazine for people who use computers in home-based businesses
3. *Entrepreneur* — a magazine for people who are looking for business opportunities
4. *Model Railroads* — a publication for builders of model railroads
5. *Civil War* — a publication for people who are interested in the history of the U.S. civil war
6. *Wood* — for woodworking
7. *Crafts 'n Things* — for crafts
10. *Organic Gardening* — for gardening enthusiasts
11. *Mother Earth News* — for self sufficiency, back to the land devotees
12. *Field and Stream* — for fishing/outdoors

As you can see, there are publications that appeal to many different preferences. So your first goal is to pick publications that are most likely to reach your potential customers. You can then choose one or two of these publications for a test ad.

Of course, some products appeal to a wide range of people. So you may be able to advertise in various general-interest magazines, such as: *Better Homes & Gardens*, *Woman's Day*, *Good Housekeeping*, *Sunset*, *McCall's*, and the like. And, there are the tabloids that boast millions of readers... *National Enquirer*, *Globe*, *Star* and the rest.

Note: you should search for publications that contains ads for products similar to yours.

## Classified Ads

Using classified ads is one of the most cost-effective ways for you to begin marketing by mail. A 20-word classified ad will cost anywhere from \$20 to \$300 in a magazine, less online, depending on circulation. Many successful companies use classified ads to generate inquiries. Once an inquiry for more details about the company's product comes in, a complete packet of information is sent to the prospect. This is known as the "two-step" approach.

### Examples of Classified Ads:

1. Clear extra \$2,000 monthly from home with your computer. Sparetime. Easy. Free Report reveals insider secrets. Write: Acme, Box 111-RR, Wiley City, USA

The inquirers to this ad would be sent sales materials for a manual that describes ways to make money with computers.

2. Make 10 birdhouses from sheet of plywood! Easy, fun "money-hobby." Free information: Birdman, Dept. A, 12345 Main St., Gotham City, USA

The company running this little ad might send a sales letter, descriptive brochure and information on how to order plans to build birdhouses.

The above classified ads illustrate what I introduced years ago as the AEIOU formula. Each classified ad (as well as display ads) must aim for: Attention, Excitement, Interest, Offer, Urge to buy... **AEIOU.**

**ATTENTION** — you must attract the *Attention* of readers

**EXCITE** — your ad must cause *Excitement*

**INTEREST** — you must create reader's *Interest* to know more about your offer

**OFFER** — you must state your *Offer*

**URGE** — all of which *Urges* your prospect to respond

Keep your classified ads short and to the point. In classified advertising you pay by the word. Also, you may want to include phrasing that qualifies your inquirers. For example, an ad for a vague moneymaking opportunity might get inquiries from a wide range of readers, most of whom probably

wouldn't be interested in your offer. But an ad like #1 would produce only inquiries from prospects who are interested in using their computer for income. So you've narrowed the field down to more qualified prospects.

Ad #1 also shows you a technique for "keying" your ads. The "RR" after the box number is a code, or a key. You know that each inquiry sent to Box 111-RR came from an ad in a particular magazine. This will allow you to evaluate the effectiveness of the ad using the simple mail order math previously discussed. Thus, you will be able to determine which ads and publications produce the best results.

You can learn a lot simply by studying the successful classified ads used by other companies. Make it a practice to read the classified ad section of many magazines. Note the ads that appear month after month and which ones appear in several magazines. These are profitable ads that produce a good number of prospects who eventually buy the company's product. This two-step method is a low cost way to build up a loyal group of customers. And a very cost-effective way to "get your feet wet" selling by mail.

## **Display Ads**

Display ads range in size from one-inch to full-page. Like the classifieds, the smaller display ads are most often used for getting inquiries and then following up with sales materials. The large display ads (1/4 page to full-page) are usually placed to make direct sales to the reader of the ad. One step: read the ad, then order.

The three most important factors in display ads are:

1. An eye catching, provocative, stop-readers-in-their-tracks headline
2. An easy-to-read layout
3. Benefit-packed ad copy to make your proper prospects reach for their checkbook and send you an order... now. (AEIOU)

Your ad's headline should immediately attract readers and make them want to know more. Examples of good and bad headlines:

A. How to Get Your Share of the Riches Hidden in Your Computer

B. Smile When You Get Up Tomorrow

Headline A is much stronger because it offers specifics, news, and a benefit upon which the reader can focus. Headline B doesn't say anything at all, therefore causing the reader to quickly pass

over it without a second thought. Here are a few examples of effective headlines:

FREE BOOK TELLS YOU 12 SECRETS OF BETTER LAWN CARE

HOW TO WAKE UP THE FINANCIAL GENIUS INSIDE YOU

IS IT SINFUL TO MAKE MONEY THIS EASILY?

THE “MIDAS-SECRET” OF A MAN WHO REALLY ESCAPED THE PAYDAY-TO-PAYDAY RAT RACE

HOW TO COLLECT SOCIAL SECURITY AT ANY AGE!

INVENTOR REVEALS HOW TO MAKE \$400 A DAY WITH FREE TIRES!

12 WAYS TO BECOME A BETTER LOVER

DO YOU MAKE THESE MISTAKES IN ENGLISH?

HOW TO DEVELOP A SUPER POWER MEMORY

HOW TO SEIZE THE RICHES THAT LIE HIDDEN IN YOUR COMPUTER

7 STEPS TO FREEDOM

HOW TO MAKE A GOOD LIVING WITHOUT A JOB!

HOW TO PAY ZERO TAXES

HOW TO MAKE \$200 A DAY IN YOUR FREE TIME WITH SCRAP WOOD

There's a whole Lesson devoted to creating effective headlines later in the Course.

Anyway, the large display ad must also be visually attractive: use easy-to-read serif type style, photos, sub-headlines, testimonials and order coupon or ordering instructions.

The body of the ad must incorporate exciting copy which takes your prospect down the greased chute to the order coupon. Use copy that focuses on the benefits the reader will get from buying your product or using your service. Benefits, benefits, BENEFITS. “You” copy, not “me” copy. Ad copy must be easy to read and understand. It should grab the reader just like an exciting movie or a well written novel does. Don't be afraid of long copy. Your proper prospect will read it. The old advertising adage, “the more you tell, the more you sell” is every bit as true today as ever.



As you near the end of your ad copy, focus more on getting the reader to want to buy... *right now*. Don't be shy, don't choke up — ask for the order. Offer an incentive to buy... NOW. An incentive example might be a free report which will benefit your prospect, or an inexpensive item (with a high value perception) which ties in with your product. You know what I mean, “Order within 10 days and you'll get absolutely FREE a really neat Acme alarm watch which lights up and sings Yankee Doodle! Hurry. Supply is limited.”

You must also offer a money back guarantee. Refund guarantees range from 30 to 365 days. The longer the better. Companies with quality products often guarantee them for life. Offering money back guarantees is just one more way to put your prospect at ease and gives him or her another reason to send hard-earned money to a perfect stranger.

A good technique often employed in direct response ads is the use of testimonials from satisfied customers. “Yes, I bought the Birdman's plans and built 439 birdhouses in one weekend. I've been building birdhouses for 73 years and this is the easiest, cheapest way I've ever seen. Wowee, am I ever thrilled! (Now if I can only figger a way to get rid of all these here dang birds.)”

Most full page ads include an order form at the bottom right corner. Bottom right only. Nowhere else.

Writing good display ads and direct mail brochures is part science, part art. You can pick up many techniques by reading books and observing ads used by successful companies. And practice. But, writing ads is not usually for the beginner or faint of heart. If you feel you can't write an ad or sales material yourself, hire a professional copywriter. A pro can often produce many extra sales for your product. In the long run, hiring a professional pays, not costs.

A word of advice on hiring a copywriter: don't, repeat, do NOT hire someone from your local ad agency. Nine times out of ten, they don't know beans about direct marketing copywriting. It's different. They can put together ads for local stores, or whatever, but they have absolutely no experience in direct marketing or direct response. Look in *DM News*, *Target* or *Direct Marketing* magazines. You'll find loads of qualified copywriters. Or, contact me at <mailto:Brooks@BrooksOwen.com>. Perhaps I can help.

## **Direct Mail**

A direct mail campaign basically consists of preparing a 2 to 12 page sales letter, brochure, a “lift letter,” a return envelope, an order form and, sometimes, a bonus coupon. You then select a mailing list of potential customers and rent 1,000 to 5,000 names. Your sales material is mailed to these names and the results are evaluated. If the results are good, you expand the testing to more names on the same list, to other lists, and onward to larger mailings.

Wait. Even though you've rented, say, 5,000 names (often a minimum) don't mail to all 5,000.

No, no. Take it slow. Mail to maybe 500. Chart the results. If you're pleased, send another 500. Next, maybe another 1,000. And so on. On the other hand, if your results are poor, stop mailing to this list. You haven't lost your shirt, just a few dollars. Work with your list broker and try another list. Or change brokers, or whatever.

Where do you find List Brokers? Again, in the giant *SRDS* at your library. You'll find thousands of brokers. Each one often specializing in a particular subject. Or, read the ads in one of the marketing magazines I mentioned previously.

Note: the best list of prospects contains the names of people who have purchased by mail a product similar to what you are offering. And who have purchased within the past 90 days.

### **Your Own List**

All successful mail order companies build a "house list" of their customers. A house list can be made up of the inquiries and buyers that you obtain and is your best bet for generating additional sales. People who have purchased from you in the past are likely to purchase from you again. Assuming that they were happy with their first purchase, and that you have related products to sell.

Therefore, many companies mail often to their house list, anywhere from 2 to 6 times a year. You can determine the frequency of mailings by evaluating the results of each mailing. Too, as previously mentioned, you can later rent your list to other mail order companies to further increase your earnings. More about mailing lists in a later Lesson.

### **Your Sales Package**

There are several basic elements to a successful mail order sales package, including:

1. The *quality* of the **Offer** itself: price of the product, guarantees and the usefulness of the product are important. In short, is your offer a good deal? Are you proud to offer it? Will it benefit your customer in some way?

Let me tell you a quick story. I've always tried to give more value than my customers expect. I used to sell a kit called the *Instant Mail Order Kit* which sold for only \$19. For that \$19, my customer got a whole lot of value. It was literally jammed with materials to start a little home-based mail order business, including info-products. Anyway, I actually had people call and ask me if I didn't make a mistake. They thought I sent them too much! True. Was I crazy?

No. You see, that big package I sent out turned a buyer into a darn good customer. What's more, I DELIGHTED my customer. I gave something more than expected. And that happy customer came back and bought more stuff from me. Again and again. Remember when I told you that, often, the first mailing breaks even or actually loses a little money? Well, now the back-end purchase from that

happy customer more than made up for any loss.

So add to Quality, Price and Usefulness ... *Value*. And you'll prosper.

2. Your **Sales Letter**: the sales letter is a personal letter to your prospect. Or as "personal" as it can be. Your letter can be anywhere from 2 to 12 pages long. It should be peppered with many reasons (benefits) why the prospect should have your product. What's in it for him or her? State your most potent benefit first ... in your headline or first paragraph. Your letter should appear as much as possible like a personal letter from a friend. Leave lots of blank space top, bottom, both sides. (About an inch all around.) Make it breezy, punchy, friendly. Ragged right side, not justified. Typed, not type-set.

Your pages should be broken up with sub-heads and/or a single sentence paragraph here and there to add punch.

Always include a P.S. to re-affirm the major benefit of your product. Studies prove that readers will first look at your headline or lead-in sentence/paragraph, look at your P.S. second along with whom the letter is from, scan the sub-heads on the other pages and then, if still interested, read what you have to say.

Your letter is absolutely the very most important piece of your direct marketing campaign. Spend more time with it than anything else. Period. How long should your letter be, really? Two pages? Twelve pages? The answer is ... as long as it needs to be to adequately tell your story and spell out the benefits of the product to your reader.

Caution: don't create a long letter just for the sake of length. If you write a six-page letter and it can be trimmed to four without losing any impact or benefits and "reasons why" that you're communicating to your prospect, do it.

When you've finished, your letter should attract attention by fitting in with your prospect's own train of thought. It should show the reader an advantage and create a desire to have what your product will do for him or her; profit, pleasure, solve a problem, whatever. Your letter should offer proof of what you say is true, and/or give a solid money-back guarantee. And it must ask for action... NOW.

Since the Sales Letter is so very important, we'll spend more time later on how to turn a ho-hum letter into a powerful sales generator.

3. **Brochure**: a brochure, or flyer, presents a complete description of the product and doesn't usually need to be longer than two pages (front and back of one 8 ½ x 11-inch sheet of paper). It may contain photos of the product (someone happily using your product?) or diagrams, if needed.

It should provide enough information to answer all the customer's questions about the product and benefits. Generally, a brochure/flyer stresses, highlights, and details salient points covered in your

Sales Letter. All questions should be answered. Don't leave your prospect wondering what your offer/product is all about.

4. The overall **Appearance** of your package. Your direct mail package should be easy to read, and easy to understand. It should look friendly and appealing.

5. The **Outer Envelope** is an often overlooked, but integral part of your package. Needless to say, your message will never get read if your prospect tosses your mailing piece away before it's even opened. What a waste! What to do? Of course, there are plenty of ways to get your prospect interested. For example, if you're sending out a response to an inquiry, simply print on the envelope "Enclosed are the Birdhouse Plans details you asked for," "Here's the Information You Requested," "This envelope contains the information you ordered from Brooks Owen." Or something similar.

Or, type your name/address in the upper left corner, type or print your customer's name/address on the envelope and affix a live stamp. Nothing else. Your envelope will appear like a regular letter. Curiosity will often get your letter opened. Or, you can insert your information in a large, say, 9 x 12 envelope. Who wouldn't open that? The point is, you must do everything in your power to get your prospect to open the envelope... and into reading your letter.

Note: as you can appreciate, most folks are now reluctant to open "blind" envelopes from strangers. For that reason, it's preferable to print your full business name and address on the envelope, along with a message like the examples above.

One more thing. Postcards are being used more and more. Properly worded Power Postcards, even though copy is short, can often bring huge results. Think about it... who doesn't look at a postcard? An added benefit is that postcards cost less to mail, thereby lowering postage expenses. (*Beat the Post Office... Sell with Postcards!* is a must-have manual. See the "Mail Order/Marketing Pipeline" at <http://www.BrooksOwen.com>.)

6. **Incentives:** for you to enjoy even livelier sales, you should consider offering special incentives. An incentive is a "bonus" your customer receives when buying from you. It must provide something of worth to the customer and be perceived as a good value. There are several different kinds of incentives. For example,

- a. Purchase before such-and-such date and receive a discount certificate for other products.
- b. When you order within 10 days, you'll receive a FREE report showing you how to (whatever ties in with your offer).
- c. Buy 3, get one free
- d. Order before January 1, 20XX and get a 10% discount on your first order of bird seed.

e. Send for *Secrets of Mail Order Unlocked* now and receive FREE the classic *Cash From Classifieds*. Limited supply. Hurry.

f. Buy 10 music CDs and receive 2 surprise CD's absolutely FREE.

g. Order within 7 days and get FREE software updates for one year.

You can almost always dramatically increase your response by offering the right incentives. Of course, you'll need to evaluate and compare the extra cost of the "freebie" to any increased cash-flow and net profits.

Also, when in doubt about what kind of incentive to offer, you can never go wrong with reports. A two to eight-page report on the same or related subject as your initial product is inexpensive to produce and, if prepared properly, can give your buyer useful and usable information. For example: if you're selling telescopes, offer a free booklet about how to use the telescope, how to care for the telescope, or how to locate planets, stars. Or whatever.

7. **Guarantees:** a money-back guarantee will always increase the response to your ad or direct mailing. The guarantee gives your prospect confidence. She or he knows they can get a refund if unhappy with your product, or have any problems corrected if necessary. Typical refund guarantees range from 30 days to one full year. The longer, the more likely the sale. If your product is good, your refund requests will be insignificant.

Always honor your guarantees quickly. You'll develop a good reputation and produce extra sales in the long run. If you discover that you're receiving too many returns (above 3%), you may want to re-evaluate the product. Or, more likely, re-evaluate the promises in your advertising. You'll need to make some changes.

(Note: not everyone agrees with me on this point. 10% returns are acceptable to some. You'll need to find your own level of acceptance.)

8. Spend time on the **Order Form**. Your Order Form should repeat your primary benefit, like: "Yes, I'm ready to lose 10 pounds by next week. Rush my copy of *Losing Weight Naturally*. I can get my money back, if I'm not satisfied." Give your customer easy ways to order: by return mail (be sure to include an addressed return envelope), phone, FAX, e-mail, online. And by check, money order or credit card.

## Testing

Successful companies test various elements of their campaign until they've developed the best profit-producing strategy; and then continue testing on a smaller scale to fine-tune the results.

First, a mail order sales package is created using the basic techniques. The package is then mailed and the results carefully calculated. Sometimes several packages with small differences between them are tested and the results recorded. For example: one package may offer a bonus report to buyers, another package would not offer the bonus. One test package may state a price of \$19, while another tests \$29.

The best pulling package is your “control.” Then all the other packages are tested against this control. *Test one change at a time.* You can then determine if any of the changes improve response. In order for the tests to be valid, everything else about the test should remain the same. (Ads are tested in the same ways.)

Some of the things you can test are...

Different prices, different incentives, better guarantees, various bonuses, various color brochures and order forms, various color envelopes, different mailing lists, different sales letters, different ad copy, different headlines, and so on. Most testing falls into these two general areas...

- (1) The mail order package or
- (2) The media; that is, the mailing lists or the publications in which the ads are placed

Testing is an important part of mail order marketing. It demands that you keep careful records, calculate and compare results. You’ll be amazed at how some seemingly minor change, like one word in a headline, can increase or decrease response. But be careful; don’t make several changes at once while testing. You’ll never know what made the difference. Test only one change at a time.

## **Back-End Sales**

“Back-end” sales are simply additional sales you make to the customer after the first order. In many cases, back-end sales are where companies doing business by mail make the most money. Often, it’s where they make their *only* profit.

Example: a customer purchases a book from you. When you ship the order you also include a “bounce-back” offer for other books. If the first book proves satisfactory to the customer (and it should, if you’ve done your job right) a large percentage may buy additional books.

Back-end sales are the best money makers because you have a lot less expense involved to get these extra sales. The biggest expense is in obtaining new customers because of the costs of advertising, list rentals, and direct mailing. Sales to existing customers, however, cost much less because you’ve already captured buyers names. Therefore, to really make money in this business, you must develop (or begin to accumulate from manufacturers, dealers, wholesalers, affiliates, importers, dropshippers, etc.) several related products to offer your customers.

Most mail order entrepreneurs eventually develop a catalog of related products. The catalog can be a simple sheet of paper listing your other products, a typeset six-pager, or a slick four-color, 64-page beauty. Whatever it takes to inspire your particular prospect to buy some more stuff from you. A good example is in my classic *Cash from Classifieds* (<http://www.BrooksOwen.com>). In it, I tell the story of Mary who built a small fortune in a short amount of time with back-end orders.

Often, a mail order company will advertise bargain “leader” items to “buy” customers. A leader item is a popular product that’s sold at low cost in order to acquire a buying customer who may be interested in your complete line of products. This customer is then sent your catalog or flyers, along with the order.

For example, one company offers a special sale on imprinted mailing labels. All the customers who buy this product then receive a catalog along with their order which details other business products. Perhaps the company didn’t make a dime by selling the labels, maybe even lost a few dollars. But their customers received value, and it’s a sure bet they’ll order again and again. So now the subsequent orders, the back-end orders, will pay off handsomely.

Study the strategies other mail order companies use. Find out what related products they offer to their customers. And then establish your own line of related products for additional profits. (Often, if you work with an established dealership or affiliate program, you’ll receive your own imprint catalog and/or sales materials for other products.)

## **Know Your Customer**

The more facts that you know about your customer the easier it will be to design sales literature and develop a future marketing strategy. You need to find out what motivated your customer to purchase a product like yours. It could be one of any number of factors such as: low price, special benefits, quality of the product, uniqueness, usefulness of the product, and so forth. Usually, there are one or two overriding factors that convinces someone to buy from you.

The best way to determine why someone buys from you is to just ask. This can be done with a simple questionnaire enclosed in each order. Ask the customer what they like about your service, company, offer and product. When you find out the collective reasons, you can then use them to beef-up your sales literature to attract additional customers. Hammer a bit more on whatever particular theme attracted most of your current customers.

Another aspect of knowing your customer is to understand his or her profile. For example: if your product line is targeted toward the male market, then it wouldn’t make much sense to advertise in women’s magazines or rent lists of women who have purchased female oriented products by mail. And vice versa. Too, if your product, such as an income opportunity manual, appeals to men and women alike, advertise in business magazines and/or rent lists of people who have recently purchased opportunity materials.

Are your prospects mid-income, or up-scale? Are they doctors, lawyers, business owners, teamsters, folks looking for ways to make extra money, nurses, Corvette owners, teachers, or what? Do they own homes, or rent apartments? Are they outdoors people, or bridge players?

You might want to know: age, educational level, sex, average income, special interests, type of job, number of children, if they own a computer, and the like. Again, you can discover many of these things by doing a simple survey of your buyers. When you have a clearer picture of your typical buyer, you can do a better job of communicating your offer and establishing a point of contact with his or her specific interests. You can then get your prospect to begin nodding and saying, “yes, yes that’s me!”

### **Income Potential**

How much money can you earn in “mail order?” The answer is anywhere from a few hundred to a few hundred thousand dollars per month. Many multi-million dollar mail order enterprises have sprung from very humble home-based beginnings. But large earnings will not come overnight.

Start with a small investment. Get your “feet wet” while you learn. Then, as you discover what works best for you, you can begin to expand into the big money.

Starting a mail order business is relatively easy. What’s more, it can be one of the lowest start-up cost and lowest risk businesses of all. However, as I’ve shown you in this Introduction, there are many factors you should consider in order to achieve success. Too many would-be mail order entrepreneurs ignore these factors and turn out sub-par efforts. Then wonder why their endeavors failed. But you can greatly increase your chances for success by following the techniques outlined in the entire Course.

The Lessons that follow elaborate on the more important elements mentioned previously. From time to time, details overlap and are repeated more than once; not to be redundant... but because the information is important.



## Profitable Mail Order

Right now I'm looking out over my beautiful ranch. From my office window on the second story of our home, I can savor the view of Mt. St. Helens and of my cattle happily grazing on green pastures. It's a quiet and pastoral life that my wife, Judy, and I enjoy. I wouldn't trade it for anything. I'm able to lead the carefree lifestyle I want, make the kind of money I want, travel, and enjoy the health and prosperity my family deserves.

Why am I telling you this? Simply to let you know that the lifestyle *you* envision is well within your grasp. The information in this Lesson — as well as the other Lessons — will point you in the right direction.

And, most importantly, all this information is revealed to you by someone who knows his stuff, who has made the mistakes, who has made good money in the business, who has pioneered new techniques, and... by someone who is willing to help you along the way.

I'm now well into my 4<sup>th</sup> decade of helping people start their own business. And since 1981, I've been a successful publisher of business books, manuals, reports, videos, CDs and *KEY*<sup>™</sup> newsletter. I've literally helped tens of thousands of entrepreneurs all over the world and have sold millions of dollars worth of publications through my potent ads and sales letters.

While my business was "Books-By-Mail," I want you to learn how to sell most *anything* by mail. With that in mind, we'll be discussing mail order marketing in general so that you can take this information and apply it to selling all kinds of products by mail. That's a lot of ground to cover and I can't cover *every* minute detail you'll need to know. There's no one book or tape — or even a seminar — that can answer *all* your questions.

If you've been in this business any time at all, you've quickly realized that you can bank on some of your own experiences, but must invest time in further study and learning in order to truly reap a lifetime of financial security. You must learn from several sources and reach out to those who offer to help you.

It's really not possible for someone to lay out an exact master plan for you to follow down the golden path. *You* have to be part of that planning process. You must be flexible, because the "plan" changes, grows, and takes various routes as it proceeds. *You* have to take the initiative in order to make anything happen. That is, you decide when and where to advertise, how much you can afford to invest in ads. And, certainly, you must continually work on developing your own ads, marketing materials, and skills in order to become successful.

What qualities are needed to succeed? There are thousands of examples of mail order wizards who have discovered financial security — many have even made millions of dollars. Melvin Powers, a

famous mail order publisher, started with a single book. Today, he has more than 400 books in print and has sold millions of copies by mail.

Richard Thalheimer built a multimillion dollar company, *The Sharper Image*, starting with a chronograph watch and an small ad in *Runner's World* magazine. He now sells not only by mail but also through retail outlets nationwide. I started with a short report advertised in *The Mother Earth News* magazine and went on to write and self-publish 109 books, manuals, bringing in several million dollars over the years for myself and others.

Although everyone cannot expect to achieve the same level of success, your opportunities for building a profitable mail order business are increased, if you possess the following five essential qualities:

1. **Positive Attitude**. You'll not succeed in any business unless your outlook is positive. Good humor is also an important attribute. As you cruise down the road to success you'll find many things that happen are downright humorous... so enjoy the ride.

2. **Imagination**. Imagination is needed to visualize the special appeal that will compel a potential customer to buy your product. In his book, *How I Made \$1 Million in Mail Order*, master marketer Joe Cossman described how someone once brought an unsuccessful mail order product to him with an offer to sell the rights. The product consisted of earrings with little bells attached. Cossman managed to turn that loser into a mail order winner simply by renaming the product "mother-in-law earrings" and selling them to newlyweds.

3. **Persistence**. Persistence is required because success is rarely instantaneous. There are always obstacles and set backs. Cossman struggled over a year before making his first success. While holding down a full-time job, he worked at his kitchen table, tackling false leads, problems, and failures. He did nothing but lose money. Less persistent entrepreneurs would have quit much sooner. But when he finally was successful, his first product made him \$30,000 in less than one month.

4. **Honesty**. Absolute honesty is necessary because a successful mail order business is built on trust, satisfied customers, and repeat sales. Cheat your customers even a little, and you've lost them forever. Without repeat customers, you might just as well throw your money down a rat hole. The potential for a successful enterprise is gone.

As important, Federal, state and local governments, the Better Business Bureaus, the U.S. Postal Service and consumer groups constantly watch advertising and are quick to take action against unsubstantiated claims or infractions of any laws.

5. **Knowledge**. Without knowledge — the how-to's, the why's, the where's — your chances for success are minimal. Success stories like Powers, Thalheimer, Cossman, mine and others are built around that individual's constant search for knowledge... knowledge that answers two very important

questions: What works? What doesn't?

You must continue increasing your knowledge, if you're to succeed. You can increase it through both reading and experience. Experience is valuable, but it's also the most expensive way to learn. Because you can save time and money through the experiences of others, extensive reading is a must. Cossman says he spends at least one full day a month at the public library. I also spend time at the library, surf the web and purchase interesting new mail order marketing and advertising books and manuals. (But I stay far away from those publications that promise "outrageous wealth," enormous fame," and the like.)

Something else important to mention right now, while it's on my mind — your finances.

Don't go deep into hock just to get your business off the ground. Like *any* business, "mail order" has a risk factor. Do *not* risk what you can't afford to lose. That's silly.

If you're short of cash, set a little money aside each month until you have enough to begin comfortably. In the meantime, study everything you can get your hands on about mail order, advertising, direct marketing, the Internet and business in general. You'll find sources in my web-site's resource page. Simply log onto <http://www.BrooksOwen.com> and go to *Mail Order/Marketing Pipeline*.

OK, let's talk about your company's name. In my humble opinion, you should avoid choosing a name using the word "Enterprises" or overblown names like "International Worldwide Group Enterprises Corporation." Choose your name to fit the company you envision. For example, if you're going to be marketing books and information, it would be a good idea to suggest that subject in the name.

Long ago, I named my company Owen Publications. It's not creative, I know, yet it says exactly what we're about... publishing, and my name is Owen. I advise to keep your company name simple, concise and clear.

You'll want to select a brief, but an easily remembered company name. I say brief because if you're going to use, for example, classified advertising, it's much cheaper at \$5 to \$15 per word to have a one or two word company name than to have a 5 or 6 word company name. Also, the shorter the name the more it will be remembered by your prospects. Your name shouldn't try to suggest that it's more than what it really is. One of the reasons I think beginners choose names like International and Enterprises and the like, is to try to overcome the fact they're small and are just starting out in business.

Listen, especially in mail-order, you want to apply the personal touch. Even though you may mail out 100,000 pieces of mail, your material is read by your prospects, one by one. So your company name, and in all your direct mail, the approach should be on a personal basis. After all, Montgomery Ward, the founder of the mail order business, *Sears, L. L. Bean, Harry and David*, and many other companies simply used the names of the founders.

There may be, however, an advantage if you're a printing company, a book seller, or some other type of specialty to categorize your business in your company name. For example, "Quality Printing Company" or "Johnson's Magic Specialities."

You must use a mailing address that's capable of handling a large volume of mail. By this I mean it can a street address, a post office box address, or web-site. But, if you live in an apartment and you're starting your business, be careful if you have only a small lobby mail box in which order returns, large packages of samples, magazines subscriptions, and so on can't fit. Arrange to either rent a post office box or to get a service box at some mailing center where your mail can be safely received and handled.

Now your product. The product, obviously, is one of your choice. And you'll have to take paper and pencil and work out whether or not it's the best product with which to begin. Is it one of acceptable quality to minimize returns or complaints?

Select something that people need... find a need or a want and satisfy it. But now's not the time to create a need. As a newcomer, sell what's selling. What people want or need. Tap into an already built-in demand or want by the public. If the public is demanding certain software for their home computers, wants new kinds of electronic products, a book on a particular subject, something to make their lives easier, happier, healthier, whatever... then that's what you should sell.

Let me give you an example. In the mid-1970s during the energy crunch, you could find many, many ads — from small classified ads to full page ads — selling various energy-saving devices. Those products sold because the consumer not only needed to save energy, they *wanted* to save energy. They were also being caught in the crunch of inflation during that period. And so anything you could do to cut their gas prices or cut their home heating bills was a plus. And consumers would pay good money to get these devices.

Among those energy saving devices was a set of plans for a carburetor that supposedly would boost car gas mileage to 200 miles per gallon. For several years that was a popular item selling through classified ads and display ads. As it turned out, those devices simply didn't work. And so the sales of those plans dropped, and pretty soon the ads ceased altogether.

And that brings us to another important subject... not only do you have to have a good product, the public has to perceive the *value* of that product.

I just mentioned that the newcomer shouldn't try to market something new. However, introducing a new product does have a certain advantage, because many people will rush to get something new. Especially if it solves a particular problem. This doesn't mean it has to be something totally different or unique. But it has to promise some new advantage over an older product.

You'll see this every day at the supermarket where a long selling brand of soap is changed

slightly and advertised as new. And they advertise their new product, not only against Brand X, but against their own older product. So “new” is a very motivating factor for sales. But, for a newcomer, the cost of trying to create a market for an untested, untried product can be costly.

By the way, be careful of using the word “new.” New to the Federal Trade Commission generally means within the past 6 months. After that, it’s no longer “new.” So if something’s really new, use the word New. Otherwise try words like: Recent, Fresh, Novel, Unique, Advanced, Updated, Different, and so on.

OK, moving along. You have to think about your competition when you choose your product. The competition is the whole marketplace that existed before you entered it. So you have to be aware of who’s offering similar products to yours, know your supplier and who else he or she may be selling to. You might consider, if you find a good quality product with a good demand, trying to sign up an exclusive agreement with the manufacturer or inventor to eliminate any competition. You have to also contemplate that, if something unfortunate were to happen to your supplier, how would you fulfill orders?

Then, how can your product be advertised? Is the product a book, manual, video or audio cassette? A How-To manual will sell better by mail than a novel because the How-To product can be easily advertised showing benefits to the reader. Begin creating a few sample ads for it. This exercise will help you make up your mind whether to pursue the project further or not.

When considering a product, think about a total product *line*. In selling products via mail order, the success formula can be stated in these few words:

**mail order success is determined by  
repeat sales to a growing customer list.**

Usually, you can’t succeed with a “stand alone” or single product. You’ll need a line of similar products. One way to lock in repeat business is to offer components of the product, refills, or replacements.

For example, a friend of mine sells a business opportunity course. Although his customers can buy business materials elsewhere with which to operate the business, my friend offers unique proprietary products — refills and replacements — at a reasonable cost. Thus, ensuring years of repeat sales.

An inexpensive how-to audio tape leads to sales of courses, manuals and books. A how-to book or an e-book can lead to sales of a complete course, audio/video sets, additional books, and so on.

Another thing to consider is, are there services that can be sold with a product? For example,

when I sold an audio tape on mail order I also sold to many of the same people my services in copywriting and consulting. Plus, they purchased other cassettes and mail order materials.

When I was in the commercial banking business I established a “lifetime value” of our customers by teaching my staff to cross-sell. Checking account customers were offered special deals on savings accounts, credit cards, loans, safety deposit boxes and other services. We were constantly in contact with customers so that, in one way or another, we helped them in several departments. Thus, building and nurturing *lifetime value* of each and every customer.

Marketing guru, Dan Kennedy, serves his clients by offering several related products... a newsletter, a private “inner circle” of newsletter subscribers, books, manuals, audio/video tapes, copy writing services, and seminars. He doesn’t just “sell a book” and that’s the end. No, no. Each product leads to another, which leads to yet another. Again... *building lifetime value*.

My friend, the late marketing master Jerry Buchanan, said it best. He warned that few businesses can succeed based on one sale or transaction with a new customer. Jerry once wrote, “the prudent approach is to design a series of transactions that will occur with each newly acquired customer, often escalating in price, customer commitment and profitability. Too, there is a great danger in neglecting new customers; the relationship is fragile, and the cost and effort expended in finding and attracting them will be wasted if the bond is not nurtured.”

So look for additional products and services that can tie in with your initial product. Develop a product line. Remember, when you market your product your biggest cost, other than product cost, is in advertising. But once a prospect has become your customer, a catalog, brochure, or some other kind of insert accompanying that first sale will carry an additional sales appeal. Then the cost of those “back end” sales is so small that they can create almost pure profit.

In a nutshell, you can regard your first sale of a product basically as an investment in gaining a customer... the additional sales to that same customer creates your biggest profits. And that’s the key secret of how to succeed in mail order — the key to on-going profits — which I mentioned earlier: making repeat sales, continuing sales, to a growing customer list.

Consider, too, if your product is a low cost item with enough repeat business potential and volume so you could afford to send out a free sample. For instance, say you’re selling imprinted pens and pencils; you might send out a direct mail package in which you imprint your prospect’s name or company name on them, then endeavor to sell him or her hundreds of those pens or pencils.

I’ve given away free audio cassette tapes and free reports in various successful campaigns designed to market How-To courses and manuals. For years, master marketer Melvin Powers gave away his *How to Get Rich in Mail Order* audio tapes which successfully led to a book dealership program.

Now let's talk briefly about packaging. Consider how your product will travel "in the mail" to your customer. If, for example, you sell artwork you'll need to package it very carefully. You need to think about your cost of protecting it, the cost of insurance and higher shipping charges in order to get it safely to your customer. Compare that to a set of plans, a business course, or a book which will travel through the mail virtually undamaged. So you have to calculate packaging and shipping costs into the overall equation.

Check out various shipping methods. For example, if you're contemplating selling office furniture needing special packaging, you might use United Parcel Service. However, if you're selling books by mail, your best bet is going to be via the Post Office because the USPS offers a special, low-cost rate for sending books by mail.

If you're selling unusually heavy products, let's say a set of barbells or weights, the cost of shipping those things is going to be as high as your actual product price. So determine what that's going to do in terms of your sales and marketing plans.

Also, you'll need to decide whether or not you're going to include the cost of shipping in the product price. Or, if you're going to add that cost as "shipping and handling." Three common methods are:

1. Your profit margin is so high and shipping costs negligible, you can absorb the shipping costs and say something like "shipping is Free" on your order form.
2. You can add the shipping and handling fees to the total sales price of your product and use the term "post paid" or "ppd."
3. You can add the tag line "plus X for shipping and handling." For example, "send \$19.97 plus \$4 for shipping & handling (total \$23.97)."

From time to time you'll need to deal with occasional customer complaints and shipment failures, perhaps from late arrivals or product breakage. Or some other customer dissatisfaction. Those things happen and also must be factored in when you're considering the cost of your product and how you deliver it to your customers.

That brings us to your selling price. Setting a price for your product or service can be difficult. But it's a critical decision you'll soon have to make. Should you charge more than your competition? Or less, or match the price? How do you know what the market will bear... what people will pay?

You don't want to set your price too high in the beginning because lowering it will be difficult. Customers who bought your product at the higher price may feel cheated, if you lower the price and they find out. Then you may have unhappy customers.

To help you, here are some mail order product pricing tips:

1. If you want to price your product/service higher than your competitors, then you must add “perceived value.” You do that by including something unique, like a tie-in report, a bonus, an extra product or service of some kind. Anything your customer will recognize as valuable so you can set a higher price, and justify that price.
2. In the beginning, set your price lower than you think the market will bear. Then you can move your price upwards in small increments. For example: if you decide \$29 is reasonable for your product, start off by offering it for \$19. Then test \$25, then go to \$29. If it sells well at \$29, go ahead and even test \$39. You might be pleasantly surprised. In any event, for lower priced products — under \$100 — you should increase price in small increments, such as \$5 or \$10. For higher priced products move in \$25 to \$50 advances.
3. Mail order is a “testing game.” The only way you’ll find out what price the market will bear is to TEST. And keep testing to the limits.
4. It’s easier to sell a high-ticket item to fewer people than to sell a low-priced product to many people. But even that has its caveats. It depends on what kind of company you want to run. Some mail order operators seek to sell millions of low-ticket products in order to build a large customer base. Then make the big profits from back-end sales and from renting their mailing list. Others don’t want the hassle of dealing with a zillion customers. You have to decide in which direction you want to go... what your comfort level is.
5. Often, when you raise your price you’ll happily find no decline in sales. All that happens is... you increase your profits!
6. Pricing your product/service too low can actually stifle your sales more than by starting off too high. A low price, when the customer can’t see the product directly and has to rely on a direct mail package or catalog description can affect the way he or she feels about the product. If the product price is so low from what your prospect expects, he or she may think it’s bound to be poor quality. So, therefore, they won’t buy.
7. Consider the “lifetime value” of your customers. Treat your customers right (the Golden Rule), offer good value, and they’ll come back to you over and over again. Thus, building a long term relationship which will bring you profits for years to come.
8. Underpromise, overdeliver.

You’ll find more detailed information on pricing in the Lesson titled *Pricing Your Products for Maximum Profits*.



Now let's discuss "mail order" advertising. Mail order advertising — direct response — is the best advertising form in the world. Why? Because direct response advertising gives you an immediate exact accounting of your profits and losses. No other advertising I know of does that. You can purchase, say, a billboard ad and the agent who is selling you the space will tell you that 50,000 people every day pass the spot where the billboard is located. Now that doesn't mean they're going to 1) read the ad on the billboard, or 2) buy your product.

The only thing the billboard company can sell you is exposure. Which is about the same deal you get with most other institutional-type advertising on TV, radio, or in magazines and newspapers, unless the marketer uses *direct response* advertising in which buyers or prospects contact the company directly and the ad can be "keyed." By keyed, I mean there's an inserted code so you can tell exactly from which ad they have responded.

The key in a classified ad can be simply a letter after a PO box number. An ad in *Popular Mechanics* magazine, for instance, might direct people to your box number 999-P (The P indicating *Popular Mechanics*). Or, you might have a display ad in which the prospect is asked to send for a catalog or free booklet "#23." The number 23 is your key or code to indicate which magazine or newspaper drew response. The same kind of keying device is used in direct mailings.

Yes, I know there are various ways to measure other types of advertising. However, they're mostly surveys which, as you can guess, can be biased or completely off the mark. But only direct response/mail order advertising gives you clear, concise accounting.

Something you're going to need to do in the beginning is set up a system so you have some type of accounting of ad response. The easiest and best way I've found is using the powerful MailMAXX™ software. (At <http://www.BrooksOwen.com> see *How I Slashed My Work Day in Half.*)

Your records might indicate an ad cost you \$500 and you only took in \$400. So your first inclination is, "Whoa! I'm not going to advertise there again." But wait. What did I say earlier in this Lesson? Success in mail order comes from what? From **repeat sales to a growing customer list**. If you didn't write that down before, do it now.

Many of the mail order ads you see in publications are not making money from the initial ad. True. But the advertisers aren't crazy. What they're doing is investing in their business, and they're *buying* customers. So if you run an ad for \$500 and take in \$400, that represents, say, 100 new customers. In that case it's costing you \$1 to get each new customer.

By the way, how'd I come up with \$1 for each new customer? OK, the ad cost you \$500 and you took in \$400, which leaves a loss of \$100. You got 100 new customers on your mailing list, therefore they cost you \$1 each. At least in terms of ad cost only.

Now when you mail to those customers your catalog should be included with the package, or at

least a brochure announcing additional related products. Then when those “back end” orders come in, the cost is so much less that you have almost an immediate profit. Compare the cost of running a large ad in which you get a limited number of customers to the much smaller cost of sending out your catalog with an order that’s already been paid for by the customer.

To repeat... you can see in mail order, direct response, it’s that back-end order, the additional sales, that’s *really* making your profit. So when you see some ads running continuously, it doesn’t necessarily mean that ad itself is making up front profits. The advertiser is investing in his business by “buying” customers.

Now that I’ve said all that, I have to add “but not always.” Some ads sell a product and the advertisers are making profits from that first sale. Plus, they enjoy additional profits from the back end. I’ve done it lots of times. Listen, what other business in the world can you actually get paid for increasing your customer base and then use that customer base for additional sales and profits? But... it’s not *usually* done that way.

Let’s go on to something else.

The copy in your mail order ad must sell *benefits*. Look at the difference between a grocery store ad in your daily newspaper, for example, and a direct response ad in a magazine. In the newspaper most ads assume the reader will go to the grocery store and buy a particular product because it’s, perhaps, on sale. And assumes the consumer has already seen commercials for products like *Kleenex*, *Wheaties*, *Sara Lee*, *Ivory*, *Crisco*, and the like.

Then when the consumer comes into the store they, in effect, have been “sold” (presumably) by a barrage of these institutional advertising exposures. And is buying now because a grocery store ad in the local paper features the products and offers sales prices, or whatever.

But with direct marketing/mail order you’re not selling that way. You can, and should, use long benefit-laden copy. Notice in mail order ads how long many are. Heavy on the copy. The old advertising cliché “the more you tell, the more you sell” is at work here.

When most prospects get into the copy after being enticed by a strong headline, they’re usually willing to do quite a bit of reading. That is, if the copy holds their attention and continues to picture in the prospect’s mind your proposition and creates a longing for what you’re selling. And, too, if your reader has a need or want for your product.

Mail order ad copy is usually wordier than institutional ads. I’m making a generalization here. I’m not talking about classified ads that entice, in few words, an inquiry. But an ad that sells directly from the page, or a direct mail package in which there might be a 2, 4, 6, or more page letter, along with a brochure and order form that go in to make up the direct mail package. The prospect making up his or her mind through a direct marketing effort will take the time to read the many benefits and details

of the offer you're making.

There's another difference in terms of direct response copy over institutional copy. Direct response copy looks crowded. It generally looks cluttered. It doesn't leave a lot of white (empty) space, or try to make an esthetically pleasing layout. In fact, many direct response ads, especially full pages ads, appear disjointed. Not symmetrical. The idea is to throw the reader off balance a bit, keep the eye moving.

As an example of a no-copy institutional ad, *7-Up* a number of years ago ran a series of ads. One of the ads, as I recall, was simply nothing but a white page showing an empty bottle of *7-Up*, a bottle opener, and a bottle cap. Suggesting, I guess, that somebody had already helped themselves to the *7-Up*.

The ad presumably was created to make the reader connect with the idea that *7-Up* was popular, therefore consumed, thus you should rush out to buy *7-Up* and drink it too. I don't know. Maybe I missed the point. But then, that is the point. In direct response, *you can't leave a prospect wondering what you're trying to say*. Be clear, be concise. Leave no doubt as to what the product will do for the prospect, how they'll benefit. Then prove it, and tell them how to get it... now.

All of that white space *7-Up* left unused, which was very valuable, would not be used that way by a mail order or direct response advertiser. They would crowd in as many benefits and as many details as possible about their offer. Or, they'd line up all their products and cram them in with pictures, lots of detail and persuasive selling and, of course, an order form or ordering instructions.

So you can see that the direct marketer is getting and completing the sale in a much different manner than the company that is selling so-called institutional products. And, as a result, the direct marketer can easily track responses and immediately see a profit or loss.

Back to ad copy. Your headline and the copy that follows must stress benefits. Your goal is to grab the attention of the passing reader. Ad copy must give a lot more detail because a prospect is going to order without having handled the product. If he or she sees an institutional ad in a local paper they can go to the store, take a look at the product, see it demonstrated, touch and feel it, and so forth. They can't do that with mail order. So you compensate for that by giving detail after detail, benefit following benefit. Remember, "the more you tell — and tell well — the more you sell."

Now, the art and graphics of your mail order ad doesn't employ a lot of white space and aesthetics. Your ad doesn't have to look attractive... it has to get attention. You're not going after creative awards. You're going after *sales*. So you need to use all the space possible to make one sales point after another. You're going to use appropriate illustrations or photos. Photos that sell, not cute or artsy pictures to attract attention.

Use as many photos as needed to illustrate, or demonstrate what benefits the buyer will get

from your product; showing how it works, or pleasure derived from it, and so on.

You must become familiar with your market. Visualize your typical customer so you have an idea of education, income, what kind of neighborhood the person lives in. For example, if you're selling farm implements, you know that your prospects live in a rural area. But that doesn't mean you can't enlarge your market in some ways.

Fencing might be sold in rural as well as in suburban areas. Certain types of machinery, let's say a leaf shredder, could be sold to the farmer, the small acreage owner as well as to people who live in town.

This is the kind of demographics you need to pay attention to. Become familiar with your market, be able to describe your typical prospect and then locate an appropriate publication and ask for a sample copy. The publication's representative or advertising manager will give you a sample copy along with a "media kit." The kit is usually presented in a folder detailing the profile of their typical reader, circulation figures, etc. If your prospect profile matches that of the magazine's, you should test your ad that particular publication.

Perhaps I'm making it sound easy. And, in many ways, it is. But it does take study and work. And time. So you need to get to your newsstand, your local library and online to review all the different publications there are, and get acquainted with those that are going to be used in your marketing plan. Also review the *Gales* and *Oxbridge* directories of publications at your public library.

You'll have to plan how your customer will pay you. Payment is made easy with credit cards. Go to your bank to see if they can set you up with Visa, Mastercard, American Express, and Discover. Especially if you have a large ticket item, you'll need to accept credit cards. Or else you'll have to have enough cash flow, financial backing, or a well thought-out credit program so you can sell on credit, thereby picking up the debt yourself. I don't suggest, except in very rare cases, that anyone should sell on credit. Even though you'll give up about 4% of a credit card order, you'll save yourself time, paperwork, collection problems, and headaches. What's more, you're able to take orders over the phone and Internet which you wouldn't be able to do otherwise. Also, you can consider online payment firms such as *PayPal*, which will handle all payments for you for a small fee.

Customer complaints. Usually, complaints from your customers are not much of a problem... IF you've paid close attention to every detail of your business and offer quality products. But, when you're selling large numbers of products, you're bound to hear from a few sore-heads. Maybe even get a few legitimate complaints. *Take care of those complaints promptly!*

In some cases, you're going to find it more profitable simply to write off a certain percentage, and to handle the complaint as politely as possible. Then simply forget it. You know, even though some person may want to return a product, and even if it seems like an unreasonable request, you can often turn right around and make an additional sale simply by honoring the request promptly, without hassle,

and enclosing additional sales literature with the refund check.

By this I mean, if you're selling a book and you're giving a one year free trial, or 90-day examination, and the person returns the book a month past the "deadline," give back their money even though the exact terms of your refund weren't met. You'll find by refunding the money and writing a friendly letter and by pointing out other items in your catalog, the person will likely stay with you as a customer. They'll likely be pleasantly surprised by your immediate attention and pleased by your friendly overtures. Following the Golden Rule is important for success in this business.

OK, let's mush on...

You've mailed your product, along with your catalog (or sales brochures for additional products) to your buyer, but he or she hasn't yet purchased additional items. So in another 30 to 60 days you should send another catalog, or a new offer, depending upon your product.

For example, if you sold the customer some printing and you've entered into your computer mailing list program (another feature of MailMAXX™) that the person has bought X amount of envelopes or whatever, a few weeks later send a friendly reminder that it's time to restock. Be sure to include an order form plus a post-paid return envelope.

This might be just enough to urge your customer to check stock and reorder. Otherwise, if you ignore your customer and consider it a one-time sale, next time he runs low on envelopes s/he may go to another source. Once you've gained a customer... keep your company, products and services always in the forefront.

You can see that "follow-up" depends a lot upon the record keeping you're doing. This is one advantage of MailMAXX software... you can keep accurate, fast records of your customers. You can keep track of their addresses and address changes, along with what and when they bought from you, how many products they bought, how much they paid, and if that purchase requires a refill, or reorder, and when. All of which makes follow-up quite easy.

In addition, perhaps you can arrange an exclusive sales agreement for a particular product from a manufacturer. Then begin thinking about exporting that product to overseas markets. And you can consider selling your product wholesale to other distributors/dealers, through retail outlets, and to the catalog houses.

Now let's discuss testing.

Successful mail order operators test almost everything. They test the results of offers... copy appeals... mailing lists... formats... prices... advertising media... and any other variable that has a direct influence on the response to an ad or mailing. Testing is the scientific approach to mail order selling. It's an effective "secret weapon" that permits a mail order entrepreneur to fail with four out of five products

and still walk away with huge profits on the fifth product.

Even the *Wall Street Journal* tests its classic and highly successful “Two Young Men” letter against new copy. One day, WSJ may create a package that beats their control and drop the “Two Young Men” powerhouse. (I doubt it.) Anyway, testing never stops.

Follow these tips to get the full value of your testing:

1. Test one element at a time. If you’re testing price, then change only the price. Otherwise, if you change more than one element, you’ll never know what made the difference in results. Your sales elements — ads, letters, brochures, lift letters, order devices, envelopes, media, prices, offers, package configurations — slowly evolve over time. Your best pulling package is your “control” and you test against that control. Start with the basics then, after you’ve gathered solid response data and records, then try other ideas.
2. Set a goal for each test. What do you want to do? Make a list of each test you want to try, and why you want to try it. You’ll find some things that are working well are best left alone.
3. Learn from others. But don’t rely heavily on what they’re doing. Just consider the information as a starting point, a way to gather ideas to test.
4. Learn why things work. Don’t be content with just “what works,” discover why. Testing is about gaining knowledge. Then applying that knowledge intelligently.
5. Carefully track results. Keep accurate records. Over time, this information will be invaluable. The MailMAXX program makes it easy to gather needed data. (Log onto <http://www.BrooksOwen.com> and click on the file, *How I Slashed My Work Day in Half*.)
6. Keep using your control. That is, until you beat it. Then try to beat the next.
7. Never assume. Always test.
8. Keep testing! Testing must become a part of your everyday routine. Test... Analyze Results... React... Repeat.

I’ve saved one of the most important elements in your overall Mail Order marketing plan for last. What is your Unique Sales Proposition (USP)? What makes your product, company, service stand out?

It’s the essence of your business concept... something that sets you apart from your competitors. And it’s something that should encompass your entire business. Don’t try to be “everything to everybody.” Focus on your uniqueness. Once you’ve decided what it is, your USP can

almost create your marketing plan for you.

For example, see how the following ad headlines set you apart from others...

**When You Need a New Widget, Check Out  
the Prices at Company X and Z... Then  
Check with Acme. We Guarantee  
You'll Save at Least 25%!**

**\$5,500 Spa Brand Hot Tubs Now Only  
\$3,750 at Smith Hot Tub Emporium**

**When You Buy a New Computer from ABC You Get  
Free On-Site Installation and Free Consultation**

By using a similar USP as illustrated you can begin your marketing program.

## Profitable Products that Can Create Years of Cash-Flow

While it's true you can sell most anything by mail, I'm sure you're not envisioning selling, say, Caterpillar tractors or Mack trucks. However... *inquiries and leads* for Caterpillar and Mack salespeople are often obtained by mail. So direct mail, direct marketing, plays a role in selling most anything.

You may not think about buying groceries by mail. But there are common food items that *are* sold in this manner. *Omaha Steak Company* sells gourmet steaks. Fruit is sold by *Harry and David*. And groceries are now sold via the Internet, delivered directly to your home.

Why would anyone buy a toothbrush by mail when dozens of local stores sell them at reasonable prices? But they do. Unique *personalized* toothbrushes (often with a "theme" background such as *Disney* characters, space characters and animals) are sold profitably by mail.

Sporting equipment is another good example. A Connecticut firm sells special golf balls by the millions. A mail order entrepreneur in Wisconsin markets, of all things, \$6,000 golf club sets and is making a killing. Another firm sells personalized clothing for all kinds of sports.

As a matter of fact, that's one clue about picking a profitable product... personalizing. You can turn a common product into a profitable mail order seller by personalizing it.

### But What Will You Sell?

Since you can't sell everything, let's start with what you're good at. I don't know what it is, of course. You need to supply that answer. Examine what you've done in the past... what kinds of products have you successfully sold before. What do you know about? Too, think of any failures you may have had and want to avoid.

Next, what would you *like* to sell?

The reason I ask that question is that your desires play a big part on how profitable your efforts are. And since you're going to spend countless hours preparing and marketing your product, you need to make sure you truly love it. Do you have a hobby? A particular expertise? How about computers? Woodworking? Antiques? Glass work? Art? Trains? Models? Do you know how to build something... houses, cars, furniture, yard crafts, metal projects? Something you can teach others to do.

An Oregon dentist successfully markets a professional newsletter to other dentists worldwide. A lawyer or podiatrist could do the same. If you're a good salesperson, you can create a sales training course. Stock market expert, same thing. Ditto chefs, security specialists, painters, janitors, bankers,



programmers, teachers, gardeners, fence builders, left-handers and flea marketers. The list is endless.

Take me, as an example. In a previous life I was a corporate banker. My field was small business. What really fascinated me, however, was the number of inventive ways people made money from *home*. I learned insider stuff, uncovered and accumulated data. Later, when I grew weary of corporate life and retired from banking in 1980, I decided to write about and sell what I knew... unique ways to make money from home. That was my “product.” And business boomed.

For the next 20 years I produced over a hundred books, manuals and reports and sold them all by mail. As time went on, I became an expert in “mail order.” Getting business using the power of small ads particularly interested me. And I became a small ad specialist. So when I sold most all my titles to another publishing company, I decided to help others with my knowledge... as a mail order and small-ad consultant. And that was my next “product.” And business is great.

Anyway, different people have different talents and different experiences. If you love, for example, coins, you’ve likely spent years learning about them. Perhaps you’ve been collecting since childhood. So you’re certainly going to be better at selling coins than someone who has no interest in them or who may view coins simply as a product that offers a promising market.

Take a sheet of paper and jot down what you’re good at. What you like. Your hobbies and skills. Then begin listing corresponding products you can sell by mail. At the end of this Lesson there’s a handy Product Checklist to help you review the feasibility of any product that you’re considering.

## **Sell What’s Selling**

When you’ve narrowed your search to a few possibilities start looking at what others are doing. What specific products in your area of interest or expertise are available? Be sure to consider alternative markets. For example, I produce the powerful and easy-to-use MailMAXX™ database software for small mail order firms on a limited budget. Later I found there’s also a demand from networkers, publishers, and all kinds of small businesses that send information (sales, specials, notifications, news) by mail.

Review trade magazines and journals catering to your subject. Begin collecting catalogs that might logically sell the product in which you’re interested. Also, surf the Internet. Soon, you’ll find out whether or not the field is saturated. Or, with luck, you’ll happily discover there’s a need... and *you can satisfy it*.

One more thing about finding what you’d like to sell. I’ve always urged people to *enjoy* their work. Listen, life’s short. If at all possible, love what you’re doing. Love your lifestyle. Choose a product or service that can fulfill your ambitions and have fun with it. You’ll live longer, healthier, and be happier. And again, choose a product you love. Something *you’d* want for yourself. (If you don’t like it, how on earth can you become passionate enough to market it?)

Tip: even though I believe the best way for beginners start is to “sell what’s selling,” you’ll soon want to be *unique* in order to enjoy the greatest success. AND — as important — your product or service must be consumable. A successful business thrives on *repeat* business. We’ll discuss this in more detail later on.

Now, here are...

## Ten Ways to Find Products

1. **Your public library.** There you’ll find in the periodical section all kinds of trade magazines. Review the ones appropriate for your product. To find additional publications, go to *Burrelle’s Media Directory*, the *Oxbridge National Directory of Magazines* or *Bacon’s Magazine Directory*. When you’ve located suitable publications, write for their media kits and request a sample copy. Then look at the ads and new products section. Find any ideas? Can you come up with an improvement? Something better?
2. **Thomas Register of U.S. Manufacturers.** Online at <http://www.thomasregister.com>. Too, most U.S. libraries maintain this green multi-volume directory in the reference section. In it, you’ll find thousands of manufactures for most any product you can imagine.
3. **Trade Associations.** Contact specific trade associations. Get acquainted with the local reps and learn about their unique needs, and get information concerning any upcoming trade shows.
4. **Trade Shows.** There are nearly 20,000 trade shows produced each year in the U.S. alone. Shows for electronics, gifts, boats, crafts, variety merchandise, tools, toys, building materials, medical supplies... the list is endless. And these events are staged for just one reason: to increase sales and profits. Therefore, you’ll find many manufacturers (especially the smaller ones) willing to discuss marketing with you. In some cases, perhaps they’ll even consider giving you exclusive rights. What’s more, you’ll gather a remarkable amount of information about products. You can find out where and when trade shows are scheduled by visiting <http://www.tscentral.com> and <http://www.tradeshowweek.com>.
5. **International Trade Directories.** When you’ve determined what product you want to sell by mail, consider importing it. Again, your local library can direct you to specific trade directories or listings for Trade Associations in various countries. Too, you can find them on the Internet.
6. **The U.S. Patent Office.** Your library may be one of several dozen patent depositories located around the country. Here you can review hundreds of thousands of patents. It’s important to note that patents are good for just 17 years. So pay close attention to the patent date. Once the patent has expired, you’re free to improve upon it, copy it, whatever. If you find something useful that still has time left, contact the inventor. Offer a small percentage — no more than 5% — of any net income to market the product. Think about this: most inventors are not marketers. They invent and file their patent. Then nothing much happens after that. So when you locate something of interest to you, something you feel

has marketing-by-mail promise, try working with the inventor. Also at patent depositories you can find the weekly publication *Patent Gazette* revealing as many as 2,000 patents for the week. In addition, visit the Patent Office at <http://patents.uspto.gov>.

7. **Review Store Shelves.** Often, ideas come from simply seeing what's being sold.

8. **Read magazine and newspapers.** Be alert for trends.

9. **Advertise for Products.** Run a small ad in a nearby metropolitan newspaper, or trade journal. Something like: "Marketing Wizard Seeks Hot New Invention (or Product) to Promote."

10. **From your list of what you'd like to sell**, what you're good at and what you love go to the library and ask for: *Oxbridge's Standard Periodical Directory*, the *Standard Rate and Data Service List Book*, *SRDS Business Publications* and the *SRDS Consumer Magazine Directory*. The idea here is to use these publications to compare your list with the indexes in all these directories. You want an idea of how many other people share your interest. Check the circulation figures of magazines specific to your product. Check mailing lists to see how many people have purchased similar products by mail. From those figures you can determine your universe of potential buyers. *And that information is worth gold to you.*

Why? Because the more people who share your enthusiasm, the more likely your product has a chance to succeed. Furthermore, you'll learn that you have *access* to these people through mailing lists and targeted ads.

Obviously, there's no profit in selling a product or service nobody wants and for which there's no market.

Tip: For the foreseeable future "baby boomers" are a huge market. That is, people born in 1946 through 1974 (as of 2002, they're folks aged between 38 and 56 years old). Estimates are, there's a total of 76 million baby boomers in the U.S. and over two billion worldwide. This market is most interested in: health, retirement issues, money, ways to make life easier and more efficient, and how to look younger.

### **Mail Order Product Checklist**

YES NO

- Will your product solve a problem for a specific market?
- Can you move a proven product from one niche to another?
- Can you take a proven product idea and change the format?
- Can you take a proven product idea and change the target audience?
- Is this a product that people need?

- Is this a product that people want?
- Do you use the product yourself?
- Can you describe the typical user of the product (i.e. income, education, age, etc.)?
- Do you know the basic costs for the product (i.e. manufacture, wholesale, any fees)?
- Have you figured all the costs to put the fulfillment package into the mail or shipment?
- Do you know what your competitor is charging for the product?
- Do you have a sample of your competitor's product and know how your product differs?
- Do you have copies of ads and mailing pieces from your competitor?
- Have you selected a retail price?
- Where will your price position you in the market?
- Have you written down all the physical characteristics of your product, including weight of the item alone and in-the-mail?
- Are there any special problems in handling and shipping the product?
- Are there special restrictions on your product (i.e. shipping fireworks or chemicals by mail)?
- Are there any special or legal liability problems with your product?
- Are there any safety problems with the product?
- Does your source of supply guarantee the product?
- Can your source of supply furnish you with enough product, and on time, for your marketing plan?
- Do you have an exclusive with the supplier, or manufacturer, for the product?
- Will the supplier make the product available for as long as you market it?
- Will your product be perceived as a good value at the price you want for the product?
- Do you know the size of your market?
- Is the market large enough to justify your efforts?
- Does your product have a potential for repeat sales?
- Does your product lead to sales of related items?
- Does your product require additional sales (i.e. refills, replacement parts, etc.)?
- Does your product photograph well, showing its quality and dimensions?
- Can your product be personalized for your customers?
- Will you give a written guarantee on the product?
- Will you have a specified return and refund policy?
- Have you factored a certain percentage of returns into your overhead?
- Is your product likely to have seasonal appeal or otherwise be limited in appeal?
- Can your product be sold via the Internet?
- Can you recycle an old product to make it new?
- Do YOU like your product... are you PROUD of it... would YOU buy it?

## **Pricing Your Products for Maximum Profits**

What you'll learn in this Lesson is the part that pricing plays in sales and, ultimately, your profits. Remember, "profit" is not a dirty word. It's a key gauge of your business success.

Without generating a decent profit... why are you doing all this work?

Anyway, we're also going to discuss your mail order product, what it costs you, who will pay what for it, and how to position your product.

By positioning, I'm referring to placing your product in the marketplace so it reaches the proper prospects who are willing to pay the price you must have for it. You'll also learn how to test the price for your product. These testings vary according to whether you're advertising your product in display ads, by direct mail, or in a catalog. And you'll learn when and where to test, and how to price for maximum profits.

You'll see what happens when you offer a special sale, set a different price, and when a customer orders a number of your products.

For example, you might have a series of books that sell for 10 dollars each. And you may want to get more sales by increasing the average order. Therefore, you price your books at \$10 each, or 3 for \$25. We'll go through a number of variations.

Too, we'll discuss how to price your product on a wholesale basis.

I'll begin with the part that pricing plays in sales. It's not correct to say the lower your price the more sales you're going to make. That's simply not true. For example, if you saw an ad for a 1997 Mercedes for \$200, you're going to want to know why the car is being sold for such a ridiculously low price. You'll find most people will be skeptical. Don't believe me? Go out to any street corner in town and try selling dollar bills for 50 cents. You'll find that you'll have a very difficult time.

So when you have a cut-rate price, there's a psychology that comes into play. You must explain to your prospect, and convince him or her, why you have such a low price. For example, you're probably familiar with the "Why-are-we-giving-away (whatever) for-only-\$5? This is not a misprint" ads that were run a few years ago. The ads were usually a full page display in most all the consumer publications, primarily tabloids, and featured a commonly used item, like a clock, watch, or a low cost electronic toy. The ad stated that as a "test" or as a "publicity program" they're selling these things at a super low price of only \$5 each.

So the ad's psychology is to make prospects say, "hey, let's get in on this." And the ad assures

the reader of the value of the product. The ad copy even stated that only 2 or 3 of these items can be ordered at one time. And that the respondent must mail in the complete ad, no photocopies... the page must be torn out and mailed in.

All of these things are psychological devices to get readers to believe they're coming across some great bargain. The marketing company had to explain their low price to assure a certain segment of the market who are looking for bargains why they're able to get that something for almost nothing.

Now, when they get the names of people who are responding to these types of offers, an item sold at a ridiculously low price, they're *not* then going to be able to convert those people to buying upscale products from their catalog that accompanied the product shipment. Those consumers for the bargain offers are almost always going to be locked into a bargain type offer.

Pricing is difficult to explain. Truth is, it's something for which you must develop an instinct. You learn by being familiar with your product, by becoming familiar with your competition, by becoming familiar with your market so that you know what a particular type of book, a toy, or a piece of clothing sells for. Or, what the consumer expects to pay for a particular item. Then you're going to place your product at a certain price level because it's going to appeal to your target market.

Let's say you have a common mustard product and you decide to sell it to an upper income group that buys gourmet products and has the money to afford 2, 3, 4 or even 5 times the common store price for everyday household mustard. Then you must price the mustard several times the normal price, and you must package and advertise it as "special gourmet." When you do, you're going to eliminate a segment of the mustard market; people with average and lower incomes who are not going to buy your product because of the higher price. And who don't give a hoot about "gourmet" products.

In the same way, if you have a magazine or book that covers upscale tastes, you don't try to appeal to that upscale taste by drastically cutting the cost and offering it to this high income audience.

There's a second thing you must consider in terms of pricing; not only weigh the psychology of pricing by placing the product in a certain market, but also consider — especially in mail order — the *mathematics* of pricing.

Fact is, mail order marketing is a matter of continual testing. That means you and I can't sit in our offices and guess what a particular product, promotion or price is going to do. You have to take the bull by the horns and actually test the product and try a number of different offers, approaches and prices. You must set goals and try to reach those goals. You must slowly change your direct mail package one element at a time. You must change the ad stressing one major benefit and then another in order to finally arrive at the best promotion for your product. And even after you've finally arrived, you take that best ad, that best direct mail package and you call it your "control." Then you keep on testing to beat your control. Testing is a continual process.

Let's talk more about reduced prices. True, you might sell a few more products at, say, \$4 rather than at \$5. But the number of sales may increase at such a small percentage, you'd be better off selling your product at the higher price.

For example, if you're selling an item for \$5 and you arrive at sales of, let's say, 100 from every 1,000 direct mail packages mailed. That means you take in \$500. And then you test the product at \$4, and it only increases your sales to such a small extent that you are not even taking in \$500.

You see, when you make 100 sales at \$5 each, you've grossed \$500. And then in order to gross that \$500, your lower cost of \$4 must increase your sales by a whopping 20%. (By the way, that example of making 100 sales out of every 1,000 cold mailings is just a simple math exercise. Ten percent conversion in a direct mail project is actually quite high. Furthermore, you'd seldom make money with a product price of only \$5.)

Anyway, it's very doubtful a small decrease in your price will increase your profits, even though you may experience a small increase in the number of sales. Now this doesn't necessarily mean that you'd want to drop the lower price idea. You may actually *want* to take a small drop in gross revenues, because you're after, as is so often the case in mail order, the "bounce back" or the "back end" profits. That is, orders for the additional products you have. So you'd like to have more customers signing up, buying your books, or whatever. Therefore, you might want to "buy customers" with a lower priced initial offering.

But beware, as I mentioned earlier. If you cut your price too drastically and you target a group of people who are only after bargains, you're going to have to continue to offer them reasonable bargains. So to entice people onto your mailing list using a bargain type of appeal and then send them an upscale catalog, is one of the quickest ways to fail.

An example is the *Hamilton* catalog of overstock books. As a customer looking for bargain prices for overstocks, I'd not be receptive to an offer for a \$5,000 leather bound, limited edition set of books. If they counted on sales of that product from me, the bargain hunter, they'd soon be out of business.

Now, let's talk about your mail order product and what it costs you. So far, we've only discussed a few points in the psychology of pricing. But we can't consider price alone. A more basic consideration has to be the product itself, what it's costing you, and what price you have to get in order to make a profit.

Let's assume, for an example, that you're a book publisher. You have a "how-to" book that can be sold easily by mail. The product can be printed for one dollar each in reasonable quantity. Now, you might be able to print it even cheaper, let's say, if you order print runs into the tens of thousands. But the book isn't published yet — you're just *considering* publishing.

So you price according to a small, or a modest, press run of a thousand to twenty-five hundred. It's going to cost a dollar each to get the book off the press. A dollar is just the printing cost, but there are additional costs... the normal costs of doing business, such as light, heat, electricity, office supplies, and all the rest. You must have some knowledge of how much of that overhead is going to be charged to the new book.

Then there's the cost of advertising the book and the costs of fulfilling the orders, which means packaging the book and getting it into the mail. So it adds an additional, say, 50¢. Now you have to get \$1.50 just to cover your costs of mailing the book, printing, normal overhead, packaging and postage. The unknown factor is advertising or marketing costs.

If you were to sell a substantial book for \$1.50, most people would regard the book as worth only \$1.50. So there probably wouldn't be too many takers. You're probably going to need a \$15 price, likely more. (We haven't even discussed profit yet.) And you'll certainly need that amount if you're going to use the item in an ad campaign; especially if it's going to be used as a lead item. That means either full page ads or an extensive classified or small ad program, along with the necessary follow-up direct mail package.

So given that price structure, knowing (from research) other similar books are selling for \$15 to \$19, you'll need a minimum of \$1.50 to cover costs, plus the unknown factor of advertising costs. You might think that's a lot of money allocated for advertising. It is, but advertising is a big expense. And, often, initial advertising even *loses* money. As I've said, the big profits are generally made with "back end" orders.

For example, there's a fellow who mails out to buyers a fairly expensive looking income opportunity-type book. The book sells for \$19. I happened to talk with him a while back and asked him his reasons for the expensive book selling for only \$19. I had guessed his reasoning, but I wanted to hear it from him. And, sure enough, he explained that he creates goodwill by selling a hefty book (far better than the buyer expected) and then is able to continue selling to that customer, product after product, year after year. At no additional advertising expense. So that's why often you can lose money, or break even, on the front end. But, of course, you have to have other similar products to sell in order to enjoy bounce back income.

Anyway, I digress. Let's go on.

When Coca-Cola runs ads in magazines, when they do various promotions in food stores, when they use billboards, they've budgeted a certain amount of advertising money. But they have no way of knowing exactly what percentage of income has been generated by any of those different types of ads or promos. They may have a billboard at Broadway and Main street in your town and know they'll get X many viewers passing by that location viewing the message. But, here's the rub — they really have no way of knowing how many actual bottles of Coke were sold as a result of that ad, promotion, billboard, or whatever. So when they play with a budget, they're left



with putting aside a certain amount of money for their advertising. And they've learned that if they lower their advertising budget, their sales will drop. If they increase their advertising budget their sales will increase.

In direct marketing/mail order, however, a big advantage you have is that you have control on your advertising. You have this because your advertising is measured, not by any kind of advertising device or how traffic counter, but by the exact response to your marketing or advertising campaign. For example, if you mailed out 50,000 marketing packages, you can determine exactly the number of sales and the amount of dollars that were generated from that mailing.

It's the same if you run a small classified ad in a national magazine. You insert a code into that ad to determine response. Then you can tell *exactly* how many inquiries came in and how many converted sales were made from sending out your sales package. But still, your advertising is your unknown factor. And you will not know — or even began getting a “good seat of the pants” feeling of what that cost is going to be until you begin advertising and until you begin keeping and reviewing records. (By the way, MailMAXX™ software does this automatically for you. Visit <http://www.BrooksOwen.com> and go to “How I Slashed My Work Day in Half.”)

So your mail order product's price is going to be determined first by what you need to get for the product to cover your cost and to make a profit. And secondly, it's going to be determined by what the climate is for your product, what the competition is and, therefore, what your prospects are willing to pay for your product.

Third, it's going to be determined by how you position that product within the market. You can prepare a nicely packaged book, for example, and ask a good price for it. That, and the type of book, will then determine what segment of the market is going to buy your book. Are you targeting corporate executives? Or, is it going to be a book that will sell to a beginner in some field? Perhaps you're targeting the opportunity seeker which means the book may be priced lower because that market, in general, is used to paying a lower price.

An encyclopedic-type publication covering a narrowly-defined field can sell for a large price, if you're mailing that offer to professionals. But the price will have to be lower, and perhaps the print quality less, if you're going to market it to a student, a beginner, or the opportunity seeker. If you have a defined market for a particular product, you'll often have within that market several levels of prospects. And those various levels of prospects will each demand more, or less, of the book or product they're buying. And at a price that they are willing to pay. So you have to target the *proper* prospect. And you have to price accordingly.

Now, how to test your product price. I'm going to discuss pricing to get more profits, and how to price when you're selling your product wholesale.

First, your price need not be absolute. You might consider pricing your product according to

the market you're going to reach. You might even have several prices for your product (certainly to start with). But how do you test your product so that you can arrive at the best profit? And the best long range advantage for your company? As I just mentioned, you might test different prices for different markets, and your testing is going to vary by the different methods you'll use in advertising your product. Testing, for instance, a price in a display ad is much different than testing for price in a direct mail package or in a catalog.

In a display ad, as in all mail order advertising, you can "key" or "code" your ad. And control when and where you advertise based on your advertising records, which will show you exactly when and in which publication your advertising has paid off.

For example, you may have a book on fishing techniques. Your advertising records will show you that in *Field & Stream* magazine you can profitably advertise each and every month. And yet in another magazine, let's say *Popular Mechanics*, you can profitably advertise only during certain months. Perhaps in spring and summer. *Field & Stream* has gathered for you a prime market of prospects that are looking for your fishing book. *Popular Mechanics* may not have gathered the best prospects for you, but still, there are many prospects within *Popular Mechanics*'s universe of readers who will buy your product. But since they are only a percentage of the readership of that publication, as compared to the readership of dedicated fishing magazines, it only pays to advertise during certain months.

In order to test your price in a display ad, change only the price. If you change more than one factor you'll skew your test, and you'll not be sure of the results. For example, don't prepare two entirely different ads with two different prices and run them in two different magazines at the same time and believe that's an accurate test of your pricing. It's *not* an accurate pricing test.

If you're going to test your product price in a display ad, test in a publication that permits "split runs." (Most do.) This means that the publication has a method by which they can run your ad showing a \$19.00 price, let's say, and mail to half their subscribers. And run the same ad in the same monthly issue with your product price at perhaps \$15.95, or whatever, and mail to the other half of their subscribers. The magazine issue is mailed to their total circulation on a random basis. The publication printed your ad exactly the same, except for the one difference... half of the circulation saw a \$15.95 price and the other half saw a \$19.00 price. Then you can calculate which was the most profitable.

The next two pricing techniques are easier and less costly. For instance, let's say you have a product you haven't sold before. You know exactly what you have to have in order to make a profit. But you still have your "unknown factor" in terms of advertising costs.

So you'll test three prices. All of them will cover your basic costs and allow for variations in the percentage of response to a direct mail package. An easy way to do this is to change your order form in your direct mail package which is often 1/3 of an 8 1/2 x 11-inch sheet of paper. You can print your copy exactly the same for three order forms to be cut from the 8 1/2 x 11-inch sheet. The printer runs

these as one sheet, the only change from the top, middle and bottom third of those order cards is the price. After printing, it's cut into thirds. Thus, you'll have three stacks of order forms, each with a different product price.

Then when you do your mailing, on a random basis you insert an order form so that the first person will get a mailing in which he or she is offered your product for, say, \$15.95. The second person is offered this product at \$19.00. The third person will see the price at \$29.00. (MailMAXX™ quickly sorts and reports to you the results of these split offers.)

Now, when I write a direct mail package for clients using this testing method, I do *not* mention the price in the sales letter or in the other literature. The price is only mentioned on the order form. Secondly, since the direct mail package goes to an individual, he's not aware whether his neighbor or his buddy in the next town has also received that same direct mail package. He's not aware that there's any difference in the pricing. He's only aware of the price that's on his order form. And, if you've done this on a random basis, when those orders come in you'll see which price brings you the best results.

As I mentioned earlier, perhaps you'll discover the higher price brings in an initial higher gross income. But you have other fishing books to sell. And you'd rather sell your introductory book at a lower price, which at least covers mailing costs (plus maybe a *little* profit) because you're going after the even higher profits you hope to get from years of repeat sales to the same buyer. And do it with little or no advertising costs since you've now gained a satisfied customer.

Anyway, you can elect to go either with more profits now, or the possibility of even greater profits later by using a lower initial price in your direct mail package. Thus, gaining a large mailing list of happy customers who'll continue buying year after year.

If you've arrived at the point where you have your own catalog, you're in a good position to test your prices. You can test by using the very same method you'd use in a display ad split run. You can change the price on a page of new products you're introducing to your market. And have your printer print half of the catalog run at the lower price and run the second half at the higher price.

Send your catalogs out at random. Don't send them in the order that, say, the eastern half of the U.S. is getting the lower price and the western states getting the higher. Your catalogs and mailing labels are going to have to be set up in such a way that this is done on a random basis to give you a fair reading.

Now that you can see how to test prices in your catalog I'll make one exception. And that is, using a method of selecting products for your catalog based on "paying for their space." You may have a product that's doing just okay, so you consider if you use it as a bonus item, or lower the price, would its sales increase for the following issue of your catalog? By using the "magazine method" of catalog pricing you can be fairly certain, with a number of variables, that you're doing at least an adequate test for your purposes.

Let me explain. The “magazine method” of catalog pricing is to place a value on each of its pages, or its space. Just as a magazine does when it charges you for advertising. This means that if you’re featuring, as an example, 10 items to a page and you’ve figured that a page is costing you \$600.00, then you must get at least \$60.00 in total sales from each item in order to just pay its way on the page.

Now, how do you set the price when you’re selling your product wholesale? Well, when you’re selling wholesale, you have to consider what the *other* person, your dealer/distributor, has to make from it. So let’s start at the beginning and discuss how much you have to get for your product. You’ve tested your price whether *you* sell it or *someone else* sells it. You must give the wholesale purchaser enough incentive to sell your product at retail in order for them to make a decent profit.

Here’s the differences in goals of your pricing. (And this also applies to the person to whom you sell at wholesale.) If you’re going to use it as a lead item, you need 4 to 10 times markup. That means, if you get an item from the manufacturer, printer or importer at a dollar, you need a \$4 to \$10 retail price. If, however, you’re selling an item through a catalog you already have invested money in prospect names and customer names, and your costs are spread out, you might afford to sell at a 2 to 1 markup. So can you offer a sufficient discount so that the wholesale purchaser can figure on a 4 to 10 times markup? Or just a 2 to 1 markup?

If your wholesale customer is figuring on a 2 to 1 markup, then your pricing structure is based largely to the catalog houses and to other retailers. However, if your pricing structure allows you to offer a better than 3 to 1 or 4 to 1 margin, then you can attract not only the catalog houses but you can also attract those entrepreneurs who’ll buy in large quantity and will use it as a lead item to build their own mailing lists. A better margin allows them to invest more money in mailing and in advertising. Which, in turn, brings you more orders.

So when you figure your pricing structure for your own sales, you should think about getting additional profits from the wholesale end. Your retail price should now become a “suggested” retail price. Give the wholesale buyer your suggested retail price, because that price has been your experience. And let them adjust the price to fit their own market.

As the Course moves along, we’ll discuss additional aspects of pricing.

## How to Write *PowrAds*<sup>TM</sup> that Make You Money

I've previously remarked on my "AEIOU" principle and why it's a more effective guideline to follow than the classic "AIDA" method of writing ads. Let me explain AEIOU once again.

AIDA stands for: Attention, Interest, Desire and Action. To me, this falls short of what you must accomplish to write a powerful ad.

I believe each ad must aim for: *Attention, Excitement, Interest, Offer, Urge* to Buy...

### AEIOU.

ATTENTION — you must attract the *Attention* of readers

EXCITE — your ad must cause *Excitement*

INTEREST — you must create reader's *Interest* to know more about your offer

OFFER — you must have a good *Offer*

URGE — all of which *Urges* your prospect to respond

This Lesson illustrates exactly how to use my AEIOU principle.

What's the difference between a "good" ad and a "poor" one? The answer's easy and can be summed up in one word...

### PROFIT!

A good ad is a profitable ad. Period. Not a graphically pleasing ad.... not a grammatically correct ad... a *profitable* ad. Earlier in this Course, we touched on some basics. Now, let's delve more deeply into the important differences between a profitable ad and a dud.

The profitable ad selects — that is, targets — its prospects with a compelling headline that *appeals to their interests* and *promises to satisfy* a specific want or need. Then follows through by *telling how* your product or service will do just that and why they should have it. Finally, after arousing the reader's interest in the product, the good ad will convince him or her to act now... send for more information, purchase the product/service, visit a web-site, call, write, whatever.

An *unprofitable* ad fails to do these things.

### Let's Write a Good Ad... Step-by-Step

It's helpful to develop a "checklist" of the important points your ad should contain. It's easy to leave something out of the ad, to overlook something that should be in the ad, unless you use a checklist of some kind. You can start by using the checklist found at the end of "*How to Turn Your Sales Letters into Power-Packed Cash Generators*," then tweaking it as needed.

First you must understand the difference between Features and Benefits. A Feature is a product or service description.

For this Lesson I've chosen to write an ad for a power garden hoe that has a new style 3-hp engine. That's a *feature*. Also, the hoe's handle can be expanded from a 3-feet to 6-feet. That too is a feature.

Now, a Benefit is what specific advantages the user gets from the features of the product. Your job, when preparing your ad, is to translate Features into Benefits. Using the garden hoe as an example, here's how you might do it...

"The *Roto-Hoe 1000* boasts new 3-hp engine design and adjustable handle."

"Saves work... reduces tired muscles. Simply adjust the *Roto-Hoe* to your own comfort level, fire-up the quick-start 3-hp engine and you can enjoy gardening all day long as easy as a butterfly floats in the breeze."

Do you see how I translated the two Features into Benefits? As an exercise, why not make a Features List of the hoe then turn them into Benefits.

Specifying a product's features is an important element of your ad, but it's the benefits of those features that will sell that product... it's how the benefits satisfy your potential customer's wants and needs.

### *Picture Words*

It's important to use a word or phrase that paints a picture in your prospect's mind's eye. You want them to imagine the benefits your ad describes. Read these two headlines.

"Roto-Hoe Has Newly Designed Quick-Start 3-HP Engine"

"Effortless New Roto-Hoe Gives You More Time to *Enjoy* Your Garden"

The first headline tells the facts, but doesn't paint a picture. The second headline satisfies the gardener's desire and gets him or her imagining easy, enjoyable gardening.

### *Beware of False Statements*

You must, of course, be very careful to avoid false or misleading statements. Other statements in your ad may be mitigated, or qualified so they can't be interpreted as positive facts when you can't prove those facts.

For example,

An unprovable statement might be: "Make \$50 an Hour." To qualify the statement, you can write: "You Can Make as Much as \$50 an Hour." The words "can" and "as much as" are qualifiers.

I should note here that the use of qualifiers is not the cure-all of blatantly false copy. You still must avoid misleading your prospects.

Other examples (with the qualifier underlined),

"With the new Hinkeldorker 2000, you should be able to...."

"With a little exercise, you may lose 50 pounds next week."

"You could actually increase your gas mileage up to 50 miles per gallon."

"If I could show how to make \$1,000 an hour... would you be interested?"

Another point: mitigating words can weaken copy. "Increase your gas mileage to 50 miles per gallon" is certainly more powerful than when you add "should" and "up to" to the statement. Creating powerful, truthful ads takes a thoughtful and capable copywriter... not a lazy one.

### *The Headline*

A powerful, specifically targeted and effective headline attracts attention to your ad. Notice I said "specifically targeted." Don't try to appeal to all people, the shotgun approach. Decide who your target audience is and aim for them... like a rifle shot.

Learning the proper techniques requires an entire Lesson of its own. That's why I prepared a whole section to teach you all about how to write a good headline. So I won't repeat the process here. Be sure to study the Lesson, *Magic Headlines that Made Fortunes (and How to Copy Their Success)*.

### *The Opener*

Your first sentence(s) is as important as the ad's headline. It continues the **Attention** part of AEIOU and should create **Excitement** in what your product can do for the reader. Once you've established contact with your prospect by means of the headline, your prospect must be "hooked" immediately or you're likely to lose him.

Here are 6 ways get a potential customer eager to continue reading your ad...

1. Your headline attracted the prospect because it held promise to satisfy a want or need. The first sentence(s) of the ad must expand and amplify the headline.

For example, the Headline: “Effortless New Roto-Hoe Gives You More Time to *Enjoy* Your Garden”

The Opener: “At last! Now your gardening chores can be easier, quicker, and much more fun. Which means you’ll have plenty of extra time to savor your garden... without all the hard work. AND you’ll have the lushest... most abundant... most bountiful... leafiest garden in town!”

By the way, notice the qualifier “can” in the above sentence? Actually, the ad would be more powerful using “will be,” but can you prove it? I think it’s obvious that a power hoe is easier and faster than a manual hoe. And, perhaps, more fun to use. Problem is, you can’t really know how the gardener will use it. For a few people, it may not be easier. That’s why you’ve got to be careful.

2. Take out your big guns first. Immediately detail your number one benefit, as I illustrated in the above opening sentence example. Notice how the example fits in with your prospect’s train of thought.

At this point, you’ve got the reader stopped and interested in your product and into the first part of your copy.

3. Begin listing the product’s benefits... and prove your statements. For instance:

“Makes hoeing a breeze because the powerful, dependable 3 horsepower Briggs and Stratton engine does all the work for you.”

With benefit-laden copy, you can keep your proper prospect interested and wanting more information. The reader is enticed to continue reading your ad.

4. Stay focused. A common mistake made by many ad writers is include too many ideas, thus dividing the attention of the potential buyer. It’s more important to focus on one main theme and wrap all your benefits and proof around that theme.

The main point of our Roto-Hoe ad is to emphasize ease, speed, and ultimate enjoyment of a garden. So when you introduce, say, unnecessary details of the engine you distract from your principle selling points. Yes, mention that the hoe is powered by a mighty 3-hp Briggs and Stratton, because that engine is known for its rugged reliability. But stop there. Don’t get into tedious engine specifications.

If you confuse your prospect, he or she becomes undecided and you’ll likely lose the sale.

5. What is your **Offer**? Is it a good one? The offer you make to your potential customers can increase or decrease your ad’s response by 3 to 5 times! Generally, your offer consists of...



*Lead or Order:* Do you want an order, or a lead to supply additional information in some form?

*Price:* Is it a bargain? Competitive? Do you accept installment payments or credit cards?

*Product:* What's different about it? Color, size, and so on.

*Guarantee:* Conditional? Unconditional? Restrictions? Generous? Length?

*Time Limit:* Is there a limited time for your offer?

*Bonuses:* Do you offer a bonus? What is it? Is it appropriate? Perceived value? Kept if product returned?

*Discount:* Ties in with Time Limit. Must a prospect order by a certain date to get a discount?

Quantity discounts? Are they worthwhile?

*Shipping:* Free? Immediate? Priority? UPS/FedEx?

You can formulate your offer by strengthening the main benefits with features that show how the product, for example, saves the user time, effort, and expense. Mesh benefits with the features by stating in emotional terms how the Roto-Hoe is whisper-quiet, light as a feather, instant-start, virtually maintenance-free, conveniently stores away anywhere, low cost, and the like.

Put your buyer at ease by offering a long money-back guarantee. Perhaps free service for five years. Highlight a generous discount for purchase by a certain date. Offer to pay for the shipping.

Thus, creating an irresistible **Offer**.

6. Remember... People want to be: Important, Admired, Successful, Influential, Attractive, Sociable, Efficient in their work, Wealthy and Healthy. And people want to: Save Money, Save Time, Relieve Discomfort and Pain, Work Less, and Make Money.

So, when you can show in logical ways how your product adds these ingredients to your potential customer's life, you've won half the battle!

*How to Make Your Ad*

*Stand Out from the Crowd*

To reach your goal of creating a profitable ad you must set your product apart from your competition and develop the **Interest** portion of AEIOU. Here are three ways to distinguish your product and create interest...

1. Don't make general statements like, "better than others costing hundred more!" Rather, be specific. For example, "The 1½ horsepower X-Hoe costs \$179. Roto-Hoe with it's powerful 3 HP Briggs & Stratton engine is only \$149 completely assembled... so why pay more and get less?"

2. Tell your prospects *why* your product is better. Define exclusive features that support your main theme. Like: "Only Roto-Hoe has quick-adjust handle and easily folds up flat for out-of-sight storage. Each wheel glides on never-lube industrial ball bearings. PLUS, you don't have to skin your knuckles,

cuss, and waste time because only Roto-Hoe comes to you factory assembled... ready to go.

3. Justify your claims. If you make an exceptional claim for your product, support it. For instance:

“Roto-Hoe will give you years trouble-free gardening thanks to the unique, solid uni-body construction — developed by NASA — which ignores tough clods and sod that would soon cause breakdowns in common hoes.”

### *Convince Your Prospect*

Your product may be the very best on the market, but you'll not make the sale unless... you *convince your prospect!* Not only must your ad fit in with the readers' train of thought, they must believe what you're saying is true.

Unfortunately, many lazy and inexperienced ad-writers try to convince prospects by shouting with words like: fabulous!, amazing!, astounding!, astonishing!, colossal! and end sentences with multiple exclamation marks!!!! True, those words can be useful when used correctly and sparingly, as in “The Amazing Secret of How to Grow Greener, Healthier Grass with Apple Juice!” But never as a substitute for skillful, thoughtful selling.

Think for a moment. What is your reaction when you see ads prominently using words like those? Hard to believe the ad, isn't it.

Following, are six ways to inspire belief without shouting.

1. Redundancy is effective. Depending on the size of your ad, repeat several times, in slightly different words, the main benefits of your product.
2. Tell how others have enjoyed and benefitted from using your product.
3. One of the best ways to convince your prospect is by using testimonials from other buyers. The more specific, the better. It's much more convincing to use “Sally Smith, Dearborn, Michigan” than “S.M., Michigan.” Also, a photo of “Sally” happily using your product is even better.

If possible, get the testimonial of someone of authority. For example: “Dr. Bob Smith, Head Horticulturist at the University of Washington depends on the Roto-Hoe 1000 for his award-winning garden.” Show of picture of Dr. Bob standing by his lush garden, leaning against the hoe, grinning from ear to ear.

A testimonial like that will practically sell truckloads of the Roto-Hoe all by itself!

4. Prove your claims. To satisfy even the most stubborn skeptics, proof of what you say can win sales.

Like, “Roto-Hoe is this year’s winner of the prestigious Consumer’s Union award of excellence.” Or, “Awarded 5-stars by the Consumer’s Union.”

If you can’t offer such real awards or laboratory tests, good testimonials still can do the job.

5. Offer a solid, no-nonsense guarantee. “Money back if not satisfied.” You must be 100% thrilled, or your money back immediately.” “Test it in your own garden for 90 days, risk free.”

6. Show the value of your product. As in a previous example, “The 1½ horsepower X-Hoe costs \$179. Roto-Hoe with it’s powerful 3 HP Briggs & Stratton engine is only \$149 completely assembled... so why pay more and get less?”

Or, “Check with your local garden shop... you’ll see why Roto-Hoe is a genuine bargain when compared to others selling for twice the price.”

### *How to Stimulate Immediate Action*

Why are you placing your ad? In a nutshell, it’s to sell your product and make a profit. So you have to tell the reader what to do... to get them to act. There are several ways to effectively **Urge** your prospect toward your goal, including...

1. Offer a reward for speedy action. Perhaps an appropriate gift. As an example, to urge your Roto-Hoe prospects to purchase right now you could include seed packages, or an extra set of tines, or a gardening book, or a limited time price discount Try offering free shipping.

2. Give your reader a reason for buying. Appeal to their *emotions*, not logic. For instance, “Your garden will be the talk of the town. Imagine the ooohs and aaaahs from envious neighbors!”

3. Simply ask for the order. Don’t be shy or coy... ASK! Strike while your prospect is interested now. If they put it off until later, they’ll likely never buy. Out of sight, out of mind.

“Write or call toll-free today for complete details about how the remarkable Roto-Hoe can make your gardening easier.”

4. Explain how, where and why to buy. Spell it out in simple terms. Make it easy. Give several ways to respond... send in the coupon, call your store toll free, write for more information, log onto your web site. Whatever. Clearly tell your reader what you want them to do, how they can do it, where they should do it and why.

For example... “Here’s How to Get Your Roto-Hoe: It’s really easy. Just clip the coupon below and mail it along with only \$149 (check, money order, credit card) to (address). When we

receive your order by May 31<sup>st</sup>, you'll also get (whatever).”

### *Conclusion*

Creating *PowrAds*<sup>™</sup> that make you money does take thoughtfulness, attention, time, interest, study, testing, along with trial and error. Most likely, you won't get it right the first time. But don't despair, nobody does.

Too, writing a powerful and profitable ad is a practiced craft. Truth is, many successful mail order operators don't write their own ads... don't want to take the time... have no interest. Even though they know the techniques, they just want to get on with selling their product or service and making a profit.

If that describes you, read *How One Powerful, Small Ad Can Make You a Fortune* near the end of this Course.

## How to Turn Your Sales Letters into Power-Packed Cash Generators

Let's begin with some basic points about writing a sales letter. The first thing you must do is to learn everything you can about the product or service you're selling. It's impossible to write your sales letter if you don't have sufficient information about your product. Equally important, if you don't have all the information, you can't get fired up and motivated.

I find it easier to write a sales letter when: 1) I've gathered much more information than I'll ever need; and 2) I've studied the benefits of the product and can easily, quickly see how it would benefit me as well as the reader of the sales letter. That's part of the motivation.

When you've gathered all the facts about the product or service, you need to determine what your proposition, or offer, is. It's often changed for whatever market you're targeting. The product itself is different than the offer. So determine how you're going to offer your product or service. What's your proposition? What are you actually offering to the reader of your sales letter?

Lead off your letter with the main benefit of your product... how it can help your prospect.. You're not just offering the reader, say, a garden tool. You're offering ease in gardening, or a solution to a problem that he or she has in gardening. Similarly, when you're selling a book you're selling a solution to some need, want or problem the reader has. You're not selling 200 pages of paper bound in a glossy cover.

It's like when you go to a fine restaurant. The restaurant owner is not selling you a half pound of meat. She's offering a beautifully prepared Chateaubriand. She has an ambiance in her restaurant that's highlighted by the decor, the table setting, the music, the way she conducts her business, the way the food is prepared and served to you — she's giving you satisfaction with the presentation.

So you see, your product or service needs to be presented with a certain proposition, or offer, and how it can satisfy your reader's "wants" and "needs."

Next, determine who your proper prospect is. Can you picture him or her in your mind's eye? What sort of educational background does the person have? What's your prospect's average salary? What type of home does the person live in... suburban home, condominium, a lake-front apartment, farm? As many of those details (demographics) you identify, the better targeted your sales letter is going to be.

Write your letter in the same vocabulary, the same vernacular, as you perceive your typical prospect. Now I'm talking about an imaginary person here... the average person to whom you're targeting. I suppose the so-called average person doesn't exist any more than the average family has 2.3 children. But you get the idea. You're targeting the primary prospect for your offer.

Pattern your writing after your typical prospect's style of living or talking. The person who has a graduate degree, and who reads scholarly publications is going to be addressed differently. Especially if you're trying to sell that person a subscription to *Foreign Affairs* magazine than, say, writing to someone who has less education.

Now let me digress a moment. *This is important*. What I just said doesn't mean that you should to talk down to, or even up to, your prospect. No, no. What it means is that you try talk on the same plane or level as your prospect. Flow with your average prospect's style of speech and writing in which he or she can relate. Keep in your mind's eye to whom you're writing.

Remember the classic "KISS" principal? You've probably heard of it. Credited to top sales trainer, Fred Herman, it was his coined acronym for Keep It Simple, Salesman. Later changed to Keep It Simple, Stupid by Col. Harlan Sanders. And then changed around again by others. In any event, it helps to keep in mind to keep things simple.

So you must write on a level where the reader isn't taking your letter and running over to the dictionary to look up the words you've used. Avoid unidentifiable words and jargon. *Keep It Simple, Seymour*. Remember, readers won't refer to a dictionary to look up words in a sales letter. They'll throw it into the wastebasket.

However, use meaningful and useful words and phrases. Stir your prospect's emotions. "Sell the sizzle, not the steak." You don't want a mere recitation of the features and facts. You can do that in the brochure that accompanies your letter. But in your letter, you personalize it, you create a sense of excitement, you offer help with the problem your prospect has. Tell how the product is going to make your prospect's lifestyle better, help with money, status, good looks, health. Whatever.

Stress the BENEFITS to your reader.

Here's a list of what most people want. The more of these "wants" — the benefits — that you can satisfy in your letter, as related to your offer, the more successful your letter will be. They are:

*Love, Money, Health, Popularity, Leisure, Security, Entertainment, Self-Confidence, Better Appearance, Prestige, Pride of Accomplishment, More Time, Freedom from Worry, Freedom from Fear, Curiosity Satisfied, Success, Doubts Eased, Risks Avoided, Pride of Ownership, Comfort, Creativity, Affection Won, and Self-Improvement.*

By the way, be careful of using humor in your letter. Don't try to be funny unless there's something that could be pointed out in that manner and you're definitely sure the humor will not offend and, more importantly, will actually contribute to your sales appeal. Remember, you're *not* in the entertainment business... you're in the selling business. This is especially important when you're doing business on-line. What *may* be humorous in the U.S. may not be in India, Denmark, Australia or Japan.

Make your offer and your language specific — very me-to-you — as if you’re addressing a singular reader of your letter.

Inspire confidence. Your prospect undoubtedly doesn’t know you, unless you’re sending a new mailing to your own happy customers. But if you’re renting mailing lists, or if you’re responding to inquiries, your prospect doesn’t know you. So you have to find ways to build confidence in the offer, in the company behind the offer and you.

How do you do this? Don’t use “I” or “we” language, and relate a history of your company. (Or, if necessary, use them sparingly to make your point.) But talk about the benefits and perhaps about how the product was discovered or created. And how the product was made to solve the problem your reader has. Further on in your sales material you’ll spell out your money-back guarantee. You’ll relate testimonials from happy customers.

Always have a “you” slant. A slant towards the reader, towards his or her interests and, again, make it specific. Try to fit in with your reader’s train of thought. So that they’ll be unconsciously nodding, “yes, yes, that’s me... I want that.”

Often, you’ll hear about brevity and the advantage of keeping things short. This doesn’t necessarily apply to a sales letter. Now I’m not going to tell you to write long sales letters just for the sake of being long winded and filling up pages of trifle and puffery. But I *am* saying that in direct marketing and direct mail you should make your sales letter as long as necessary to sell your product. As many pages as it takes to adequately tell your story.

That means, if it takes four, six, eight pages, even 12 pages, then do it. Because, if the reader is intrigued, is responsive to the main benefits you spell out in the first few paragraphs of your letter, and if he or she sees “wants” satisfied, they’ll go on and read the entire letter. In fact, they’ll likely want more and more details. (The more you tell, the more you sell.)

As an example, I wrote a 12 page sales letter for my Dealership Program. Twelve pages, plus flyers, lift letters and other stuff. And you know what? Enough people asked for even more information that I felt I hadn’t told my story sufficiently. So I re-did the letter, added more pages with details and benefits. And, as a result, I got less questions and more orders.

So you see, if you’ve targeted the right audience and can satisfy something they want, most readers will be voracious in their reading, devouring what you’re telling them. And if you want the sale, you have to tell ‘em everything!

What about those people who are *not* going to read the long letter? Well, you’ve either lost those people in the first paragraph, or so, or they’ll just skim along reading sub-heads and parts of your letter that interests them. Then make their decision.

At one point or another, as they've read about the main benefits in the first pages of your letter, your prospects have decided this is, or isn't, for them. Most readers require lots of information, but others don't. Write to the reader who wants all the facts. The others, if drawn to your offer, will skim. So you see, don't lose the prospect who wants more information. Don't be afraid to make your sales letter long... long enough to tell the complete story detailing all the benefits.

One way to help any reader, the ones who'll read everything and the ones who just skim, is to add plenty of sub-headlines in your letter. Each sub-head highlighting a benefit, or something to lead the reader into the next paragraph or important point. Sub-heads also break up long copy, making your letter easier to read.

Think of your sales letter as a stand-in for an eyeball-to-eyeball salesperson. Actually, it *is* salesmanship in print. Which means that as you're "talking" with your prospect, you're going to tell all about the benefits, you're going to answer objections the person has.

And, if you're going to make the sale, you must **ask for the order**. You're going to have to tell how to order. And make it easy. Whether it's by check, credit card, a small down payment with easy terms, returning a form, calling a toll-free number, or whatever.

Toward the end of your letter you must begin asking for the order. Surprisingly, many writers stumble at this crucial element. They freeze up. But the hard, cold fact is... the purpose of your letter is to **SELL SOMETHING**. So don't wimp out. Ask for the order! Actually, many successful letter writers begin right at the beginning of the letter leading the reader down the greased chute to the order.

Even with sales letters that are sent out on a prospecting basis, then followed up by sales people, you must close the sale. You want your prospect to return a form, or indicate he or she is ready for an appointment, and so forth. So always, in your sales letter, ask for the order. You take the reader by the hand and tell them what to do. And make it easy for them to do it.

Now we've covered some key points and you have a rough overview of writing your sales letter. Let's talk about specifics. What kind of format does it take? How should it look? Truth is, there are no cut and dried, iron-clad rules here. However, there are some standard elements of structure common to all good sales letters that you should follow until you become comfortable with your writing and begin to innovate.

I'm going to give you what I perceive are the seven fundamental elements every successful sales letter contains. They are:

1. *Attract Attention*. The initial headline and first paragraph of your letter must get your prospect's immediate attention and establish a bond with his or her interests and excite them to read more.
2. *Benefits*. You immediately must paint a picture in your prospect's "mind's eye" of your proposition,



your offer, by outlining important benefits. Start with your most important benefit, then second, third, and so on.

3. *Introduce Advantage.* Show your prospects how they'll be "ahead of the pack" or how they'll be "a cut above" by having your product. Satisfy a want.

4. *Why Your Prospect Should Buy.* Tell your readers exactly why they should own what you're selling. Create a profit, or pleasure image. Spell out these benefits to produce a desire to have it.

5. *Prove It.* Relate how others have benefited. Use, if possible, true testimonials stating *specifics*, not generalities. Use names, not initials. Include city/state, if you can. Create confidence by offering a long-term money back guarantee. And make your guarantee an important feature of your letter.

6. *Loss of Benefits.* Explain what the prospect will lose; money, opportunity, prosperity, or whatever, if he or she does not purchase.

7. *Tell Your Prospect What to Do.* Ask for action. Make it easy to order. You can offer a bonus or discount for early orders. Or, if true, advise that your product supply is limited. Make it an advantage to order quickly. NOW. Today.

#### **Four Tips to Make Your Sales Letters SELL**

1. Put yourself in your prospect's place. Walk in his shoes. You must paint a picture in your customer's "minds eye" of something he or she can identify with.

"Lose 50 Pounds this Weekend" may sound to you like a whale of a benefit... but it'll turn off most prospects who merely want to shed a few pounds honestly. So talk with your customers. Learn what problem keeps them awake at night, tossing and turning. Then tackle it... explain it... talk about how it will worsen if not solved... describe how to correct that problem... how your product will help.

2. Explain any shortcomings your product may have. For example, "My secret technique for losing weight without dieting may not be for everyone. You won't see results if you don't use it every day... if you're not serious about looking slim and trim."

Prospective customers appreciate honesty. Plus, it makes your sales letter more believable. And you more credible.

3. Short, true stories are a great "reader grabber." As an example, in a sales letter I wrote:

"Back in 1979 I was doing pretty well as a bank officer, climbing the corporate ladder. The pay wasn't great, but Judy and I got along OK living from payday to payday. Thing is, I *knew* I could do

better on my own to make a better life for my family and me... I just didn't know *what* to do to make it happen. Nor did I have much money to invest.

One day I began answering some business-type ads in magazines. Much like you've done. And that's how I found my opportunity, and how I started. At first, I earned enough to supplement my income. But it wasn't long until I was making thousands of dollars a week and loving every minute of it! Soon, I quit my boring job and I've never worked for anyone else since. Nor have I ever looked back with regrets.

That's why right now, today, just as someone helped me... I'm ready to help *you* make money with your own mail order business."

4. As I've mentioned, YOUR SALES LETTER SHOULD *NOT* READ LIKE A SALES LETTER! Stuffy, grammatically correct letters are boring, boring, *boring!* They're not inspiring. They're not passionate. Worse... **they don't sell!**

Be somewhat informal, breezy, relaxed, easygoing, spontaneous. I don't mean be contrived and careless. Simply make your letter easy and enjoyable to read.

A copy of the successful sales letter I wrote 15 years ago for Ed Simpson's *Cash from Your Computer*, which I published, is at the end of this Lesson. Notice how it contains most all of the elements I've described. How it's a light, friendly, breezy, me-to-you style. That simple four-page letter along with a features brochure, a "personal note" from Ed Simpson in the form of a lift-letter, order form and return envelope converted about 30% of ad inquiries to sales. Needless to say, it brought in a lot of money.

Moving forward...

The first thing you must address as part of the structure of your sales letter is the primary benefit. Take out your biggest gun... hit your prospect with the #1 benefit right up front. In fact, don't even place your company letterhead at the top your letter. Put it at the bottom of the first page. Or, better yet, at the bottom of the *last* page. (I almost never use a company letterhead at all.) Your prospect cares less about you than about himself or herself.

Sure, there are exceptions. Perhaps if you're famous. Say, former president Bush writing an appeal for donations to the Republican party. Or Bill Gates with a hot new software offer. Or game show host, Bob Barker, urging you to neuter your pets. Or even yourself, if you've got such a rapport with your clients that they just can't wait to hear from you. Then, maybe, your prospect's going to say, "Hot dog! Look who I got a letter from." But, even then, don't bet your bank balance on it.

Anyway, you've got to get the reader's attention. You should establish contact with your prospect's interests right off the bat. With a headline that excites curiosity and makes him want to read

on. Promise a benefit to the reader right from the very top of your sales letter and keep him reading. And then add any other benefits you have. Keep laying them on in a nice, easy conversational style written with a lot of “you.” Not “me.” Not “I.” Always write toward your prospect’s interest. What’s in it for them?

Again, emphasize the strongest benefits first. And then list the other benefits as you go along. Always stress the benefits. You have to point out features, of course. The features are the actual physical aspects of your product or your service. What the person will see or feel about your product. What they will actually get. The benefits are what accrues to the person who buys your product or service. So sell benefits. Point out features.

Quickly get to your offer. For example, if you’re selling a book, you can detail all the benefits. You’re obviously not giving details of the features in terms of weight and height of the book, or the number of pages, or the feel of the paper. Those can all be mentioned, if important, but they’d come after the benefits, or most likely, in the accompanying brochure. So spotlight the benefits and get to the offer.

At some point in your sales letter, usually toward the end, you’re going to tender a guarantee so your prospect feels comfortable and reassured. If your product doesn’t live up to their expectations, he or she can get their money back. Or exchange it. Whatever. Therefore, you must spell out your guarantee. Detail the terms: length of guarantee (the longer, the better), limitations, and so on.

And as your winding down your letter, you call for a specific action. You must tell exactly how your prospect can get the product. Tell him or her to put the order form in the enclosed envelope and send it with check, money order or credit card number. Or, spell out your time payments. Or include a phone number so they can call. But whatever the action you want, you must make it easy for your prospect to respond.

What does the person need to do in order to buy the book, in order to get the service or the offer that you are selling? Spell it out! Point out the convenience of the enclosed return envelope, the convenient order form, the toll free phone number. And get that person moving from your letter to the action device... the order form.

Now, you still haven’t finished your letter. You should include a P.S., the postscript. Every good sales letter has one or more postscripts. Why? Because people read the P.S. Studies prove that after the reading the headline and, maybe, the first paragraph, prospects flip to the end and read the P.S., wanting to capsule your offer. So make use of the curiosity that people have and include a postscript. The P.S. should re-emphasize your primary benefit. And get them interested in reading the entire letter.

For example: P.S. Just watch how your income can increase as much as 3 times when you put all the profit-techniques I’ve told you about into action. Or, P.S. Your child will be reading faster and

comprehending more with the amazing ReadGood Plan... especially after following the 3 easy steps on page 5 of this letter! Or, P.S. Don't forget: you'll find a wealth of information in *Money in Your Attic* that comes FREE when you sign up within the next 10 days.

I often use two postscripts, like: P.P.S. or P.S. #2 to add a secondary benefit or to direct the reader to the enclosed brochure. Too, I've seen letters with 3 or more postscripts, although to me it seems a bit silly and gimmicky.

Let's review a few important things.

Before you even begin your sales letter, you have to decide who your target market is. Whom do you wish to reach? Then, what appeals are most likely to grab that person and make him or her a paying customer? What are the most important benefits of your product or service. Lead off with the principle benefit. And then follow with all of the others. Don't leave any benefit out. But prioritize those benefits and pound them home, one after another. And then, what is your letter going to ask the reader to do? Is it going to close the sale? Is it going to direct the reader to an enclosed order form, or give a phone number to call, or ask them to fill out a card so a salesman can follow up?

You see, you have to decide all that *before* you begin your sales letter. You have to grease the chute and make your prospect act as you want. And, as you create a longing in your prospect's mind's eye of your product's benefits, you're going to lead them towards some sort of action. So have that action in mind before you start writing the sales letter.

Ask yourself... what am I try to accomplish with this letter?

You should also have in mind a budget for your sales letter. Actually, a budget for your overall sales package. Remember, I said you should write your sales letter as long as need be to tell your story. But, on the other hand, you also have to consider your budget. So, in your overall direct mail package, if you decide six pages is what you need, but you can only allow four pages because of the other materials that are going to be included with your direct mail package, and you're watching the postage budget, then you may have to condense your letter to four pages.

But first, write exactly what you feel even though you've written six or eight pages. Or however many. Then, considering your budget, edit it to four, if you have to. That may be painful. But it can be an advantage. You see, by tightening your letter to four pages, you may make the letter stronger. Perhaps you can eliminate some the fluff, or irrelevant prose. And end up with a lean, mean sales letter.

You should also check out what your competition is doing before you write your letter. And be aware of the mailing lists available along with knowing what production steps your letter and total package will take. This information will help you write a sales letter that can bring the response you're looking for.

Let's talk a second about your salutation. Should you use "Dear Friend?" Or something else? To be honest, I'm not sure. I've done it different ways. For example, I've used the standard "Dear Friend." Always thought it was kind of boring, so I've tried "Dear Computer Owner" and "Dear Fellow Mail Order Marketer" thinking that I might establish an immediate bond. And, at the same time, get away from the ho-hum "Dear Friend" thing.

Know what? I could never really see a difference in response. So I guess the answer is, don't worry about it. One thing to remember, though, as I've mentioned, don't get cute or try humor. I once saw this salutation: "Dear Friend, or I'm sure you will be by the time you read this letter." Well, I don't know. I wouldn't try it. How about you? What would you think if that greeting arrived in your mailbox?

Like so much in this business, it all boils down to testing, testing, and then testing again.

Another thing to know when you write your sales letter is to use the narrative style. When you're writing and emphasizing the benefits they shouldn't be "inventoried" such as you'll find in a brochure. Use a narrative style. Talk about the benefits, don't list them 1, 2, 3, and so on. Now to be contradictory, a 1, 2, 3, kind of benefits listing using bullets or checkmarks *has* been done successfully. I've often used them. But I urge you not try it yet.

Just stick with the friendly me-to-you format. Pretend you're writing to one person. And keep focused in your mind the typical person to whom you're writing. Master copywriter, Gary Halbert, says to write as if you were explaining your product or service and its benefits to, say, your brother-in-law, or your best friend, or your favorite aunt. Perhaps that'll ensure that you're using a friendly, me-to-you style of writing.

Use short sentences. This gives a kind of breathless and exciting tone, in addition to making it simple and keeping your message clear.

And use short paragraphs.

Make it exciting and easy to read for your prospect to learn about the benefits of your product or service. Often, I use just one word paragraphs, if appropriate. Perhaps, the word "true" can stand alone after you've detailed some amazing thing about your product.

I've mentioned to avoid using jargon. Avoid "buzz" or "in" words, or words used in a particular trade. Especially, if your message is being sent to a variety of folks with different backgrounds. Some may not understand the jargon. Too, don't use terms, or slang, that you use in your own everyday direct marketing conversations. Don't address people as "your prospects," for example.

But, if it's absolutely necessary to use some technical term or jargon, be sure to explain what you mean. Not only give a dictionary definition, but illustrate it some way. Give an example so that the reader understands what it means.

Remember I said make your letter as long as it needs to be? This means if it needs to be six pages, write six pages. But I'm convinced that, in most cases, you could really cut out two pages. Many of us have a habit of adding fill-in words, most of which can be cut out. Some, of course, should be retained to become part of the tone of your letter.

For example, you'll see in some of my sales letters little phrases like: Let's see now, what else?... Oh, by the way... One more thing... and, Something else. Those kinds of phrases help make an otherwise stoic letter come alive and seem more personal.

You'll find, I think, if you write six pages, that you can cut out two pages and, as a result, strengthen your letter. It may get to the point quicker. Be more concise. Yes, it may hurt to cut out what you consider a nicely turned phrase, or what looked like a great sentence or paragraph. But, if you put yourself in the reader's shoes, he or she hasn't seen the work you've done. It's of no importance. What you've done by editing, is make your letter clippity-clop along like a steady gait of a race horse. The benefits come tumbling out. There's a mood about the letter, there's a certain pace, there's a pattern that brings the reader right along with you, revealing the benefits, down the greased chute to the action you're seeking.

So keep your copy tight even though you write your letter as long as necessary to get all your benefits, and your story told.

When you write your letter you should write it as if it were going to be the only thing your prospects will read about your offer. Even though you know full well your sales letter is going to be part of an overall direct mail package. And that it's going to be accompanied by a brochure, a lift letter, an order form, and all the rest. You can even refer to some of those other elements, if necessary. For example, you could say something like, "take a peek at the enclosed brochure and you'll see what I mean about how smart and fashionable you'll look when you're wearing this new genuine lizard-skin belt."

Again, personalize your letter. Use the word "you." And it isn't just stringing a lot of "you's" throughout the letter that personalizes it. You can personalize it with your style, you can personalize it with references as to how the person will feel when he opens the package, for example, with your product in it. How she'll feel as she uses the product and gains the benefits you're promising. Picture the reader in the setting in which he'll use the product, and show how it'll benefit him or her.

Don't split your message and cover parts of it in the sales letter and part in the brochure. Make your sales letter complete. Assume that your prospect won't read the other parts. But yet, of course, the other parts are there and your reader is aware of them. I view the sales letter as a personal conversation with a company representative.

Your sales brochure is like a magazine ad, or like an announcement from your company which is offering the service or the product detailing features. Do you see the difference? Both the letter and

the accompanying brochure will list all the benefits. But the brochure will include the features in a bang-bang-bang type of presentation. A digested form. The sales letter will do it in a personalized, “me-to-you” style.

Again, you want to keep your sentences and paragraphs short. This helps create an air of excitement and makes the letter easier to read. Also, by using the short sentences and paragraphs, you can come back and re-state some of those benefits, especially some of your strongest benefits. Don’t assume the person, because she or he’s read about one particular benefit, will have that benefit in mind as he concludes the letter. You can re-state it again in another way. Or, give an example so that it sticks in your prospect’s mind. Redundance is good.

Too, assume your reader knows nothing about your product or offer. Tell everything, even if you think it’s obvious, perhaps not important. Decades ago, the famous ad man, Claude Hopkins, was given the assignment of writing an advertisement for Schlitz beer. After learning everything he could about the product, he proceeded to detail how carefully, how painstakingly the beer was brewed. He told all about the special process and the special waters used. The brewing process was actually no different than with other beers, but Hopkins highlighted it. Made a big deal about it. So readers perceived Schlitz to be different, better. And sales went through the roof.

Another point to remember: keep about an inch of white space around the body of your letter. That is, place your copy on the page so you have about an inch of white space at the top and bottom, and on either side. The reason is to keep your letter from appearing hard to read.

For instance, imagine how you’d react to a letter that started right at the very top of the page, ran sentences clear across, from right to left, with no more space left to even fit in one more word. No paragraphs. No sub-heads. Just a whole page jammed with type. Wouldn’t look inviting to read, would it? So, the best technique is to write in a friendly, airy style, with short sentences and paragraphs, and keep a bit of space between your copy and the edge of the paper.

What would be some objections to your product or service that your prospect might have? If you were meeting face-to-face with your prospect, who’s holding your letter in hand, what objections to your offer could he or she possibly bring up? What would keep the reader from ordering now? Place yourself in his or her shoes, bring those objections up boldly, don’t try to hide them or skirt around them. Just go ahead and address them and put those obstacles in the best possible light.

I don’t mean that you should list objections in your letter necessarily and try to answer them in a 1, 2, 3 format. Address any possible obstacle and work to overcome them. Then weave your copy around the objections you think a typical prospect may have. Do it in such a way that your prospect starts nodding “yes, I see.”

Let’s see if I can give you an example.

OK, say you're selling ladies eel skin handbags that come in only two colors, black and beige. An objection that may form in a reader's mind could be, "will just two colors match all my outfits?" So, woven into your copy would be something like, "You'll appreciate how your apparel will become more elegant when you carry the exotic, hand-crafted eel skin purse from Malaysia that coordinates perfectly with any outfit you own." Well, that may not be the very best example but maybe you get the idea. What I've done is, taken a possible objection and turned it into a benefit. Or have I? What would you do?

Now, you must ask for the order. But you don't need to wait until the very last paragraph to do so. You can, unless you have some other particular strategy in mind, begin asking for the order early on. You can do this in a number of ways, just like a good salesman will do. A salesman has stated the benefits, he's answered the most obvious objections that he's discovered when selling his particular product.

And now he tests the waters by *subtly* asking for the order. Saying something like, "can't you just picture this new Buick parked in your driveway?" Then the prospect says, "yes, but ..." And the salesman continues laying out a few more benefits, what the new Buick will do for the person. Maybe re-stating a previous benefit. Pretty soon, the salesman asks another subtle question, getting the prospect to nod yes, or smile, whatever. And, before you know it, the customer is driving off with a new car.

So what you have to do, since you're not face-to-face with your prospect is to *imagine* what that prospect is doing while reading your letter. At intervals, you can subtly implant into the reader's mind the benefits derived from your product so that he or she is mentally saying YES. You can imagine from your experience, from your knowledge of the product and service, and from your knowledge of the offer what people will be concerned about. So you can "ask for the order" by bringing up hints of owning the product throughout the letter. And then, perhaps, you summarize these benefits again and continue add even more benefits.

Hopefully, your prospect has read all the letter. All of the objections have been presumably answered, all of the benefits have been spelled out. So what's going to make him or her respond right *now*? Today.

You can offer a bonus, a discount, or any number of other things to urge your prospect into ordering now. Perhaps there's a limited quantity of your product and only the first 1,000 people will be the lucky few. But remember, your prospect must order right away. If he or she thinks "well, that's a good idea but it's X days 'til payday, or it doesn't fit into my budget right now, I'll leave it until the end of the month." Then when your letter gets set aside, you've lost the sale. That's because most people will never get back to your literature. It gets forgotten, tossed away. And even if the prospect says, "I read about that new jigglemeister a couple of weeks ago and now I want it," chances are, he or she mislaid the letter and may never find it again.



So when you've excited the reader with your opening benefit, got him or her into your sales letter and they are still enthusiastic about your product or service, that's the time to give the reason to order now. He or she can see all the benefits, may agree that it'd be good to order today, but it will probably be just as good if they ordered two weeks from now. But for you, that's no good. No good at all.

See, that's why you must indicate there'll soon be a price increase; or order within the next 10 days you'll get this nifty free bonus while supplies last, use your credit card and pay later, and so forth. You have to overcome the natural procrastination to order, which can kill your sales effort. So give your prospect a reason — a *good* reason — to order right now. Today.

And you have to eliminate any risk on the part of your reader by offering a money-back guarantee. Especially, when you're mailing to rented lists and to new prospects. Your customer list is a bit different. But even there I wouldn't assume. If you've been fulfilling orders faithfully and giving good service, your customers aren't as concerned about your money-back guarantee. There's a built-in confidence from previous relationships with you. But with a new prospect who has never dealt with you, you must give a generous money-back guarantee.

Listen, don't wimp out on your money-back-if-not-satisfied offer. Don't do something silly like, "you must keep this for 6 months, use it exactly as the directions detail, and then return it in the original envelope" and so on. A simple, "you must like it or your money back" guarantee is always the best. If your product is good, your refund requests will be minimal. Don't be afraid to give a liberal, one year money back guarantee. Even longer.

Here's another tip. Put all the details of your offer in your sales letter... expect price. Mention price only on your order form. That way, you can test different prices by printing various order forms only. However, if you've settled on your best price for overall profit, you can mention price in your letter, if it's appropriate. I don't do it myself, although I've seen price mentioned right in sales letters quite often. It's something to consider. And to test.

Now let's review some common mistakes made in direct mail sales letters.

I strongly suggest you examine carefully the direct mail packages and sales letters that come into your office or home. Don't throw them into the wastebasket. Start building a file. Try to see where and how a particular mailing has failed.

Determine why a particular sales letter for a product or service that you could use, somehow doesn't reach out and grab you. This is a good way you can continue learning how to write money winning sales letters. And you can do it a few minutes each day as you go through your mail.

Other direct mail consultants may advise you to toss away the poorer letters, study the better ones to learn the correct techniques, and so on. That's good, as far as it goes. But, personally, I think

you should also pay attention to the inadequate, at least in your opinion, sales letters you get. Then re-write them. Work on them and see if you can punch 'em up. Make something out of them. It's a good learning experience and I think you'll get a lot more out of that exercise than if you just merely studied all the good letters you receive.

You'll often see one glaring mistake — an ineffective headline on a sales letter. It tries to be funny, it misses the point, it says something more about the company than it does about what you want, or doesn't promise a benefit, or offers no news. Whatever. You can avoid making a similar mistake by writing lots of headlines; let your imagination run wild, don't try to edit. Just write. Then select the most appropriate, the most provocative headline for your offer.

To pick up your stride of heaping one benefit upon another, leading your reader down the chute into the guarantee and asking for the order, go ahead and write your sales letter in one take. You're writing to your brother-in-law, or your Aunt Alice, or your best friend. Just write and write and write. Don't worry about proper English, or punctuation. Don't go back over each sentence and paragraph and edit as you go along. No. It must be conversational and narrative in tone. You'd probably be hearing a conversation in your mind and writing it down. So don't worry about editing it. Leave it for after you have written the complete letter.

Then when you do edit your letter, don't be particularly concerned about proper English and punctuation. You're not writing to please your 10<sup>th</sup> grade English teacher. Often, an incomplete sentence is appropriate, and more punchier. Sometimes, quotation marks around certain words make a better point. Or use ellipses, those 3 periods after a word which change a thought, but ties it to the next thought. Whatever it takes to easily bring your reader along with what you're saying.

Sell benefits, not features. I've talked about benefits and features. Don't start off your letter with a lot of detail about your product or service. Start off with benefits, what it's going to do for the reader. Then back up those benefits with features.

Summing up: to write a "killer" sales letter you must begin by listing all the benefits of your product or service on a sheet of paper. Then begin writing as if you're writing to just one person. Very me-to-you. Keep writing. Don't worry about "style" or spelling or punctuation or correct English or number of pages. Just write passionately. Tell everything with enthusiasm. The more you write, the more ideas will come flooding out. So keep writing.

When you're done, put it aside for a day or two. Forget about it. Then, when you're ready to go back to it, rework your draft in this order...

1. Immediately grab your reader's ATTENTION with a strong headline and opening sentence (see the Lesson on Headline writing)
2. Tell your prospects WHY they should be interested in your product or service... what will it do for them

3. Tell why they should believe it's true... then PROVE IT
4. List and describe each BENEFIT in descending order... best to least
5. Tell how to order and why they must order NOW

Then try this little-known trick... read your letter out loud to help you polish the rough spots where it doesn't flow well. To help you go from one paragraph to the next, from one thought to another smoothly.

Now you can tighten it up by editing. Shorten your sentences and paragraphs. Add subheads. Use shirt-sleeve English. Use • (bullets) T (checkmarks) ... (ellipses) — (dashes). Perhaps move your paragraphs or sentences around. Which will make your letter more interesting and easy to read.

See how easy it can be?

### **A Few Final Thoughts**

Successful sales letters break the rules of proper grammar. It's better to be effective than correct. Therefore,

[ ] Keep most of your paragraphs short, seven lines or less. Makes your letter easier to read.

[ ] Don't be afraid to use one-sentence paragraphs to add punch.

[ ] Keep your sentences to 15 words or less. Avoid rambling. Break up long sentences.

[ ] Write in the second person. Use words like *you, your, yourself*. (You can use *I, me, my, we, us, our* — or the third person *she, he, they* — but use them sparingly and appropriately.) The idea is to “talk” directly to your reader as an individual.)

[ ] Use “command” language, active verbs... *look, read, ask, send, complete, mail* and so on.

[ ] Appropriate redundancy is OK. Like *free gift*.

[ ] Starting sentences with a conjunction is acceptable: *and, but, however, so, then, also, besides* and others. Helps break up long sentences and add interest.

[ ] End sentences with prepositions. (Yes, forget what your teacher said.) Write as you talk... naturally. Occasionally put *of, for, with* and others at the end of a sentence.

[ ] Use familiar expressions... *OK, rip-off, no problem*, etc. And contractions like *you're, they're, it's, here's, now's*.

[ ] When appropriate, shock your reader. Like... *give your job the finger! Screw that idea! Stick it in your ear!* (Warning: you need to know your audience and don't want to offend for the sake of offending. The overall tone of your letter, and your offer will dictate how you "shock.")

[ ] You don't have to always use correct punctuation. It's OK to drop commas from time to time when they get in the way of a thought. Use dashes and ellipsis to separate thoughts in a sentence.

Remember, you're not writing to get an A in grammar... you're not writing to entertain... you're writing to *sell something*.

### **Power-Phrases that Can Add a Bit of Ooomph to Your Sales Letter**

down and dirty  
built as solid as a  
better than hotcakes at a firemen's picnic  
word-of-mouth  
9 good reasons why  
you'll applaud the  
a bit different  
liven up  
if (whatever) sounds good, imagine how you'll feel when you  
it's a breeze to  
sure-fire  
good enough to pass muster at  
rub elbows with  
speedy delivery  
like magic  
and I'll stake my reputation on it  
like a rainbow after a summer rain  
... would give their eyeteeth for...  
piece of cake  
biggest bargain of your life  
you'll never blink an eyelash until you've turned the last page  
imagine how it feels to  
Go ahead and pay more for (whatever). Then compare it to our (whatever). And weep.  
Poof! Like magic we turned  
proving that...  
more (whatever) for your money  
jet-express  
live wire  
as an example,

Hold the phone!  
why did it work so well?  
have you ever wondered how  
here's what you do  
here's a quick way to  
you're going to love it!  
learn in a flash  
the inside story  
cookbook simple (easy)  
multiply your (whatever) faster than  
double-deep discount  
the best kept secret  
is it a deal?  
ongoing stream of profits  
income-boosting  
the possibilities are exciting  
all in all  
by the way,  
so anyway,  
it's like cracking the hidden secret to  
eye-popper  
have you ever  
guess what?  
in any case,  
be honest now, do you...  
need a (whatever) boost?  
what's the secret?  
million-dollar know-how  
how to set-up  
and many thanks!  
please do it now  
don't miss it  
check this out  
you ever feel like that?  
another example:  
not to worry  
I'm serious... really serious  
I'm not joking!  
you see,  
sort of like this  
here's another tip  
at last!

here's the way it works  
and speaking of  
on the other hand,  
thank you  
don't miss out  
would you like to know  
kick-in-the-pants  
guess what?  
here's an easy way to  
this is important  
and so on  
how hear this  
isn't that a neat idea?  
it's very simple  
there's a better way... much better  
the secret of  
Want proof? Check this out  
so what's all that mean for you?  
oh, and one more thing  
quick as a wink  
trade secrets  
let me show you what I mean  
window of opportunity  
how to  
a "no brainer" way to  
valuable new  
only a few people will know about this  
no wonder  
street smarts  
I urge you to  
Try it for (however long). See how you can actually  
experience it for yourself  
and that's only the beginning  
zero in on (whatever)  
quick as a rabbit  
unexpected windfall  
mega-profits  
hush-hush  
forbidden secrets  
the real thing  
world-class (whatever)  
a secret way to

monster of a  
can't miss  
why not discover what a small group of  
there's more  
act now  
act quickly  
act today  
notice how

## **How "Power-Words" Help You Get More Customers**

Words sell products and services. The right words sell LOTS of products and services. There's irrefutable magic in certain words and the way you use them. For example, intellectual words don't sell. Emotional words do.

Quick quiz... which of the following sentences has more impact?

- A. You'll be able to lose weight right now.
- B. You'll be able to lose weight immediately.

- A. You'll get your money back right now.
- B. You'll get your money back immediately.

If you chose "A," go to the head of the class. "A" has more impact because "right now" is emotional, where "immediately" is a bit stoic. What about these two sentences:

- A. If you order soon, you'll also get...
- B. When you order now, you'll also get...

Right. This time "B" outpulls the wimpy "A." "When" is stronger than "if" because it assumes your reader will order. And "order now" is more urgent while "soon" suggests "sometime." Both sentences say the same thing. But the words you use spells the difference between lackluster sales and success.

Some examples of emotional words vs. intellectual words...

- "Help" is an improvement over "aid"
- "Build" is stronger than "construct"
- "Brave," is more fearless than "courageous"
- "Smart" is a more intelligent way of saying "astute"
- "Enjoyment" outranks "gratification"

“Bright” is more dazzling than “smart”  
“Naked,” disrobes “nude”  
“Sweat,” is more powerful than “perspiration”  
Use “use” over “utilize”  
“Rich” is richer than “wealthy”  
“Buy” outsells “purchase”  
“Stop,” waylays “prevent”  
“Happy” is more vivacious than “pleased”  
“Hit” clobbers “strike”  
How about “good looking” in place of “attractive?”  
“Bag, jug, jar, bottle” is better than “container”  
“Emblem” is classier than “label”

See how emotional words cause your reader to open their eyes wider and pay attention to what you have to say? Like a gunslinger of the old west, words are your bullets. Use them carefully. Use them wisely.

(Sample of a Successful Sales Letter)

## **How to Get Your Share of the Riches Hidden In Your Computer!**

*Would you like to turn your free time into as much as 3 times your present income? If so, this will be the most interesting letter you've ever read. Here's why...*

(Ed's photo went here)

Dear Computer Owner,

I'm Ed Simpson. That's me in the picture sitting next to my computer. (I call it my little at-home “cash machine.”)

Listen. I just came back from 3 months of exploring dozens of new, low cost computer income opportunities. I delved deeply into priceless “trade secrets” kept under wraps by a few men and women. I traveled from one side of the U.S. to the other and back again.

What did I discover? Take a look...

**• An Illinois fireman worked out a unique way to use his computer and now — get this — nets \$180,000 a year. Yet he's just barely scratched the surface.**



- **A retired teacher in Utah “plays games” with her computer and *takes in \$35,000 a year.***
- **An 18-year old Indianapolis student came up with this smart idea and made \$200,000!**
- **A California man applied the same principle and earned \$150,000 in just 6 months.**

And that’s only the beginning. The tip of the iceberg.

I’ve now documented *dozens* of ways to use your home computer to make outstanding profits. In your free time. At home.

Most are so simple, you’ll find yourself smiling and slapping your forehead hollering...

*“Of course! Of course! Why didn’t I think of that?”*

You know, for years a small group of people have had the “corner” on some of the most profitable ways to make money at home ever known. They’ve been going quietly along bringing in thousands — even hundreds of thousands — of dollars each year.

None of these men and women have been “big name” computer geniuses. Yet they’ve become highly paid just by applying special “trade secrets.”

And it’s these “trade secrets” I’ll reveal to you.

### **So Who Am I... and What Makes Me Such and Expert?**

Please let me give you my background.

Starting in 1980 my wife, Sonja, and I have been involved with making money using personal computers. And since 1984 I’ve been editor and publisher of the nationally acclaimed newsletter, *Home Business News*. Not only that, I’ve written countless business articles for 38 well-known magazines, newsletters and newspapers. Plus I’ve written 3 popular business books.

I’m not certain. But it seems to me that I’ve seen every computer at-home-money-plan in America. And I’ve compiled the very cream of the crop.

Anyway, you may be wondering what that has to do with you. And why this urgent letter. You see, **since this armload of rock-solid money techniques is so new, I thought you’d like to get in on the ground floor. Before others jump on the bandwagon.**

As I said, I’ve put together a massive collection of home business opportunities. Each uses a

personal computer to make money. Any brand. Makes no difference if you've got a Commodore 64, Atari, Tandy, Leading Edge, Apple or IBM. Or anything in between. Whatever.

Here's a few examples...

T I personally use this fun "publishing" idea to bank an extra \$42,000 a year

T A Mississippi couple "goes to camp" every summer and nets enough money to play the rest of the year

T A new friend of mine in Canton, Ohio "evaluates" certain computer "needs" and pulls in \$70,000 a year, part-time

T An Oregon logger keeps track of local business customers for a small fee... and makes \$24,000 a year "working" weekends

T A Utah man, provides a special service and made so much money he quit his regular job to stay home and play with his "money-hobby"

T How can you help others who don't own a computer? Not what you might think. (An easy \$10 an hour!)

T You can match buyers and sellers of this everyday item and bring stacks of \$5 bills to the bank every week

T You've heard of coin-operated laundries, phones, and vending machines. This idea transferred to computers is hotter than a \$2 pistol! (But where to place them? Ahhhh... that's the moneymaking secret.)

T Like this Florida lady, you can save a computer hardware user hundreds of dollars and earn as much as \$100,000 a year. Not bad for "after hours work."

T And how about this Boise, Idaho couple who brings in \$600,000 each year for their special service. No reason why you can't do the same thing in your area.

And on and on and on. (About 50 computer businesses in all.)

See what I mean?

Now this is your opportunity to learn all about each of these private, almost secret ways to make money with your computer.

Most opportunities can be started with little — or no — capital. Some take a modest investment. But one thing's for darn sure...

**YOU'LL LEARN MORE NEW WAYS TO  
MAKE MONEY WITH YOUR HOME COMPUTER  
THAN YOU'LL EVER HAVE TIME TO TRY!**

Here's the beauty of these little-known businesses: you don't have to be a computer "genius" to operate them. Since you already know how to turn your computer on and off, you're on your way.

"But" you say, "I'm a little rusty on one thing or another." No problem. I give you lists and lists of people and companies waiting to help you out. I'd have to go back and check, but I think there's about 170 sources, contacts, names, addresses and phone numbers of people who want to help you succeed.

Well, that's about it.

I quickly dashed-off this letter to invite you to try out some amazing computer money-programs. So you could see for yourself how it's done. You be the judge. Take as long as *one full year* if you'd like.

**YOU DON'T RISK A PENNY!**

Because if, for any reason, you're not satisfied... if you feel let down in any way, simply return the package undamaged. And I'll buy it back. No questions. No hassles. No quibbling.

But I truly believe you'll be pleasantly surprised.

So here's what I'd like you to do...

Take a minute and return the enclosed blue **risk-free** Computer Moneymaking Certificate back to me today. (It already has your name on it, ready to go.) As soon as I get it, I'll rush the oversized *Cash from Your Computer* manual to you right away by fast First Class Mail. No delays.

This is a one-time invitation to learn how to get your share of the riches that lie hidden in your computer. So don't be left out. Discover what this valuable information can do for you... and your bank account.

Let me hear from you soon.

Thanks.

Sincerely,

Ed Simpson

P.S. I'd like to give you a FREE GIFT. So when you order in the next 10 days I'll include a surprise 48-page Report. Keep it, profit from it... even if you send back the manual. (Hint: it can help you make even *more* money with your computer.)

P.P.S. If you're ready to turn your spare time into as much as *3 times* your present income, I urge you to accept this invitation right away. Before it's too late. You risk nothing with my "free look" money-back guarantee.

- End of Sales Letter Sample -

## Copy Writing Checklist

### The Headline:

YES NO

- Does the headline appeal to self-interest, offer exciting news, or arouse interest?
- Is the headline positive rather than negative?
- Does the headline suggest that the reader can obtain something easily and quickly?
- Does the headline make use of the powerful words of mail order advertising?
- Does the headline stress the most important benefit of the product?
- Does the headline excite your prospect to read further?
- Is the headline believable?
- Does the headline tie in with the copy?

### The Offer:

YES NO

- Are all the element of your offer present in the copy? Product, Terms, Options, Dates, Price, Guarantee, Additional Inducements to Buy, Time Limits?
- Do you immediately gain prospects' interest by use of a story, or a startling or unusual statement, a quote, or news?
- Do you show benefits and advantages that appeal to emotional needs so that your offer is irresistible?
- Do you establish credibility with your reader through the use of testimonials, statements by your accountant, or some other means?
- Do you encourage immediate action by listing a reason to order now, i.e., limited quantities, time limit on offer, discounts, and so on?

### The Copy:

YES NO

- Is your copy written in a conversational, me-to-you tone?
- Does your copy move right along?
- Do you use short words, short sentences and short paragraphs?
- Do you use several subheadings throughout your copy?
- Do you use "you" copy rather than "me" copy?
- Is your copy benefit-laden?
- Does your copy blend with your reader's train of thought... what's in it for your prospect?



## How to Create the Ultimate Direct Mail Package

What is direct mail? Simply put, direct mail is advertising sent specifically to one person, even though you may have addressed and mailed millions of similar pieces of mail.

Direct mail is a *personal* medium.

It's only been in recent years that television has overtaken opening the daily mail as one of the most popular things that people do each day. When a person opens your direct mail package, he or she sees it almost in the same framework as a personal letter. Remember that, because we'll consider the word "personal" again as we discuss your sales letter and your outer envelope. Your prospect isn't concerned that you've mailed thousands, or millions, of similar pieces of mail to others... he or she reads that piece of mail individually.

There are many things to think about, of course, before you put your direct mail package together. But let's consider only the most important three items... the *product*, the *offer*, and the *mailing list*. Or, instead of "mailing list," you could substitute the *markets* or *prospects* you want to reach.

When you get these three items defined, and tested, your direct mail package should be a success.

First, let's talk about your *product*: we have to consider the relationship between the product and the offer. People have asked me, "what's the difference between the two?" There is a difference because you can take a product and change the meaning of that product by the way you state your proposition or your offer.

Take for example, books. Let's assume your product is a series of books. You can offer them outright as a complete package, or you can sell them in serial form. Or, perhaps sell one book as a "loss leader" (or offer it free, if cost-effective) then offer the other related books in a catalog at regular prices. So you see, you can sell the book or books, which is your product, with various offers.

But how you make the *proposition* — that's your *offer* — is equally important. You could have an indispensable product and it can sell well, or not sell at all, depending upon how you offer it.

With direct mail, a prospect receives a package from you. S/he receives it as a personal letter or invitation. So you have that advantage working for you. A person who passes a billboard or sees a commercial on television, or when riding to work hears an offer on the radio, knows the framework of that offer is being made in such a way that it's not felt as a personal invitation.

In direct mail you have the person's name right on the envelope. And with laser printing, or even the simple device of using the address label on the order form and having it show through the window envelope, the person's name is inside the package. You've seen various mailing pieces that are personalized throughout with the prospect's name mentioned a number of times in the sales letter, and personalized on the order card.

That's what I mean when I say the direct mail package is a personal medium. It's not in the same style as mass media such as radio and television or magazine advertising, even though you might send out thousand or millions of pieces of a particular direct mail piece. So when your prospect is thinking about your product and offer, he or she is also considering the *way* it's offered.

Your product can be offered just by itself as "item X" and it's such and such price, the benefits are such and such, and it's needed because of whatever reason, and therefore please order. Now you can go far beyond those simple steps of stating the benefits, the product, and the needs it satisfies and asking for the order, by dressing up your product and making an attractive offer out of it.

Another way is to offer it on a free trial basis. Perhaps it can be an offer where, in certain cases, your prospect is intrigued by additional items or premiums which are offered along with the main product.

You've seen, for example, an offer made for a marketing course where an additional 3 or 4 bonus items are offered when you "act now." So the offer integrates the entire feeling of your direct mail package. It makes the initial product appealing.

Another key element of your direct mail package is the *mailing list*. To whom are you targeting your message?

For example, say you're going to market investments or retirement publications. You must address a group of people who fall into categories of good education, good income and are, perhaps, middle-aged. Because these prospects may be thinking, "where can I put some of my extra money? How can I plan for my retirement? Where am I going to retire to?" So you have some definition of who the people are who might buy retirement information, or who might invest in certain commodities, stocks, coins, real estate, stamps, or whatever.

You might make a sale or two if you mailed investment and retirement ideas to college students, for example, but you'd know you're really reaching out to the wrong market. So the more defined you have in your mind of who's going to be interested in your particular offer puts you in a better position to select the best names from the millions available to you. Either through your own "house list" or through lists you purchase or rent.

So the list, or your target market, is very important.



Again, think PERSONAL MEDIUM. If you've defined your PRODUCT, described its benefits and decided what your OFFER is, you'll soon have a very clear picture in your mind of who the prospect is for that particular offer. Your "proper prospect" then leads you to your MAILING LIST.

Lists can be chosen various ways. For example, if you publish a photography trade manual, are your readers professional photographers or amateur photographers? Well, it's a trade manual so it would most likely go to professional photographers. That's a very narrowly defined market and you'd be able to rent names of professional photographers. These people would identify themselves by owning stores or studios and by subscribing to professional photography publications. Or, by having purchased similar books, manuals or courses, and so on. And they'd be listed, for example, in the yellow pages. So your mailing list could even be made up from your own research.

However, if your manual is for the amateur photographer, you have a much looser definition of the market. This would mean you'd try a number of different avenues. Including people who perhaps, if the list were available, have recently purchased similar publications, or books, or photography equipment. Or who've been on the mailing list of, let's say, a photo supply house.

You might consider targeting individuals interested in a photography-type "business opportunity" and rent lists of those people. So you see, the more you've defined your offer and your market, the easier it's going to be to choose the right list.

In choosing those lists you can get free professional help. If you've not dealt with mailing list brokers or mailing list compilers, you can easily get started simply by contacting a few. They operate on a percentage and, generally, receive 20% of the gross from the list owners.

Compilers and brokers often times are also the list owners. And, if you've prepared your mailing piece and sent it to a number of mailing list brokers and compilers, they can then suggest a mailing lists you might rent.

Along with sending them a sample, define for whom the mailing piece is directed. If you've been doing mailings and you've devised a direct mail package that you've used and mailed it to your own "house list" (that is, your list of prospects and customers you've built up over the years of being in business), you'd have some idea of the response and who's responding.

Thus, you could have something geared for, let's say, photographers. But you find out from your mailing experience that more men than women are likely to respond to your offer. Then you should make that information available to the list broker, or compiler, when you mail him or her your sample piece.

The mailing list compiler or broker will provide you with several cards on which a mailing list will be detailed. The lists will be categorized, and s/he'll tell you how many names there are on the

various lists. Further, the broker may categorize the lists in a number of different ways.

For example, he or she might say there are 30,000 buyers of similar manuals from this year and 50,000 from the previous two years. So you can decide if you want to test the current buyers or those who have bought from previous years. However, for your test it'd be best to use the most recent purchasers. The idea of knowing there are many other purchasers from previous years would mean, if the test worked well for the most recent purchasers, then you might test those people who have purchased photo books and manuals from several years before.

When you test the most recent purchasers and your mailing did not do well, you wouldn't want to test the older names from that list.

You'll find dozens of mailing list brokers and compilers advertising listed in the direct marketing magazines. If you happen to live in a large city, you'll also find them listed in the yellow pages of your phone book. Too, check your public library for the *Standard Rate and Data Service* directories. If you're having difficulty finding a mailing list broker, I invite you to write to me and perhaps I can help put you into contact with one or more mailing list brokers. It would help if you would send me a copy of your mailing package and some information about your target audience. I'll be happy to help you, if I can.

Note: There are literally thousands of list brokers worldwide. Most are honest and professional. Sadly, some are not. It's, therefore, prudent that you carefully select a broker with whom you can establish a good working relationship. A reliable broker will gladly give you references and business history. (The Lesson on mailing lists gives you more in-depth details.)

By the way, the powerful MailMAXX software is the perfect affordable way to manage your mailing list. Learn more at <http://www.BrooksOwen.com>.

Okay, we've touched on the product, the offer, and the lists. These are considerations before you even put your direct mail package together.

What are the elements for the direct mail package itself? Perhaps in your experience you've seen many different types of direct mail packages, including the so-called "self mailers." But let's consider only the standard direct mail package.

The standard direct mail package includes a sales letter, brochure, order form, "lift letter," return envelope and the outer envelope. Your package could contain additional elements, or it might drop one or more.

For example, you might do without a lift letter. And, as I've mentioned, you could even go to the format of a self-mailer — where you use one or two sheets of paper, printed and folded, and then dropped directly into the mail without an envelope. However, I think it's best that when you're testing a

new offer you employ the standard mailing package.

Then as you've tested your package and, if your offer is working, you can begin playing around, experimenting and testing other forms in order to make your mailing package more effective. In other words, use your first sales package as your "control." If other packages beat your control, then use the most successful as your new control. And so on.

So, you have your sales letter, brochure, order form, lift letter, return envelope, and outer envelope. Let's discuss each one of these individually.

First, your sales letter: as I stated in the previous Lesson the sales letter is the **very most important part of your direct mail package**. So we'll spend a little more time on this subject..

Remember I mentioned that your direct mail piece is personal even though you may print and mail thousands or millions? It's still read individually. And, even though the prospect may read your sales letter *after* he or she looks at your order form, please understand that your sales letter is the very most important part of that package.

Your sales letter must lead off with a personal benefit. Now, with computers and laser printers, it's rather easy to "personalize" your sales letter. However, I don't believe that personalizing the sales letter is as important as spelling out the benefits to the reader. Most people today are aware of the different technologies of printing and photocopying and personalizing mail. They've seen the contest mailing pieces from *Reader's Digest* and *Publishers Clearing House* with their name referenced in various sections of the mailing piece. The fact that you've included your prospect's name in your letter may not make the difference of whether or not they respond. You have to decide for yourself, in testing, if your product or offer is worth the extra money of personalizing your mail.

For our purposes here, I'm not going to discuss personalizing. It's more important that, at the very top of your letter on the first page where normally letterhead goes, you place a big 'ol headline stressing the most important benefit of your product. For example:

HOW TO USE YOUR COMPUTER TO MAKE EXTRA CASH  
REDUCE WITHOUT DIETING!  
THE SECRET OF PERFECT PUTTING  
HOW TO MAKE YOUR PAYCHECK LAST LONGER  
BUILD AN EXTRA BEDROOM FOR UNDER \$3,000  
7 EASY WAYS TO LOSE WEIGHT... AND KEEP IT OFF FOREVER  
PLAY THE PIANO IN JUST 5 DAYS, OR YOUR MONEY BACK  
HOW PHOTOGRAPHERS GET TOP DOLLAR FOR THEIR SNAPSHOTS

You must emphasize your key benefit. For example, how to make money, how to save money, how to get relief from this or that ailment, how to do something easier and faster. Immediately grab your

reader's attention by meshing with his or her interests, thus prompting them to read further.

You really don't need to lead off with a Dear Friend salutation. Your reader knows it's a letter that's been mass produced so the fact you address him or her as "Dear Friend" is, to me, irrelevant. I should mention that I *do* often use a salutation, like Dear Friend. It's an old habit and something I prefer doing. But, you might choose to change the somewhat boring "Dear Friend" to something like, "Dear Fellow Photographer" or Dear Photographer Who Is Looking To Sell All The Pictures You Take." That's a bit silly, but something like that is perhaps more interesting and you're expanding on the benefit headline to further involving your prospect's interests.

Something else. Your sales letter shouldn't *look* like a sales letter. People will respond better to a personal tone from you, one person talking to another. As if you're writing to just that one person.

Anyway, I again digress.

To repeat, your sales letter should lead off with a benefit to your reader. Those are the most important things to remember about your sales letter — it's personal, leads off with a benefit, and continues enumerating benefits.

Select the main benefit and highlight that in your letter's headline or first couple of sentences. Then you cite all of the other benefits as you write the letter. And "talk" personally. You might tell an anecdote, you might quote part of a letter from a satisfied customer (even though you may have a whole list of testimonials on the back of your brochure or in some other part of your direct mail package). You "talk" to your reader on an *individual* basis, and you give him or her all the reasons why they must have your product.

And then you add to all those reasons... why to buy *now*. Thing is, when your prospects opens the mail they likely have other pieces of mail on their desk, near their easy chair, or wherever they're reading your mail. So never assume that you're somehow left with an indefinite period of time with this person where he or she is going to consider your direct mail package and your offer.

Most people are busy and have other options of things to do in their free time... running, swimming, going out to eat, getting on-line, watching television, and so forth. So you have to think about how to generate interest and cause the reader to act promptly.

In your letter, don't talk about yourself and your company unless it somehow relates to the benefits. It's one thing to say "I've been in business 25 years and we did this or did that." Or, "members of such and such organization since 1979," or whatever. You can mention those things if, for example, you're addressing the prospect's reluctance to place an order with your company. Perhaps include actual quotes from customers who compliment you on your fast service, honesty, specifically what they gained from your product, and so on. This may reassure the reader, and he or she *wants* to be reassured. Your prospect wants some kind of "proof of the pudding."

OK, let's expand on your sales letter.

Your sales letter can be long, even though I've mentioned that you're competing for your prospect's time. If that person is beginning to respond to your benefits saying, "yes, this item is for me," they will read on. Don't get caught up in the idea that people only want to read a short letter and you're going to cut it down to a page or two. If your prospect isn't grabbed by the first few paragraphs, you're likely not to make the sale anyway.

But, your proper prospect who is interested will read everything they can about your product and the offer. One more time... "the more you tell, the more you sell."

The person who is interested, the person who's hooked by the first benefit and reading further, is nodding their head YES, and is working towards the order form will read until completely satisfied with all the details. And will then, hopefully, respond. So that's why you write the long letter. That's why you write to just "one person" and detail all the benefits. It's for *that* person, as an individual, who is going to buy.

Don't pad your story just to produce a 4 or 6 page sales letter. But make the letter as long, or as short, as is needed to do the sales job.

There are other crucial elements of your sales letter which I detail in greater detail in the Lesson, *How To Turn Sales Letters into Power-Packed Sales Generators*. For example, you must create excitement, a "reason why" your prospect should order, offer a generous money-back guarantee, tell why your reader should "act now," and tell exactly how your prospect can quickly get what you are offering.

Anyhow, with your sales letter you should include an accompanying brochure. Your brochure is, as I view it, a representative of your company and it looks something like an magazine ad. It's a bit more formal than your sales letter and it again lists all the benefits PLUS the features of your product. Like your letter, the brochure is written "me-to-you" with emphasis on "what's in it" for the reader. However, it's a more structured form. It begins with the major benefit in the headline and/or your first paragraph and then immediately goes into a description of the product (the features), the offer, and it lists all the other benefits and why your prospect should have it now, and again asks for the order.

In fact, for many of my clients, when I write a direct mail package I purposely write the brochure and design it so it can be used as a full page ad in a magazine. The sales letter is a personal invitation from you, a personal approach. Your accompanying brochure is a more formal advertising approach. It's much more rapid in copy style, and it *reinforces* the points in your sales letter.

Brochures come in different shapes and sizes. Traditionally, it's an 8½ x 11-inch sheet of paper folded in thirds. Paper stock is colored, perhaps multi-colored and glossy. It's somewhat less personal than your sales letter and focuses upon your product/service's features. These tips will help you create

a winning brochure...

1. Use an attention-getting headline that stresses a benefit, asks a question, offers news or quotes an unusual statistic. (See the Lesson on creating powerful headlines.)
2. Make it easy to read. Map out manageable blocks of copy and photos/graphics so your reader's eyes flow easily and logically from one point to the next.
3. Use easy-to-read typefaces. It's OK to mix typefaces, but do it *sparingly*. Serif typestyle is the easiest to read.
4. Don't use "blocked" copy. Indent your paragraphs.
5. Like your sales letter, use subheads to break up copy, emphasize an important point, and segue to another selling point.
6. Use bullets (•), checks (T), ellipses (...), **boldface**, underlining and *italics* sensibly so not to disrupt your sales message.
7. Use photos. Action photos are best... people using your product or service.
8. Use pie charts or graphs if they contribute to your message.
9. Be sure to include contact information... your address, phone number, FAX, e-mail address. If you're directing prospects to your store or office, perhaps include a simple map.
10. Tell your prospect what to do... call, mail in the order, visit your store or office, visit your web site, ask for a salesperson. What action do you want them to take? Spell it out simply.

Now, the order form is often the first thing people will look at when they open your direct mail package. There are, of course, exceptions. Think about how you open your mail... what do you look first look at? Observe somebody opening a direct mail package, you'll see that they'll likely first pull out all of the contents. They'll glance through it then stop at the order form and look at it closely.

Then if that satisfies them, if they want additional information, they'll begin reading the sales letter. And then read the brochure, the lift letter and so on. People do that because most know that the order form is a summary of the main benefit in your sales letter. So it would say something like, "Yes Brooks! I want to multiply my mail order profits by at least 10 times. Send me 12 months of *KEY* Newsletter at \$15.00 off the regular price. If I'm not 100% thrilled with the results I'm getting, I can cancel at any time and still keep the Free Booklet, *How To Set Sales Soaring While Cutting Postage*. On that basis, here's my order." And it then details all the how-to-order information.

The order form is, generally, a separate piece in the direct mail package. Yes, you've probably seen the order form part of the sales letter or part of the brochure. But 99% of the time, it's better to have that order form separate for a number of reasons.

Two that quickly come to mind are 1) there's a bit of time savings in terms of the prospect opening the direct mail package and finding the order form ready to pop back into the return envelope and mail. And 2) attention is called to the main benefit of your product which stimulates prospects to read the entire sales letter, along with the rest of the information included in your envelope.

I know that sounds like a small thing and you might say, "well, if my prospect is really interested they'll search for the order form, clip it out, and remove it." Yes, they possibly will. However, in many cases if scissors aren't readily available, your direct mail package may get set aside for days or weeks and by then enthusiasm has cooled. Later, when your reader looks at it again, he or she may read it with a more jaundiced eye. Will they fill out the order form or throw it away? You see, procrastination is likely to work against you. You shouldn't stop your prospect by a little mechanical thing like looking for scissors and cutting out an order form.

This may seem like a minor point. But you need to seize every advantage to make it easy for your prospect to order. Right NOW. Today.

Another point: take advantage of the *reverse* side of your order form. Most mailers leave it blank. But... when inserted into an envelope, with the label looking out the window, what will your prospect see? A blank piece of paper. So you be smarter. Use the space to re-state your major benefits, or for a few testimonials. Maybe a little map with directions to your store or office. Whatever. Just don't waste the space.

Now the "lift letter." Let's say, for example, you're selling a book and all the benefits are spelled out. But you may want to re-emphasize an important benefit, or offer a bonus for quick response, or add a message from a special customer. So you can include what's called a lift letter in your direct mail package.

The lift letter can be a simple, folded 5½-inch by 8½-inch memo. Even smaller. Sometimes it's handwritten. And as the prospect lifts up or unfolds the little letter, s/he reads about an extra benefit, or gets the answer of some perceived objection. Too, the outside of the lift letter may have a teaser like, "Don't read this unless you've decided NOT to order." Or, "A Personal Message from the Author." Or the beginning of a testimonial which continues on the inside. And so on.

To make it easy for your prospect to respond, you must have a return envelope in your direct mail packages. I have, however, done direct mail packages where I haven't included a return envelope and I've done it for a number of reasons. But it always seems, in those cases, that the direct mail package is a business-to-business effort. I can't recall a consumer package I've designed that didn't have a return envelope. I say that it can sometimes be eliminated in a business mailing because often a businessperson prefers using his or her own printed envelopes. Also, there may be some compelling

reason to cut down the elements in the mailing piece. Weight, for example.

But, in general, your direct mail package should include a return envelope.

I've left the outer envelope for near the last of this Lesson, even though that's the very first thing your prospect is going to see. Let's consider a couple of things about the outer envelope.

The outer envelope should suggest what's inside. There are mailers who try all kinds of tricks to get people to open the envelope. If you can devise a neat "honest gimmick" that works, bravo. You should use it. But I go for a more straightforward approach. Let me give you an example:

For about 20 years, I marketed my *How To Build PVC Furniture* Course. The "teaser" copy on the outer envelope simply said, "Thanks for asking about PVC Furniture." It's simple, clean and neat. And it accomplished several things — it's non-threatening, it thanked my prospect for ordering the "free details," it reminded the recipient that s/he did, indeed, ask for the information, and it told the reader what information was inside the envelope. I tried other "teasers," but none ever did as well as my "thanks for asking" phrase.

Look, I figure the people who receive our direct mail packages are reasonably intelligent. Therefore, they're smart enough to know that my envelope contains a sales message. So what do I do, and what should you do?

How about this: begin with the very same strategy that you're going to begin your sales letter with. Begin with a benefit. So what you do is, if you're promising that your prospect can make money or save money or whatever in your sales letter, you make that very same promise on the outside. Right on the envelope you write: "Inside... How to Cut Your Mortgage Interest in Half." Or, "Open Now to Save \$77.00 on the New Delta Drill Press." Or, "Inside... 17 Top Stock Picks Destined to Skyrocket 975% in the Next 6 Months!" Or whatever it is you're offering.

You make it intriguing enough to get your prospect inside the envelope. Your outer envelope is like a store window... a promise of good things inside. Once the prospect is inside that envelope let him or her read again the major benefit at the top of your letter. Then enumerate the various benefits that you have to make for your offer, as we've discussed.

So the outer envelope is important because that's basically what the recipient is going to see first. Even though in some businesses the mail may be opened for an executive who may see only the contents. But you can't presume that. That's why you start right on the outside of the envelope giving your prospect a "teaser." Indicate the benefits that are his or hers when they open up that envelope.

But don't try to "fool" them into the envelope. I see some direct marketers using a device appearing through the window of the envelope that seems to be a check. When the prospect gets inside, s/he sees that it's just some gimmick.



So, in my opinion, right away you've turned that person off. You've given them a hint that there's something beneficial, there's money there for them and right away they realize they've been fooled. In most cases, the reader's impulse is going to be to throw that letter away because they don't want, nor have the time, for baloney. By using silly gimmicks, you'll set up a negative impact right off the bat because you promised something that you aren't going to deliver.

Another comment about outer envelopes. Some mailers use no teaser at all. They use a standard closed faced #10 envelope, white, with only the sender's name (or no name, just an address) typed in the upper left hand corner, and a live first-class stamp. For all the world, the letter looks very personal, nothing at all like an "advertisement." Not knowing what's in the envelope, and looking like a "real letter" from a friend the theory is most people will immediately open it. And if your offer is right for the prospect, you've led off with your #1 benefit, and so on, you may get your prospect into your letter and, chances are, make your sale.

Personally, I'm not fond of this technique. To me, it seems a bit deceiving. I feel that when your prospect gets past the envelope and then quickly finds that the letter is a pitch to sell something they'll feel suckered. And there goes any chance you might have had at keeping their attention. Anyway, personal-like envelopes are often used — some claim successfully — and you may wish to consider the technique.

All right, let's go on to something else.

If you're offering a discount for early ordering, make it an additional benefit which can be described on a bonus slip or lift letter that says something like, "when you order within 10 days and include this Discount Coupon... TAKE 10% OFF!" Perhaps state it in an actual dollar amount.

That's the usual approach, but it's not your main benefit. If you're going to continually sell a 25 dollar book for 20 dollars, you're selling only discounts. You need to sell the book for its information, value and benefits. And it's the same with any other product. The discount will come into play as additional benefit or bonus when your prospect acts promptly.

Now I'd like to touch on a few other points.

When planning your direct mail package take your printer into your confidence. Most certainly work with your printer if you're going to use anything different than the standard size 8½ by 11-inch letter. For example, if you decide you want to go with an odd size lift letter, he or she can advise you. A sheet of paper might be chosen so several of your lift letters might be cut with the least amount of paper wasted.

So plan your printing; even go so far as to make up a "dummy." Simply take a plain envelope and plain sheets of paper to outline your sales letter. The same with your brochure and lift letter. This will give the printer a conception of your project.

Begin a “swipe file,” if you haven’t done so already. Maintain a file of other direct mail packages you receive to adapt ideas for your own needs. Too, keep a separate file of some of the inadequate efforts you get in the mail in order to learn from them. As a learning experience, you should even re-do them and see if you can punch ‘em up.

That’s one of the nice bonuses of direct mail and mail order. The “school” comes right to your door by way of your mail so you can build a file of direct mail packages that have particular benefits, or incorporate particular devices and methods from which you can learn and adapt for your own campaigns.

### **Read! Read! Read! BUT...**

... DON’T “copycat.” When you find successful ads running month after month, year after year study them. Look for ways to *emulate their techniques*, not just change a few words around in the headline and mix up the body copy to fit your particular product or service.

Back in 1993 my friend and neighbor, the late marketing guru Jerry Buchanan, once chuckled about how all the copycats of his famous ads “How to Make \$500 a Day, Every Day” and “\$500 a Day Writer’s Utopia (Multiply Yourself to Riches)” failed miserably. What these copycatters missed were the *core reasons why* his ads succeeded. They weren’t just words strung together, along with a few photos... but contained strong, compelling copy that took the reader down the greased chute to the action Jerry was seeking. Plus, Jerry had good offers that prospects couldn’t resist.

Okay, back to the sales letter: remember I mentioned spelling out the benefits right at the beginning? You may have thought, “then what do I do with my letter-head?”

Think about this for a second. When you’re introduced to someone in business you’re likely to think about what this person can do for you — especially in sales situation — than thinking about their title or position. Often, successful sales letters put the company letter-head right on the bottom of the very last page. Starting with *benefits* far outweighs starting with who you are.

Of course, there are exceptions. For instance, if you’re a well-known person, someone who your prospect will immediately recognize and wants to hear from, then announce your name right up front. *Who* you are may be as important as *what* you have to say. But, even then, begin your letter with your most important benefit.

Write your letter and brochure in an energetic manner. Don’t be dull. Excite your prospect! Transfer your passion of your product into words your prospect can understand and relate.

One more important point about creating profitable Direct Mail Packages... **HONESTY**. Over the years I’ve read so many pathetic books, newsletters (both print and e-mail) and articles that

encourage marketers to “trick” their prospects into buying by using deception, misleading copy, invented testimonials, worthless guarantees and outright lies. It boggles my mind. Getting you into legal trouble aside, you and I both know that it’s completely wrong. (Read the Lesson entitled “A Few Things You Must Know if You’re Involved with Mail Order.”)

Sure, you can use “weasel words” and borderline half-truths in your sales packages and ads to lure customers. But can you imagine the anger from buyers *and* the reputation you’ll acquire? Besides being nocuous... the fastest way to see your business wither and die is to practice marketing-by-deception

‘Nuf said.

## **Guarantees**

We’ve only touched on Guarantees. But since this is such an important subject, let’s repeat a few points. A strong money-back guarantee is absolutely *essential* to a successful marketing effort. Throughout your package — sales letter, brochure, lift letter, order form — SHOUT “Money-Back Guarantee” over and over and over again.

Use phrases like: Risk-Free, No-Risk, Satisfaction Guaranteed, You Must Be Satisfied or Your Money Back, Money-Back if You’re Not Absolutely Thrilled, and so on. And instead of using the term “Order Form” for your order form, call it something like “Risk-Free Certificate,” “Free Trial Certificate,” “100% Risk-Free Inspection Request,” etc.

However, people don’t buy products to get their money back. So, while stating often that their purchase is safe, don’t *overdo* it. If you sound defensive, that may raise a red flag to prospects. State your product’s benefits, a reason why the reader wants/needs your it. But will get their money back if they don’t like it.

Don’t include “weasel” phrases like: when you use this product exactly as instructed for 90 days then are not satisfied, you may return the product in the same package as it came in, postmarked no later than the 91<sup>st</sup> day, etc. etc. A plain, honest, no-strings-attached money back guarantee is best. The longer term, the better.

One more thing about guarantees. A good guarantee doesn’t save a poor offer. Nor does it get you out of trouble for illegal promotions or iffy promotions like get-rich-quick schemes or too-good-to-be-true weight loss programs. A good guarantee simply reinforces your good offer.

## **Notes on Testimonials**

- Fully identify who has given the testimonial. Not “T.B., Oregon.” “Teresa Broderick, Portland, Oregon” has more impact.

- Be specific. Not, “I loved your book.” Instead, “Your book gave me 55 new income ideas and helped me increase my web-site traffic by 25%.”
- Use money as an attention-grabber. “I increased my earnings from \$55,000 to \$125,000 a year thanks to the tips and techniques found in your Course.”
- If a customer returns the product and writes to thank you for a fast refund, be sure to print it with your other testimonials to help drive home how good your guarantee is.

If you don't yet have testimonials, simply write to some of your buyers and ask for one. And be sure to ask for permission to use your customer's name and city. (There's a sample Testimonial-Use letter later in the Course.)

## How to Get Publicity

What is publicity? First, let's dispel one myth... it's not "free advertising." And it's best not to talk to a publication's editor, or to a radio/TV news director using the term "free advertising." There's a legitimate place for so-called free advertising. The Advertising Council works hand-in-hand with, say, the Red Cross and the other groups in getting them actual free advertising.

You see, advertising is considered by newspapers and magazines, radio, television as an established place in the publication, or specific time period in a radio or TV program, which is specifically set aside for *paid* advertising. That's how they, of course, make their money. With "publicity," we're talking about getting a mention in the editorial side of the radio or TV programming, or a write-up in regular news columns of a newspaper or magazine.

So, therefore, it's incorrect to call it free advertising. Begin to get into the habit of using the term "publicity." Not "free advertising." Not "free publicity"... *publicity*.

Remember, you're seeking publicity on the news and/or editorial side of newspapers, magazines, radio and television. Which means you're going to think about your product, your company, as a part of straightforward news.

Why do editors and news directors even consider publicity? Look through your daily newspaper. You'll see hundreds and hundreds of stories. Some of them arrive from the *Associated Press*, *United Press International*, *Reuters* or other news agencies that send news items to the paper. Other stories are by-lined with the newspaper's own name, or with the name of a reporter. There are other news items that are simply written without any designation whatsoever. And many of those resulted from publicity; often, even the ones appearing from a news agency or a reporter.

Government agencies frequently send out a news releases. Reporters follow up on the news release by contacting the agents, other agencies, or perhaps a commercial business that might be involved with the particular item that's being covered in the release. And then write the story.

Anyway, editors are open to the idea of using publicity. Publicity news releases are part of the process they go through in gathering the news. So just as a reporter may have certain sources that he or she relies on to cover a particular segment of the news — the police beat, politics, food, fashion, business, etc. — an editor also uses the news releases that come in to his or her desk as part of resources in preparing the newspaper or magazine. Similarly, radio and TV news directors use publicity releases in order to prepare the news and various service functions they broadcast.

Without publicity, editors would find a very large hole in their publications. That's why editors are eager to get publicity, to get news releases, to get interesting information, to get news from you about your product or your company.

Now that doesn't mean that just anything and everything you send in is going to be used. Absolutely not! You're competing against thousands of others who, perhaps on that very same day, have ideas for which they, too, would like to get space and air time.

By the way, I use the word "editor" frequently. In many magazines, you'll contact a "new products" editor. In newspapers the same title may be used, or perhaps "news editor." Before you hurry and begin firing off publicity letters, first determine the proper title at a given publication or station. Too, try to get the name of the individual in order to personalize your mailings.

To get an editor's attention you have to imagine what's new, unique and newsworthy about your product or company. What's going to capture an editor's attention so they'll pass the information on to their readers? Truth is, news can be difficult to define at times. The classic definition: "news is... man bites dog." We usually read about a dog biting a man. So the news definition of "a man biting a dog" is that here's something new, something different.

News people don't generally write articles about the everyday occurrences, courtesies, and loving family relationships that go on day after day. Rather, they write about a breakdown in a city system, a killing, chaos, argument and controversy. That's considered "news." We may not like the concept, but that's basically the way the news media operates. So what we have to find in our product or company is something unique enough to report. Like the man biting a dog. When an editor receives your news release, he or she will take into account the publication's particular universe of readers. So the fact that you have a new catalog of, say, office supplies may not necessarily be interesting to a newspaper 250 miles away from you.

However, the fact that you have a new *sale* catalog of *discount* office supplies may be of interest to your local newspaper. Certainly, perhaps, through the local business columnists. It'll be of interest to the trade publications in the office supply field. It may be of interest to a number of publications in the direct marketing field. Especially if you mention that this new catalog is being mailed to a list of 50,000 previous buyers, and that your list is available for rent. Or that you're seeking office equipment dealers as a business opportunity.

That, then, may become an item of interest to the various direct mail and business publications editors.

Which brings me to the process of actually getting publicity... considering what the editor *needs* and *wants*. As well as considering what you need and want.

You're not particularly interested in getting your news before each and every reader, radio listener or television watcher. Now that may be possible, but generally the cost is going to prohibit you from doing it, and it's not going to specifically target the market you want. So you need to decide where you want to invest your time, money and effort. The same way you do when you make up your ad budget.

Consider who your customers are. Where do they live? What type of education do they have? What type of incomes do they have? Why should they purchase from you? The same marketing decisions you use for advertising can be used for publicity in targeting the media that will reach your particular market.

In many cases, publicity and advertising will go hand-in-hand. There are many trade publications in the field where, perhaps, you're running ads. In those specialty magazines you're reaching the market you want to reach. And the editor is usually aware of your ads, so when your news release comes across his desk, he may see your news as a value or interest to his readers.

For example, in many of the woodworking magazines I get, there are how-to articles tied in with advertiser's products. An article might show expert wood turning tricks using an advertiser's product, along with information on where to buy the product.

There are certain publications, such as the sales and opportunity magazines, in which it's expected they run a news release along with your ad. This is a practice prevalent among those publications. It's not acceptable, however, in the newspaper and general audience magazines as a rule. In fact, I suggest that you keep these functions separate. It's OK if you're advertising in a consumer magazine, or in a daily paper, to send a news release to that magazine or newspaper. However, do *not* tell the editor that you're advertising with them and that you expect him to run your release.

When it comes to a trade publication, and where it's an accepted practice, go ahead and send in a news release with a mention that you're also running an ad. A news release will help get the full impact of your ad. The editor knows this, as it's his practice. But, again I urge you, do *not* try to use the pressure of your advertising to get publicity when contacting general interest magazines or newspapers.

When I was placing full page ads in the opportunity and business magazines, often the editors would simply extract key points from my ad and write a publicity article for me. I didn't write one word! They did this each time a full page ad was placed, which was about every month.

But, if you're going to let your publicity stand on its own merits, you have to learn the techniques of getting that publicity. And the technique of getting publicity is a preparing a *news release*. A news release, basically, is a brief *journalistic* summary of the news you have about your product, service, catalog, company, or whatever.

The news release is based on journalism's five "W"s and one "H"... who, why, what, where, when and how. You'll notice, if you'll review your daily paper, that a news story is written in a sort of inverted pyramid so that the essentials of who, why, where, when and how are all reported in the first paragraph or two. The ensuing paragraphs support the initial opening or beginning of the news story by giving more and more detail. But be sure to stick with the facts.

Your news release summarizes your basic publicity effort. If you're announcing a new product, your news release should state who's announcing it, why it's being announced, what is being announced, where it can be seen or purchased, when it can be seen or purchased, and how. Then all the following paragraphs detail more and more information about the product, what it does, and why it's different from others. Why it's new, the price, then all the rest following.

A news release, generally, is going to be only one or two pages long, double spaced and typewritten. It's going to have in the upper part of the release, either the right or left hand side, the release date, your name, company name, phone number, or the person the editor or reporter can contact for additional information, if needed. Being typed double spaced, one or two pages means it will run about 250 to 500 words.

Now, if you have a truly amazing "life-changing" product, or if you own a large company moving into town and hiring 500 people, then you would issue not only your essential news release, but you'd also include a "press kit."

The press kit handed out to the media would provide even more information and allow the news director at the TV station or the editor at the daily paper to run the story in a number of different ways.

A new product, for example, might be featured in a press kit with photographs showing the product used, of the product displayed with a model, and so on. Then it may contain quotes from different research specialists and satisfied users of the product... testimonials. You'd also include a background story on the company. Plus another background story on the inventor or originator.

But the central part of that press kit would be a brief, one or two page news release telling about the product and giving again the essentials: the who, why, what, where, when and how of that product.

Another publicity technique is to hold a news conference... if you have something newsworthy enough to go from a simple news release to a full-blown news conference. Is what you have newsworthy enough to entice reporters, photographers and other media people to come to your company or a hotel conference room to hear your great news?

Anyhow, let's get back to what an editor wants. When you're seeking publicity it's going to be the editor, or news director in the case of radio and TV, who plays the crucial role in whether or not your news release gets any mention.

The editor services the needs of his or her particular market. And it's easy for you to find out what that market is simply by looking at the publication that he or she edits, by listening to the radio stations, or watching the various TV programs. This is an easy way to get an idea of the market being



reached by that particular media. You can get more detailed information about their market just by asking the publication, radio or TV station for their media kit.

A “media kit” is a package that will have circulation or broadcast audience detailed in terms of demographics... age, income, education, and so forth. And it will give advertising rates, along with surveys and research they’ve done which further defines readership or listenership for their publication or broadcast entity.

Radio, TV and publications spend thousands of dollars every year researching their audience. So if you take their research and compare it with the research — no matter how little — you’ve done on your own prospects and customers, you can compare to see whether or not a particular media’s audience would be suitable for you.

Having that information at your fingertips gives you the information needed to begin preparing your publicity release.

You can write your publicity release about a new catalog or a new product giving the same information in four different releases, each of which you might handle a bit differently: (1) for a radio/TV station, (2) for a newspaper, (3) for a trade publication, and (4) for a consumer publication.

And, if you have interesting news an editor is looking for, you’ll have a good shot at reaching the attention of that editor. As I mentioned, it’s the editor who’s going to make the decision of whether or not your story is going to appear.

Now let’s look at some examples of publicity efforts.

A publisher of a new Asian import/export directory hired me to produce a publicity release for her. The directory was due to be completed soon. Working with the client, I prepared a two-page news release indicating what was in the directory and who would be interested in buying the directory. I covered who was issuing the directory, why it was being issued, what was in it, when it would be available, along with where and how to order the directory.

Then I did a mock-up of the cover of the soon-to-be-published directory which became the artwork accompanying the news release.

In addition, I prepared a fact sheet that was essentially the table of contents so the editor could see exactly what was in the directory and see how it would appeal to the publication’s business readers.

Next, I wrote a cover letter to the editor and briefly called to his attention that many of his readers would be interested in this directory, and why they would be interested. And thanked him for considering the information for his publication.

I did *not* stipulate that, if the editor didn't run the news release, the client wouldn't advertise with the publication. Or conversely, if he did run it, would consider advertising. I simply let the fact that the news in the release was of interest to his readers by using a professional journalistic approach. I gave him an illustration to use with the release. I even gave him a "sidebar" item, the table of contents, even though I didn't really expect it to be used. I included it so that he would have an additional reason to consider using the release, to see the value of the contents, and therefore how valuable the directory would be to his readership.

Another publicity release I prepared was for a combination watch/lighter that was imported by one of my clients. The unique thing about it was, a person wore the product on his or her wrist as an attractive watch and it also incorporated a cigarette lighter.

However, with the anti-smoking campaign in full swing, and the number of smokers dropping year-by-year, there was a diminishing market for this particular item. Still, the item was unique in itself and would be of interest to the millions of people who still smoked.

It would also be of interest to a selected number of trade people who might consider using the item as a premium, or as a bonus, when their customers ordered something else. It would also be of interest to catalog companies that might consider the unique device something they could feature in their catalog.

So you see, I had a story here. The story of the unusual watch/lighter. But, thinking about the editors to whom we would reach and who their audiences are, I came up with a number of variations on the news release package. My basic package consisted of a single page news release. So in only 250 words I told the who, why, what, where, when and how of the watch/lighter. And I ended with the last paragraph giving the client's name and address, and the price of the product.

Along with that single page news release there was a photograph showing the watch/lighter being worn on the wrist of a model. Included was a brief letter telling all about the value this item would have to the smoking public.

The letter and the news release changed slightly when I sent this basic package to some of the various publications. So, for example, when I approached marketing magazines I wrote about how their readers could order the watch/lighter in quantity and have their logo imprinted on it so that the product would become a personal premium or bonus.

I would present the basic news release, but with just slight variations targeted at different editors. I had targeted premium sales, dealers, consumer sales, and catalog companies.

Often, in order to get publicity so that people become familiar with my various publications, copywriting and consulting services, I gave away things. One of the things I did was to prepare a two page news release telling about the "seven steps to more sales from classified ads." (A copy of that

copyrighted release is at the end of this Lesson.)

So I gave the editor something like a news feature. But in this release I gave *advice* to his readers on how to use classified ads to make more sales. Once I had the concept of the news release, I then thought about what to offer — what backs up that news release. And I came up with the idea of a short booklet on classified ads which I could offer free, but asking for \$1 shipping and handling. In some instances, I didn't even ask for the shipping and handling costs. (By the way, my new, expanded and updated version is now available. Get more information by going to <http://www.BrooksOwen.com> and clicking the *Cash from Classifieds* file. This handy Guide is loaded with everything you must know to begin making large profits from tiny ads.)

Moving on...

The news release was more than just a news story. In fact, when I sent out the news release I was pleasantly surprised because several editors took my release and made it into a by-line article.

It went out initially as a two page, or approximately 500 word, story. Then there was a cover letter to the editors telling that many of their readers used classified ads and this story would help them use the classifieds... plus help the publication sell more classified advertising.

In the upper left hand corner of the first page I put "For Immediate Release." I stated the release was from Owen Publications and gave my address. Then I indicated that for further information contact Brooks Owen, and also gave my phone number.

Centered in the top third of the page was the title "Seven Steps to More Sales from Your Classified Ads." The opening paragraph said "Classified advertising is a powerful sales tool," according to Brooks Owen editor of *KEY*<sup>TM</sup> Newsletter. "And it is, possibly, the most cost effective way to generate inquiries."

The second paragraph said something like "whether or not you have placed an ad before, or if you have been using classified advertising for years, you can generate more sales by following these seven simple steps."

Then I listed the seven simple steps to using classified advertising. I mentioned using power-packed sale words, getting the ad written without worrying about the word count, and so on.

I closed with the last paragraph that said a complete plan, detailing how to increase sales with tiny ads, called *Cash From Classifieds — Secrets of High Impact Low Cost Tiny Ads* is now available Free to readers of such-and-such publication. And to include \$1 postage and handling.

So that was my news release. I mailed nearly 2,000 copies of those releases to all the marketing, mail order and business/opportunity publications. I even tested a few newspapers, though

not successfully.

For more than six years I've received orders for that little booklet and my only marketing cost was mailing out my news release.

Listen, in the scheme of things, there's no profit in just the "free requests" and the \$1 bill. Certainly the \$1 paid for nearly all of my costs. But what I was after was the follow-up sales of tapes, publications, copywriting, and consulting service that follows. Just as is done with standard mail order sales where your real profits come from the back-end, or bounce-back, sales.

So you see, I created a successful news release that generated thousands of requests for an informative booklet which, in turn, generated many sales of my products and services.

There was really no "news" as such. I didn't have a new product. I didn't open up a new office. But I sat down and thought about what an editor might want. How I could get people who do business by mail order and direct marketing to contact me so that I could tell them about my products and services.

I came up with my free valuable booklet, and that's what you can do as well. Your free item can be most anything... a report, catalog, audio or videotape, software demo, whatever. Then prepare a news release conveying a bit of advice, which leads to your free item, which leads to marketing your main product.

Something else. Offer your free item not just as a product — but more what it can actually do for the recipient. The recipient must perceive the value as to how he or she can benefit.

All right, now where does this information fit in to help you? That's difficult to say because I don't know what your particular products are. I don't know what new product, publication, service, or company you have that you're thinking about publicizing.

So let's brainstorm. Let's think about what an editor wants, and why an editor might be willing to give space to what you have. Take a look at your product. If you have it there in front of you, handle it. Look at the product and list the unique features of your product.

When I talk about news, I don't only mean something that was, say, just invented. I mean, that it's new to the audience of a particular publication. So you might have a product and are selling it for one certain purpose then discover people are using it for other purposes. Or perhaps have solved another problem with it.

Take baking soda, for example. There's probably 101 different uses for the stuff. So you begin to wonder if certain trade publication editors are aware that your product can be used for this or that purpose. Even though your product may have been on the market for several years, if a new use is

found for the product, that's news. And, especially, if it's going to be new to editors and to their readers.

Explore your product. Look over your advertising literature again and see what the product's benefits and features are. Ask yourself if everyone knows about these benefits and various uses.

List as many ideas as you can. What you want to do is be creative and generate ideas, no matter how far-fetched. Whether or not something works doesn't concern you at this time. Only after you get all your ideas listed can you begin applying wisdom and prudence in seeing if your idea is feasible or can be carried out effectively.

So look closely at your product; what's new about it, what's unique, what are the benefits and features people may not be aware of? Then check out all the different editors there are. Editors of trade publications, the news directors of TV and radio stations, new products editors at general interest magazines, trade and specialty publications.

You see, thinking through these ideas, going to the library and looking through magazines and trying to determine why the editor of, say, the *Mother Earth News* may be interested in your product is how you start shaping your publicity effort.

Fact is, often you won't be successful. But when you consider the small cost of publicity — which consists only of writing a news release, a postage stamp and envelope — as compared with the cost of advertising, you can see that all this can be worth the effort.

Note: if you have your own web-site, you can dramatically increase your sales opportunities when you mention it in the news release.

Many editors now prefer getting your press release, or information about your release, by e-mail in plain text. But... it's important to understand that you must keep your e-mail short. Just two or three paragraphs giving the facts. Then, if they're interested, they'll get in touch with you. You may want to consider giving the bare bones facts of your story in an e-mail which leads to a unique "press release" page on your web site.

It's wise to include two contact names, if possible. And be sure that one is available to answer questions, if you're fortunate enough to be contacted.

By the way, never send a group e-mail showing your entire press list. And do NOT send your release as an e-mail attachment. Editors won't open them.

### **Gain Recognition by Writing Articles**

Today, there are over 300,000 (!) online newsletters and electronic magazines, called e-zines. They cover every topic imaginable, such as pets, genealogy, business, crafts, survival, moneymaking, hobbies, and on and on. Fact is, most of the editors/publishers are *starving* for content. That's where you can help... and be helped in the process. Why not consider writing an article or series of articles about something that lends itself to your business or service? If you don't think you can write, you can get someone else to do it for you for a small fee. (Check with writing classes at your local college.)

You won't get paid for your article(s), but you will get a by-line which leads to your web-site. Then, each time your article is run, you can expect getting dozens — perhaps hundreds — of qualified leads.

You can contact newsletters or e-zines individually, or better yet (and much, much easier), post your articles to one or all of the many free article distribution services on the web. Editors and publishers often visit these sites for content and, chances are, yours will be picked up.

## **SAMPLE NEWS RELEASE**

**Note:** This *copyrighted* news release, which was successful for many years, was typed double-spaced, front and back of one sheet of white paper.

### **SEVEN STEPS TO MORE SALES FROM YOUR CLASSIFIED ADS**

No matter what business you're in — mail order, Internet marketing, publishing, networking, consulting, whatever — potent tiny ads are the most cost-effective way to reach qualified prospects who are ready to buy. It's what I call the "David vs. Goliath Strategy."

Classified and small display ads are powerful sales tools. Yet many business owners overlook how these little profit-boosters can affordably bring in new customers day after day... all year long.

Whether or not you've ever placed an ad before, or even if you've been using small ads for years, you can generate greater cash-flow when you follow these seven simple steps:

1. Observe my AEIOU principle. A profitable ad must grab *Attention*, create *Excitement*, arouse *Interest* with a compelling *Offer*, which *Urges* your prospect to respond... NOW.
2. Put "U" before "I." It doesn't work that way in the alphabet, of course, but in advertising "you" comes before "I." It's another way of saying that when you're selling put the emphasis on the reader. Your ad must spell out what the benefits of your service or product will do for your prospect.
3. Be aware of the small ad's limitations. You can ask a small sum for a catalog, sample or a modest "loss leader" product. But leave your full sales message for larger ads and direct mail; the small ad's job is to coax prospects to write, visit your web site, go to your place of business, or call for more information.
4. Use power-packed sales words. There are certain words that are generally successful in all advertisements. The favorite six are: *free*, *new*, *you*, *how-to*, *now* and *easy*.
5. Don't worry about word count. Your first job is to get all the benefits and selling words about your product or service on paper. Then you can edit and polish to fit the ad space.
6. Say more with fewer words. Find brief ways to say the same thing: use "satisfaction guaranteed" instead of "money back if not satisfied;" say "details free" or "free information" rather than "write for free details."
7. Key your ad. A "key" is a device to code an ad so you can tell where an inquiry or purchase came from. It should always be used when you advertise in more than one publication. There are many ways

to key. For example, in one magazine ask your prospects to write for “free booklet N” and in another magazine, “free booklet A.” You can also change initials in your name, or add a letter to your box or street number, like: “PO Box 10A” or “1113-C Main Street.”

Small display and classified ads let the little guy profitably compete on an equal footing with larger companies. Unlike other methods of getting your message out, dynamic small ads are well within the reach of most small and new businesses.

If you want to increase your customer base and are on a limited budget, consider adding the power of traditional, time-proven small ads to your marketing mix.

A detailed how-to booklet for making big profits from small ads, **CASH FROM CLASSIFIEDS** — Secrets of High Impact Low Cost Tiny Ads by maverick marketer Brooks Owen, is **FREE** to readers of (name of publication). Send \$1.00 for postage and handling to Owen Publications, Dept. 10-A, Battle Ground, WA 98604-0010.

- end -

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## How to Get Your Product into Catalogs

In this Lesson we're going to examine what products the catalog companies are looking for, the deals they're looking for, and how to present your product to them.

The number of catalogs have grown by leaps and bounds during the past two decades. The ease with which people can shop through catalogs is the primary reason.

There are other reasons, too, for the popularity of catalog shopping; such as both husband and wife going out into the workplace. There's simply less time to do shopping during the day. The catalog is an "open store" 24 hours a day, 7 days a week. I estimate there are close to 100,000 different catalogs in the U.S. That's 100,000 individual catalogs being mailed each year to millions of prospective customers. Some of those catalog companies may mail only 5,000 copies. And many companies will mail 60 million and more. About 20% or 20,000 of those catalogs are consumer oriented, the other 80,000 are business catalogs.

Something you should do is begin collecting catalogs. Especially those catalogs that might be prospects for your offers. As I mentioned, there are close to 100,000 different catalogs published in the U.S. each year, although not every catalog is going to be the right market for you to sell your product. How many of them will be the right catalog? You'll have to a bit of research.

To begin, you can find at most bookstores or libraries several catalog directories. The three top ones are...

### *The Catalog of Catalogs*

Edward L. Palder  
Woodbine House Publishing  
ISBN 1890627089

### *The Directory of Mail Order Catalogs*

Grey House Publishing  
ISBN 1-891482-24-6

### *National Directory of Catalogs*

Oxbridge Communications  
ISBN 0891783024

These three catalog directories feature as many as 15,000 catalogs each, in several hundred categories. You'll find some of them useful, but in no way will this be the only way to discover how many catalogs might be prospects for your offer.

The very best way is to do a bit of research. But you don't need to investigate all the 100,000 catalogs in order to find the best catalogs for your product. So here's the secret to doing basic research for your product catalogs.

Don't think of the catalog business as an industry in itself. It's not. Cataloging is a *way* of doing business. Just like "mail order" is a way of doing business. So if you are selling, say, a pet book, what you do is simply concentrate on the pet industry and determine who is issuing catalogs in that industry. You can find this out very easily by going to the pet trade publications, trade associations, surfing the Internet and, of course, reading the different publications dedicated to the pet field.

You'll soon uncover a large quantity of catalogs that are always looking for new pet items. Other catalog companies may fall within the same category that do not consider themselves strictly within the pet industry. A novelty catalog or a home catalog, for example, might also feature pet items.

This is why the only reliable way of finding every possible catalog prospect for your item is to do the physical research of actually examining the possible catalogs. This means, in a sense, that you have to compile your own list.

Ask for copies of a company's catalog, go to your public library, go to your newsstand, go on-line, go to the bookstore where many catalogs are now being sold and gather samples of the various catalogs. Build up a research file and build up a mailing list. There's no magic way to do this. But you'll be amazed by approaching it this manner how rapidly you'll build up a huge number of catalogs that are good prospects for your product.

In addition to doing research and building up your mailing list, you'll want to use advertising and publicity. This will help not only to build sales, but get you in contact with those companies that are issuing catalogs.

For example, if you have a pet book and run an ad in the catalog section of Good Housekeeping to sell your book, include a tag line at the bottom of your ad saying "dealer inquiries invited." You'll likely make a few catalog contacts. Similarly, if you issue a news release to the pet industry trade journals indicating you have a product available, you may receive inquiries from catalog houses asking for details on your new product.

You can see that there are many ways of building your list of prospects. The effort to build a list of catalog houses that are prospects for your product involves a "rifle shot" approach, which means actually examining, then contacting, catalogs in your specific field of interest. And secondly, a "shotgun" approach in which you generate publicity in an even larger general field and receive some inquiries that way.

Let's look at what other people have done before we get into the details of what the catalog houses are looking for, what kind of deals they're hoping for, and how to present your product to them.

In *Nation's Business* magazine a while back, Wellington Haight told how his wife kept yelling at him to mop the bathroom floor after he took a shower and how he hated that job. So he invented a better way... a shower curtain that sticks to the inside of the tub to keep the water in. He said it was tough to sell the product through the catalog houses because he only had a single item.

According to Haight, mail order catalog houses would rather buy from someone who has ten or more products. He says after he called them over and over again, sent photos and samples, they finally got tired of hearing from him and agreed to try his product.

I don't totally agree with Mr. Haight's contention that catalog houses would prefer to deal with someone who has 10 items rather than one. I think, more importantly, it's probably *easier* for you (if you have several related items) to sell to catalog houses simply because your cost of selling is going to be spread out over several products rather than one. Mr. Haight was not in this particular line of business but he was able to sell his item directly to several catalog houses. He had done his research and knew that a few catalog houses were targeted to a particular market that would use his item. And, therefore, he decided to sell to them directly.

Joe Cossman, the famous author of the book, *How I Made a Million Dollars In Mail Order*, tells how he made most of his millions by selling his products to mail order catalog houses. He priced his products so he could give discounts that would be attractive to them, and he regarded the catalog houses as free advertising for him. He figured that by placing the item in catalogs and giving the discounts they needed, most of the sales work was done.

Another successful seller of products to mail order catalogs was Ron Playle. Way back in 1979 he wrote the book, *Selling to Catalog Houses*. The subject of his book was to tell how he discovered ways to sell his books to the catalog houses. He says he started in the "mail order business" in 1971 with a small booklet titled *Anyone Can Win Sweepstakes*. He sold thousands of copies of that little booklet and went on to publish others.

He started out using classified ads and various other media in the mail order industry. Playle said he tried a lot of different things. Some worked, some didn't. His business was growing and he was making a decent profit for part time work. But he wanted to be his own boss and Ron wasn't making enough money to support his family on a full time basis.

Ron tells how in 1976 he finally had an idea to sell to the large mail order catalog companies. He made his first sale to *Sunset House*. He said he thought it might be a fluke, so he started promoting his books to other catalog companies as well. Ron was astonished at what happened.

In the months to follow, he sold his books to companies that read like a Who's Who in the mail order field... *Harriet Carter, Miles Kimble, Hanover House, Johnson Smith, Foster and Gallagher, Bruce Bolin*, and on and on. Playle says since that first order in 1976, he quickly sold over 100,000 books just to the catalog companies alone.

To have similar success you must find out what the deals are that the catalog houses are looking for. You have a product and a list made up of possible prospects.

Now we're going to contemplate how to make up a discount schedule and how to arrange your materials to sell to the catalog houses.

The first thing you need to do is to look at your product from the catalog companies' point of view. When you contact a catalog house, the larger ones will have some type of a merchandise data sheet they'll want you to fill out. You'll find a copy of a typical merchandise data sheet at the end of this Lesson. You can use it to prepare your product information.

Catalog houses are going to want to know what the product is and what its title is. Not only a book title, but title or name for any other product. Mention stock number, if you have one. Then list the suggested retail price. They'll want to have your discount schedule. If size is important, indicate the size of the product. In some product lines, especially in clothing, you're going to have many different sizes.

Give them the unit weight. That means you might detail unit weight in two different ways. For example, you may say the item weighs exactly 7 pounds, 8 ounces. You may also relate that the shipping weight is 8 pounds, 11 ounces. This is important for catalogers in terms of figuring their costs, and determining how they'll operate with that product. If there are color selections, specify that. And state if there's a catalog, or advertising, allowance and if it might be one in the same, or if it might differ.

You might, for example, allow a larger discount if a cataloger will advertise your product in a national magazine. Perhaps you'll let the catalog company know if you have photos, or art available that can be used for catalogs. Most catalogs use their own art and photography. However, many catalog companies would appreciate having this material because it at least gives them a handle on your product. Or, it can be something that can be used quickly when they're updating their catalog and decide to drop a low selling item in order to test your item.

On a smaller scale, if the catalog company is going to test your product on a dropship basis, they may appreciate having photographs and art work they can immediately use in their catalog without going to the additional expense. Give a good description of your product, even if it's going to be changed by the catalog houses' own copywriters. This will give you a head start because you can emphasize the main benefits, or selling points, of your product better than someone who is just getting acquainted with it.

Be sure to specify the minimum number needed for the wholesale price break. You could specify on your merchandise data sheet that a sample costs the same as, let's say, a single dropship item. You might even consider giving a free sample to the catalog company, if it's cost effective.

The other thing catalog houses will want to know is, what kind of sales aids you have available. Do you have catalog sheets, do you have circulars, or ad copy? You'll want to include samples of these

when you approach the catalog house. The cataloger will also want to know how long they can expect this product to be available.

The catalog company is going to spend time and money listing your product, or product line, in their catalog. They certainly don't want to find themselves going out in the mail one week and then hearing from you following week that you can no longer supply the item. So you must assure them you'll guarantee availability for whatever period is reasonable.

Certainly you should, when you approach them, indicate if it's a seasonal item, what the seasons are or that you can guarantee delivery through the end of the year. Or whatever. This helps the catalog house with its scheduling.

Many catalog houses issue more than one edition of their catalog. The catalog may look the same as their other catalogs. But the cover has been changed, or different pages have been changed around. They're either testing items, they've produced another edition, or perhaps have dropped some of the slow selling items and replaced them with better selling ones.

OK, what kind of discount should you give a catalog company? That's hard to pinpoint in all fields, but let me give you an example. In book selling, a retail book store will often accept a discount of 33-1/3%, if they buy 1, 2 or 3 copies of a book. They'll get a discount of 40% when they buy 10 to 30 copies of a book. And the discount will be more, up to 50% or so, if they're buying hundreds of copies of your book.

But there's a catch here. The above is a low discount compared with the discount that would be given to a mail order catalog house. That's because there's a practice in book selling whereby the retail book seller can return unsold copies to the publisher for refund within a 6 to 12 month period. Now, when a publisher sells books to a catalog house, he'll give a better discount schedule starting at, let's say, 50% for a dozen copies, or so, and going on up to as perhaps as high as 60% off. But the books are not returnable.

So you see, discounts can vary. But generally, you must offer a discount of 40%, or more, to catalog houses. If you have a product that allows you to offer 50%, and up, you're more likely to get into the catalog. Also, your product is more likely to be chosen as a lead item, which means it may be selected to be run as an advertising promotion to generate new customer names.

If you go to the mail order sections of *Grit*, *Cappers*, *Good Housekeeping* and other publications, you'll find many 2, 3, 4-inch column ads featuring an item at a very attractive price. In most cases, the advertiser is not making money from that ad. An offer for, say, 500 or 1,000 address labels for \$2.00 is only going to bring in enough orders to perhaps pay for the cost of the ad. They still have the cost of fulfillment, and overhead.

What the advertiser is doing is using the discount to add names to his mailing list for his catalog.

When he ships the product it's accompanied by a catalog to attract additional sales. So, as I've been pointing out, it's the back-end, or the repeat sale, that's going to bring in the profits.

The cost of advertising is expensive so the cataloger must have a good lead item and a good discount in order to justify using it in that way. But he may be willing to advertise and use your product as a lead item when you give him a good discount, because he plans on making up any loss in the subsequent sales to the customer.

Now that you've listed the essential information that a catalog house is going to need in order to make a judgment of whether or not to place your product in its catalog, consider how to present that information. Let me give you an example from work I did for one client so you can get a better picture of product presentation.

I believe in the traditional approach because it's been proven over the years to be a reliable workhorse. But there are many different ways you can prepare a mailing. Marketers often argue about what methods to use, even envelope colors. But the basic, tried-and-true direct mail package consists of an outer envelope, sales letter, brochure, perhaps a lift-letter, separate order form and a return envelope, as discussed in a previous Lesson.

You can take those elements, combine them, and create a self-mailing piece. Or, you can change those elements around in many different ways and variations, depending on the product you're selling.

I prepared some space ads, along with the basic package, for an importer who was selling the "watch/lighter" I mentioned in the Publicity Lesson. In order to attract the mail order catalog houses, I created a sales letter along with a mail order and distributor information. I called it the "Catalog and Distributor Information" sheet because the discount schedule being offered to the mail order houses was basically the same as for a distributor. For a retailer, a less attractive discount schedule would have been given. You'll often find in breakdowns on discount schedules that the catalog house is equated with the distributor, and gets a better break than the retailer.

Let me describe the Catalog and Distributor Information sheet I prepared for my client. Notice how it's combined all the elements I've been talking about...

The sheet had the year 1994 and 1995 on it under the letterhead of the importer, then it indicated that the product was a watch lighter and gave the description: "The watch lighter is a combination of watch and lighter which makes lighting your cigarette as handy as telling the time. It combines both the precise digital watch and a gas refillable lighter on the same watch band. The watch operates from a long lasting battery. Suggested retail price is \$19.95 to \$24.95, plus shipping and handling. The wholesale price is \$10.00 each on a minimum order of 12 pieces, for a total of \$120.00, plus shipping and handling. Lower prices for quantity orders are: 3 dozen at \$9.50 each, 12 dozen at \$9.00 each. All are shipped F.O.B. from Stockton, MA."

Then it goes on to say, “inquire about discounts for orders of more than 1 gross and for quantities of 5,000, or more, of which your own special logo can be imprinted. We will ship a single watch lighter directly to your customer using your own shipping label for \$12.95 postpaid. Send payment with your order, along with your shipping label addressed to your customer. You may order a sample watch lighter at the single dropship price. The ad allowance is negotiable for larger runs, if you list the watch lighter in your catalog or run an ad for it in a national magazine. Please send confirmation of your advertising and we will allow an additional discount on your next invoice.”

The supplier also promises the catalog house sales aides when ordering a sample watch lighter or placing their first order by stating: “please request sales aides on your business letterhead. We will send you a free glossy photo; additional copies are \$1.00 each sent with your order. We will give you ad copy and sample circulars at no additional charge. The X Products Co. is the importer of the watch lighter and we expect it to be available through 1995, and longer.” This assured the catalog house that, if they were receiving this mailing in late 1994, and if they put the product in their 1995 catalog, it would be available throughout that year.

When the importer of the watch lighter sent his sales materials to the catalog houses, he did so using the traditional package. There was an outer envelope with a teaser line which indicated that, if they opened this envelope they would find information inside on how they could increase profits with a fast selling item that would be attractive in their catalog.

Then the sales letter began with a similar benefit detailing how to get a fast seller and make a generous profit. That was the benefit emphasized right at the start of the sales letter. And it was emphasized even more so, because the company letterhead was put down at the bottom of the page. So “how to get a fast seller and make a generous profit” was the first lines the reader saw when they opened up the letter. It states further that the watch lighter attracts attention wherever it’s shown, and draws more sales as your customers are asked where they got the watch lighter. Then it continues on to spell out the details of ordering and calls attention to the separate Catalog and Distributor Information sheet.

And there was an order form plus copies of the display ad that were available. Other sales aides, such as additional sales copy, glossy photos, were promised to the catalog house.

Now this particular piece did very well for the importer. Again, catalogs had to be correctly targeted. In addition to choosing catalogs, this importer with my help, prepared a news release and ran a number of ads directed to the catalog houses. Several ads were placed in the opportunity publications like *Extra Income*, *Income Plus*, *Entrepreneur*, and *Money Making Opportunities* so they would not only reach direct sellers and other retailers, but also firms with catalogs that may be interested in picking up the item.

## Catalog and Distributor Information

[1] Your Name \_\_\_\_\_

[2] Title \_\_\_\_\_

[3] Company/Firm \_\_\_\_\_

[4] Street Address \_\_\_\_\_

[5] Mailing Address \_\_\_\_\_

[6] City \_\_\_\_\_ [7] State \_\_\_\_\_ [8] Zip \_\_\_\_\_

[9] E-Mail Address \_\_\_\_\_

[10] Phone Number (with Area Code) \_\_\_\_\_

[11] Name of Product \_\_\_\_\_

[12] Description of Product \_\_\_\_\_

\_\_\_\_\_

[13] Suggested Retail Price \_\_\_\_\_

[14] Wholesale Price \_\_\_\_\_

[15] Minimum number to be ordered to qualify for wholesale price \_\_\_\_

[16] Do you dropship a single item when the order is accompanied by your dealer's shipping label and payment? If so, please briefly describe arrangements:

\_\_\_\_\_

[17] For Single Item, please give shipping weight:  
shipping size: \_\_\_\_\_

[18] Is an ad allowance given? If yes, please briefly describe amount and details:

\_\_\_\_\_

[19] Are glossy photos available? \_\_\_\_\_



[20] Are catalog sheets, circulars or ad copy available? Please enclose samples.

[21] CHECK ONE: I am the  Manufacturer  Distributor  Importer  Publisher  
 Other: \_\_\_\_\_

[22] The product is expected to be available until \_\_\_\_\_

## How to Increase Your Income with Mailing Lists

If you're going to be selling by mail, mailing lists can be a very valuable — as well as a saleable — segment of your business. And, if you want to increase your sales, it's a good idea to test direct mail. To do this you would begin by renting a mailing list.

Conversely, if you're already selling by mail, you can boost your income by renting your list of customers to other firms.

Either way, mailing lists play an important part in the world of direct marketing/mail order. Essentially, there are three types of lists: *House Lists*, *Mail Response Lists* and *Compiled Lists*.

1. House Lists — a House List is simply a list of your own customers. They may be active or inactive. They may be inquirers or buyers. They may be made up of customers who have made ten purchases or, in the case of inquirers, none. The list may contain names of customers who have ordered in the last 30 days, or in the last three years. They may have spent lots of money or a small amount. They may be credit card buyers, cash buyers or term payers. They may be predominately male or female. Whatever.

Your House List is *one of your most valuable assets...* the names of your own customers. These are the people who have purchased from you in the past and are likely to purchase from you again. You can spend a great deal of money to rent other firm's lists, but none will bring you the financial rewards you'll reap from your own customer list. These people know and trust you, and are most likely to order on a continuing basis.

2. Mail Response Lists —second in importance are Mail Response Lists. These are people who have responded to other firms' offers. Note: it's vitally important that, when you rent another firm's list, the names are of customers who have purchased products similar to what you're selling... and who have done so within the past 90 days. Generally, these lists are referred to as "Hot Lists," "Hot Line Buyers," or "Hot Names." The rental fee is higher for these Hot Lists but, in general, they should respond more favorably to your offer.

The next best are names of people who have purchased a similar product to yours within the past 6 to 12 months. And so on. Inquiry-only are not as effective as purchase-only names.

3. Compiled Lists — although people on compiled lists do not usually respond as well as people on house lists or mail response lists, these lists can play a part in your marketing efforts when properly used. In a nutshell, a compiled list is merely a listing of names/address of people. Period. Sometimes they're segmented within regions, sex, profession, age, whatever. But they are not necessarily people who have purchased anything by mail.

While there are no set rules that can be applied to mailing lists, here are a few facts that can be regarded as generally reliable...

1. The average list will change at least 25% each year.
2. A direct response list will out-pull a compiled list.
3. Your customer list will out-pull all other lists.
4. You'll spend about 10% of your mailing list budget for development and maintenance.
5. People over 35 years of age respond to mail order offers more so than those under 35 years old. (That's a generalization only... obviously, if you're marketing a product that appeals to a younger crowd, then you'll target that market.)
6. People living in rural areas respond to mail order offers at a higher rate than do people in urban areas.
7. People who have ordered through the mail within the past 30 to 90 days are the most productive names you can get.
8. Multiple buyers are better than names that have only purchased once.
9. The results you get vary by seasons, months of the year, and sometime, by regions and states.
10. Every list should be checked and cleaned at least twice a year, or more. It's a good idea to review and update your list at least every 6 months.
11. Limit the number of employees who handle your list to one.
12. Use outside consultants and service organizations to help you with your list decisions. Mostly, they're professionals.

### **Should You Use Lists?**

Your first consideration is whether or not the people on a particular list will be interested in your product. Offering a book on credit repair to car products buyers would be fruitless. You want a list of people who have purchased something similar to your product. Or at least something in the same general category.

People who have already purchased cheese products are perfect for you, if you're selling cheese products. If you're selling fishing supplies, obviously you don't want to rent a list of buyers of cheese products. Instead, you'd consider renting a list of names from a publisher who publishes a fishing magazine. Or perhaps a list of people who have recently applied for a fishing license. Or a list of people who have purchased fishing equipment from a catalog company.

When renting lists, it's imperative to find a list that parallels as closely as possible your own list of customers. The right list can literally make or break your direct marketing campaign.

### **List Brokers and Compilers**

It's nearly impossible to succeed in direct marketing without the assistance of a competent list broker or compiler.

The list broker's job is to bring together the owner of a list and the firm wanting to rent that list. The fee for this service is generally 15% to 20% on each rental. You can rent names through a list broker for the price you would pay on your own... if you could even locate a proper list.

So it's to your benefit to take advantage of the broker's service. And it's to the broker's advantage to help you choose the best list available for your mailing since, when your mailing is successful, there's a good chance you'll come back for more names.

After a list broker arranges the rental s/he next bills the firm renting the list and forwards the proper payment to the list owner.

A list compiler represents those lists owned and maintained by the company that employs him or her. They're specialists for the list they represent and, in general, offer the same services as a broker.

### **How Much to Spend**

Today, there are thousands of mailing lists available in thousands of categories. Almost any offer, no matter how unique, can be matched to an appropriate list. The price can start from as low as \$10 per thousand for overused (not very responsive) inquiry names upwards to as high as \$500 per thousand for specialized lists. Often, even higher. On average, however, expect to pay around \$75 to \$100 per thousand recent buyers names.

A few of the factors that determine the price are:

1. Freshness of the list
2. Buyers or inquirers
3. Amount of purchase
4. Multiple or one-time buyers
5. Hot-line buyers
6. Credit card buyers
7. Frequency of purchase

As you can see, many factors come into play when pricing a mailing list. In short, the more desirable the list, the more you can expect to pay for a one-time rental.

### **Your Own List**

Once your mail order business is up and running and you've acquired a large enough list of inquirers or buyers (or both) — at least 5,000 — it's a good idea to put your customer list up for rental with as many brokers as possible. (Not everyone agrees with this point... some experts recommend that, once you've located a reliable broker, stick with him or her exclusively.)

While it's true that the primary purpose of accruing your own list of customer is to generate sales of your own products, an important secondary source of income can be generated through the rental of your list to noncompeting firms. Profits from the rental of house lists can be enormous. It's not uncommon for many mail order firms to make more money from the rental of their lists than they earn from the rest of their business (even from back-end orders)! Indeed, if it were not for monies received from list rentals, many would soon be forced to go out of business. Furthermore — in many cases — a mail order firm's entire net profits come solely from list rentals. Their entire business is built around building and renting their lists.

Anyway, let's assume you have a customer list of 50,000 names. This list is not huge, but it will still account for hefty revenues. For example, if you charge \$75 per thousand names, you'll receive \$3,750.00 each time you rent your list, less broker fees. So when you rent your list, say, 12 times per year you'll take in \$45,000 in additional revenues, less broker fees.

Or rent to 10 firms 12 times a year, you'll bring in \$450,000 extra profits.

Another benefit of renting your list to noncompeting firms is that you'll be able to get new ideas and insights about what your customers' likes and dislikes are. In addition, one of the firms that rents your list may have a sales approach you may want to emulate.

Many companies, rightly or wrongly, refuse to rent their house list to another firm. They feel that the results of their future mailings will be diluted, if their customers are deluged with offers from other companies. Other firms feel just the opposite. They suggest that as long as they rent their list to a noncompeting firm they're helping to insure their customers continue to be mail order buyers.

Another approach by some mail order companies is to rent only their old or inactive customer list at a lower rate, which still generates additional income.

Finally, there are firms that like to exchange lists with both their competitors and non-competitors alike. The advantage of list swapping is the lower cost. You may normally pay \$75 per thousand names for a list rental, whereas you may get the list for only \$10 or \$15 when you swap lists. Which, generally, covers just the broker's fee.

### **Functions of List Brokers**

**FINDS NEW LISTS** — the broker is constantly seeking new lists and selecting for your consideration ones that will be of particular interest. In fact, brokers spend a great amount of time encouraging list owners to rent their lists.

**ACTS AS A CLEARING HOUSE FOR DATA** — the broker saves you valuable time because you can go to one source for a considerable amount of information, rather than to many sources which may or may not be available to you.

**SCREENS INFORMATION** — the broker carefully screens the list information provided by the list owner. Where possible, he or she or a representative personally verifies the information provided by the list owner. In addition, brokers in the National Council of Mailing List Brokers have available to them a wealth of information resulting from the combined efforts of the members.

**REPORTS ON PERFORMANCE** — the broker knows the past history of many lists and usually knows the performance of one that have previously been used by other mailers.

**ADVISES ON TESTING** — the broker's knowledge of the makeup of a list is often valuable in determining what will constitute a representative cross section of the list. Obviously, an error in selecting a cross section will invalidate the results of the test and possibly eliminate from your schedule a group of names that could be responsive.

**CHECKS INSTRUCTIONS** — when you place an order with a list owner through a broker, he or she, or a staff member double checks the accuracy and completeness of your instructions, thus often avoiding unnecessary misunderstanding and loss of time.

**CLEARs OFFER** — the broker clears for you in advance the mailing you want to make. He or she supplies the list owner either with a sample of your mailing piece — or a description of it — and by getting prior approval minimizes the chance of any later disappointments.

**CHECKS MECHANICS** — the broker clears with the list owner the particular type of envelope, order card, or other material that is to be addressed.

**CLEARs MAILING DATE** — when contacting the list owner, the broker checks on the mailing date you have requested and asks that it be held open as a protected time for you.

**WORKS OUT TIMING** — the broker arranges either for material to be addressed or labels to be sent to you at a specified time, thus enabling you to maintain your schedule of inserting and mailing.

### **List Owner-Broker Relations**

**GET LIST MAINTENANCE ADVICE** — consult with the list broker when deciding how to maintain your list so you can set it up the most practical, economical and rentable way.

**DISCUSS RATE** — discuss with your broker the price you'll charge for rentals and decide on a price schedule that will bring you the greatest volume of profitable business.

**SUPPLY ACCURATE DATA** — be sure the list information you furnish is accurate. If the addresses in the list have not been corrected and updated within a reasonable period of time, tell the broker.

If a list contains a percentage of names of people who bought on open account and failed to

pay, give this information to the broker. If you represent your list as made up entirely of buyers, be sure it does not include any inquiry or prospect-only names.

And if you've bought out a competitor and have included some of those names in your customer list, be sure to state that fact.

Aside from obvious legal aspects of misrepresentation, you'll be the one who suffers when you mislead a broker.

**ADDRESS ON SCHEDULE** — establish a reputation for sending out your mail on time as promised. If you accept orders for your list and fail to fulfill them on schedule, brokers become aware of this and will cease considering your list for potential users. If, for any reason you foresee a delay, advise the broker immediately, so he or she can advise the renter.

**FURNISH COUNTS** — keep the broker posted on current list counts, rates, changes in the sources of the names and the like. When the composition of a list changes, it may very well become more interesting to a user who had previously felt that it wasn't suitable for his or her purpose. In addition, when current information is offered to a potential user through a broker, it's more likely to develop activity than is an out-dated description.

### **List Manager vs. List Broker**

There has been a trend toward list management as opposed to list brokers. A list manager takes over complete management of your list for rental purposes. Under this form of contract, the list manager is responsible for the following functions:

1. He or she solicits his own brokerage customers directly.
2. Makes all contacts with list brokers and is responsible for processing their orders.
3. Should at his or her own expense advertise the list.
4. Analyze the results of each mailing and offer suggestions and advice.
5. Keeps all records and is responsible for all billings.
6. Provides the list owner with a detailed list of activity, along with commissions earned, and so on.

For this extra service the list manager earns an additional 10%, sometimes more. In some opinions, they're well worth the extra money. A good list manager will do his or her utmost to promote your list. In return, the manager will earn good money. But, not as much as the list owner. It's not unusual for a good list manager to double or triple your previous rental income.

Naturally, some list managers will do a better job than others. If you decide to use a list manager instead of a broker, make sure you select the best one available. This research takes time, but can pay off handsomely.

## **How to Test a List**

The minimum number of names you can test is usually around 5,000. However, some brokers will waive this because they don't want to lose a potentially good customer.

When testing a list always request "Nth" selection. This should insure that you'll be testing the effectiveness of the entire list, not just the first 500 names or other small segment. Nth selection simply means that the computer randomly picks a few names from the entire list.

The reason you should always use Nth selection is simple, besides the reason just mentioned above. It stops the broker or list owner from giving you "loaded" names. That is, some devious brokers or list owners will rent to you only their best names when you test a list so that you'll get the best results possible. But later, as you can guess, when you come back to rent the rest of the list, you'll be disappointed at the next results.

Always try to rent a list consisting of buyers names only. The more recent, the better. If you can't get a list of buyers names only, try a mixed list of buyers/inquirers.

In order for a beginner to get a trustworthy list it's a good idea to rent your first names from a reputable firm with a larger universe of lists. Later, as you grow, tests can be made with lists from other firms. Another reason for selecting larger lists is, should the results be rewarding you'll have a larger selection of names for your future use.

Note: Always make certain that any list you decide to rent has been cleaned within the last 6 months. Otherwise, you could be throwing your time and money away. Lists that haven't been kept up-to-date deteriorate rapidly.

## **What You Need to Get Started**

Frankly, your chances of success of becoming a list broker/compiler are almost non-existent unless you have a primary knowledge of selling by mail in general. So it would be prudent to start out in another phase of mail order selling, if you're a beginner.

The starting supplies needed to operate a mailing list business are minimal. You'll need the best computer and printer you can afford. You'll also need software specifically designed for customer database and mailing list management, like MailMAXX (at <http://www.brooksowen.com> go to *How I Slashed My Work Day in Half*). Additionally, you'll need common office supplies such as a typewriter, letterhead and envelopes, business cards, record books, filing cabinet, shipping envelopes, stapler, notepaper, floppy disks or CDs, along with assorted pens, pencils, paper clips and the like. The usual office stuff.

You'll also need a ream of gummed labels. Most renters prefer the kind that come 3 across, in



11 rows referred to as “33-up.” Others like the kind that come “1-up” that you can get in boxes of 5,000. Most accepted size label is 15/16 x 3½ inches. There are other sizes, of course, and you should be prepared to use them, if requested.

In past years, beginners got started by typing names on 33-up gummed label sheets with a standard typewriter. Pretty slow going, indeed, and certainly obsolete these days. To even think about getting into renting your mailing list you must have a newer model, fast, reliable personal computer, laser or ink-jet printer, and a good software program to run it.

Then it’s a snap to maintain your house list, and when you reach a minimum of 5,000 names you can begin renting them.

By the way, the software you use should have the capability of segmenting your list in various categories that your renter may request, such as: print labels by states only, buyers only, inquirers only, mixed, zip code order, selected zip codes, certain product sales only, and so on.

You’ll also find having a good copy machine is invaluable. Actually, you can print out labels on your printer then copy them on the copier, if you’re renting the same list to several renters at once. Obviously, you’ll need to compare the cost of running labels on your printer vs. the copier to see which is most cost-effective for you.

### **How to Clean Your List**

Clean your list by putting the caption “address correction requested” in the upper left hand corner of your outer envelope when you mail to your own list. Or, you can offer your renters 10 new names for every one “undeliverable” envelope they return to you. That way, you don’t have to mail so often and your renters will be cleaning the list for you.

List maintenance is principally a matter of adding new names, deleting undeliverables — called “nixies” — and entering changes of address as customer move. None of these tasks are difficult. But without proper care and dedication a good list can quickly become worthless.

### **Where to Get Names for Your List**

Naturally, you can rent out your own list of customers, if you have sufficient numbers. This is the way most beginners start.

You can compile lists of names. For example... doctors, lawyers, drug stores, high school students, cheese lovers, and on and on. Several books have been published that specifically deal with these types of lists. Three that come to mind are: *Mailing List Sources*, *Mailing List Directory*, and the *Guide to American Directories for Compiling Mailing Lists*. Frankly, I don’t know if these books are still in print or even available any longer. Check with your local library to see if they can

locate copies for you. Or try <http://www.alibiris.com>.

Another method of acquiring names for your list is to purchase the names from a mail order dealer. Many small firms have no use for their names after they answer the original inquiry. Most are happy to sell these names for a dime each, or thereabouts. One list broker (who has made a fortune in this manner) simply sends out a form letter to mail order dealers who advertise in magazines of all kinds. He offers to purchase their names, or the original envelopes, and then puts the information on computer and segments them into categories. Then he rents the names to some of the biggest mail order firms in the country.

### **What Price to Charge**

The prices you charge for your names can vary greatly. Like any commodity, lists have different values.

List prices depend on the time, money and effort you spent compiling them. Some lists are easily accessible and you can't change a great deal for them. Other lists require a lot of time and money to compile, or are highly specialized, thus you can charge more money.

Remember to keep your prices in line with what the other list sellers are charging. If you charge too little, most potential renters will shy away, thinking your list may not be that good. On the other hand, if you set your prices too high, prospective renters may again shy away because they're unwilling or unable to pay. Attempt to be moderate in your price structure.

If you're having good results renting your list, you may want to try slowly raising your price and see what happens.

Note: you may have seen ads for lists at cut-rate prices. In many cases, these lists are worthless. Most are out of date — sometimes by years — and are no longer of any use, except to sell to unsuspecting newcomers. Again, when renting names, test slowly and cautiously. Never "roll out" until you're sure the names are usable.

### **How to Find Renters for Your List**

There are many and varied ways to reach prospective renters of your list. For example,

1. Advertise using display ads in various trade magazines, like *Target* and *Direct Marketing Magazine*. Each publication contains many such ads. Also, you can advertise your list in business opportunity magazines.
2. Place classified ads in appropriate magazines.

3. Rent a list of prospective renters from another seller and mail out your information to this list.
4. Compile a list of advertisers of similar products to yours and mail your information to them.

### **How to Discourage Theft**

A sometimes occurrence in the list rental business is theft of names. That is, when you rent your list for one-time use, the renter uses them a second or third time. That's apart from flagrant stealing for their own rental purposes then, in turn, rents your list to others without your permission.

The easiest method to deter theft is to "seed" or "salt" your list. This means you'll use a dummy or fictitious name(s) with real addresses. You can use friends or relative's names and addresses, along with a key or code, such as adding a letter to an address that you've recorded as coming from a particular renter. Much like you'd key an ad.

Here's how it works: suppose one of your customers rents your list. Somewhere in that list will be one or more dummy names. Your customer decides to use the list more than once, or even outright steal it.

He or she mails to the list the first time and, naturally, you get the piece of mail from your friend, relative or dummy address. So far, so good. The following month you receive another mailing from the same customer with the same key. Now this bird has been caught!

Like theft of most any product, there are legal remedies you can pursue. It does require you to hire an attorney, preferably one with experience in these matters and who's bite is like a junk-yard dog.

Another benefit to seeding your list is you'll find out if your customer's mailing piece is as he or she stated it would be. You may think you rented your list to a non-competitor, but in fact, it may be a direct competitor.

Another thing. In the trade magazines, you'll find ads for a few firms offering their "seeding" service and will report to you any infractions.

When done properly, renting your list of customers can easily double — even triple — your bottom-line income. As mentioned earlier, some mail order firms rely on name rentals as the *sole* income for their business.

In addition you can set up a secondary business as a list broker/compiler and enjoy a robust cash-flow.

## **CPO Is *Not* a Space Robot (Mail Order Calculations Made Easy)**

Now let's talk a little about mail order math. All successful businesses carefully calculate where their money is coming from and where it's going. Numbers are an important part of mail order advertising and selling and you must spend time keeping tabs on a variety of statistics.

Actually, it's pretty easy once you get the hang of it. I'll begin by defining a few general terms, then run through some procedures.

### **Definitions:**

P/R — Percentage of return. (The number of pieces mailed and the number of orders or inquiries received.)

CPI — Cost Per Inquiry received from your ad. (That is, the cost of the ad divided by the number of inquiries.)

CPM — Cost Per Thousand circulation. (Cost of the ad is divided by the size of it's circulation, not readership, multiplied by 1,000 so you can compare media costs.)

CPO — Cost Per Order. (Cost of ad divided by the number of orders received.)

B/E — Breakeven Point. (Sales equals cost of sales. You haven't made a profit, but you haven't lost anything either.)

I/O% — Inquiry To Orders, sales, conversion percentage. (Number of orders divided by number of inquiries.)

Gross Income — Total income, less refunds.

Net Income — Gross Income less cost of ads.

Net Profit — What you put in your pocket after all expenses have been paid. (Why you're in business in the first place.)

Rule of ½ — In general, the time in which 50% of your orders can be expected to arrive.

There are many other formulas. But these are the basics and you should get to know your way around them. Here's how to utilize some of those formulas, and what they mean your business success:

## **P/R**

Percentage of return equals the number of orders or inquiries received divided by the total number of pieces mailed

Example: 200 orders received from a 10,000 piece mailing = 2%

## **CPI**

Example: Cost of your one-inch ad is \$250 and the number of inquiries the ad generated is 300

\$250.00 divided by 300 = \$.83 per inquiry

## **CPM**

Example A: Small space ad cost in magazine "A" is \$250: circulation of the magazine is 250,000

\$250.00 divided by 250,000 = \$.0010 x 1000 = \$1.00 per 1000 circulation

Example B: The same size ad in magazine "B" costs \$225: circulation of the magazine is 100,000

\$225.00 divided by 100,000 = \$.00225 x 1000 = \$2.25 per 1000 circulation

Let's compare the two magazines:

An ad in magazine "B" costs \$225, \$25 less than in magazine "A." At first blush, the price difference seems insignificant. However, when you compare the actual amount for reaching prospects, magazine "B" costs over twice as much.

## **CPO**

Example: Cost of your display ad is \$2,500: number of orders ad generated is 500

\$2,500 divided by 500 = \$5.00 per order

## **B/E**

Example: Sales (S) = Costs (C) or,  $S = C$

This formula gives you the "break even" point. You must, however, also consider your advertising costs. So, we need to add a couple more elements: "AC" for Advertising Costs and "OC" equals all Other Costs. Thus:

Sales (S) = Advertising Costs (AC) + Other Costs (OC) or,  $S = AC + OC$

**Quick Exercise:**

Let's put "mail order math" to work and determine if a pretend project is do-able. Say you're selling a set of fancy golf balls. Selling price is \$39.95 plus \$5 shipping and handling for a total gross revenue of \$44.95.

Now let's take a look at some of the common costs involved:

Product Cost:	\$ 7.75
Credit Card Processing Fee (Figure 3% with 80% of orders using credit cards, or 80% of 3% of \$44.95):	\$ 1.08
Refunds (6% of \$44.95):	\$ 2.70
Toll-Free Number (Figure \$2 per call with 80% of orders made by phone, or 80% of \$2):	\$ 1.60
Fulfillment Costs:	\$ 2.50
Bad Debts (2% of \$44.95):	\$ .90
Shipping Costs:	\$ 3.50
Profit (Say 40% of product cost, which for this exercise we'll treat as an expense):	\$ 3.10
Total Costs:	\$23.13

Next, let's figure your breakeven allowable. That is, your gross revenue of \$44.95, less total costs:  $\$44.95 - \$23.13 = \$21.82$ .

What does that tell you? First, you can determine what response you'll need from your mail order campaign. If your marketing budget for the golf balls is \$10,000, you'll need:

$$\$10,000 \div \$21.82 = 458 \text{ minimum number of orders to cover your costs and make a profit}$$

If you're preparing a mailing and figure a 2% response, which is in the ballpark, then you have to mail...

$$\frac{458 \times 100}{2} = 22,900$$

Your "cost per thousand" (CPM):  $\$10,000 \div 22.90 = \$437$  per thousand, which is feasible.

For this exercise, you know that to make a profit you must get a minimum of 357 orders. To achieve this number of orders at a 2% response rate, you'll need to mail 22,900 sales packages.

So, once you know these figures for your own product you can begin to develop your direct mail campaign.

Please bear in mind that this is the short version. If you want to get more complicated, you'll also need to factor in such items as: repeat orders, multiple sales, list rental, overhead, and so on. But, by doing this simple analysis you'll get a general idea of what you should expect.

Always remember... mail order is a "numbers game."

### **Rule of ½**

Often referred to as "double day," the day you expect to receive about half of all the orders you're likely to get. This is not a "formula," but is, in general, what I've found to be the case over the years.

#### Magazines:

Monthly, 30 days

Weekly, 14 days

#### Newspapers:

Daily — run of press, 4 days

Sunday — run of press, 6 days

Sunday — supplements, 10 days

#### Direct Mail:

First Class, 10 days (from the day you mail)

Bulk Mail, 14 days (from the day you mail)

The time for magazines and newspapers refers to the number of days you received your first order, not to the first day your ad appeared.

Again, these timetables are based on my own experiences. They can be useful as you're getting established and soon you, depending on the product you're marketing, will see variations of your own.

## **Rapid-Fire Profit Boosters** **(Immutable Truths, Proverbs and Maxims Selected from the Pages of My Newsletter, KEY)**

[ ] A KEY reader confessed she was confused by the various terms she's lumped together in her mind -- "Direct Mail," "Mail Order," and "Direct Marketing." Newcomers (even old timers) often use these terms as if they were interchangeable words. Let's try to clear up the confusion.

Direct Mail is a way to advertise using the mails, directly responding to inquiries that you generate through publicity, small ads, classified ads and other similar methods.

Mail Order is a way of marketing your products and services. It's not necessarily a business of itself as sometimes imagined by folks who consider getting into the "mail order business." More correctly, they are getting into, say, the book business and are going to sell books by mail. Or, they're going into the clothing business and will offer their products by catalogs and other direct mail. (Some argue that "mail order" *is* a business... the same as "retailing" and "wholesaling" are businesses, no matter what's being sold.) In any event, for the sake of brevity you'll frequently see the term "mail order" referring to the business in general. It's not necessarily correct, nor incorrect... but it's certainly clear.

Direct Marketing is a broad concept. It's the total of activities by which the seller, in effecting the transfer of goods and services to the buyer, directs his or her efforts to a qualified audience using one or more media for the purpose of soliciting a response by mail, phone, e-mail or personal visit from a prospect or customer. Whew!

By the way, some gurus say that mail order really *is* a business. So, depending on what and who you read, it can be confusing. (I usually lump everything together and call it "mail order.")

KEY reader now probably wishes she never asked!

[ ] AD CLINIC: A directory-type list of what you have to sell is not the way to sell effectively. Grab readers' attention by promising a benefit, then they'll be interested in the list of items you're offering. For example, a client sent me the following ad: "Steel, aluminum, brass — sheet, bar, tube. Shop supplies. Plans. Write..."

His ad had 16 words with name/address. But a more captivating ad can be made with fewer words. My revision has just 12 words, starts with a benefit and says more dramatically what their offer is all about: "FREE CATALOG! Everything for your machine shop. Name/address." The punch and savings in number of words quickly repaid my client for his ad writing fee.

[ ] *KEYsecret*: direct marketing is essentially the art of testing the "marketing rivers" and then testing again. Because, like a river, the market is continually changing.



[ ] AD CLINIC: A client who sells wholesale jewelry through a catalog asked for a classified ad and said his competition was charging for his catalog offer. Therefore, when I sent my client's ad I offered him two versions from the data he provided — with and without a charge for the catalog. The first ad: "EAZY \$30.00 from \$35.00 sale. No investment. Free ring/jewelry catalog/kit. Name/address." The second ad: "EAZY \$30.00 from \$35.00 sale. Moneymaking ring/jewelry catalog/kit, \$1 (refundable). Name/address."

Which ad is better can only be proven by testing and keeping accurate records with a reliable computer program. Both ads have the same benefit appeal, but the \$1 will cut down the number of inquiries and, hopefully, increase the number of conversions. This shouldn't be taken as a hard and fast rule, however, because it could vary with different publications. Why the spelling of "easy" with a "Z?" I did it to make the ad stand out and to emphasize "easy" as a benefit along with income figures. (Yeah, it's kinda hokey. Don't know if I'd do it today.)

[ ] One of the most common questions from KEY readers concerns asking for cash directly from classified ads. I've talked about this before, but I think it's an important issue. Classic use for classified and small display ads is still "inquiry/follow-up" without charge, but it's common to ask a small fee for samples, obvious bargains, and to get \$2 or \$3 for hot how-to subjects.

Simple economics and common sense prove the value of inquiry/follow-up over asking for cash direct. By asking for money at once you're gambling your sales effort on 20 to 35 words. By using the inquiry/follow-up method you use fewer words to entice readers to send for the full story, which allows you to send a free sales package and follow-ups as often as your profit margin allows. Plus, you'll get more names to rent.

Furthermore, as I've previously mentioned, you'll not generate a good profit with \$2 or \$3 sales. There's simply not enough buyers.

[ ] AD CLINIC: a photography magazine publisher asked me to improve his ad, which read: "PHOTOGRAPHIC SHOPPER, over 60 pages published monthly, 2000 ads from individuals. \$12/year. Name/address."

Since I favor the inquiry/follow-up method and felt there was not enough strong benefit shown in the ad to pry loose \$12 from a prospect, I sent the following two ads from which he could choose...

"FREE Photographic Equipment magazine reveals 2,001 buy-sell-swap bargains! Write, name/address." The second ad read: "2,001 Buy-Sell-Swap Photographic Equipment Bargains Monthly in (name of magazine) Ads! Sample, \$2. Twelve issues plus Free 20-word ad, \$12. Name/address"

A sample copy of the magazine not only would help sell subscriptions, but also would help

advertising revenues since a consistent advertising plan would help increase the guaranteed circulation upon which the ad rates are based. A phone number could be added to the first ad, but wouldn't make much sense in the second ad, if the object is to qualify the prospect with a \$2 fee for a sample copy. The follow-up for the first ad should consist of a copy of the magazine, a sales letter, return envelope, order form and a note indicating that there's a 15 day deadline to get the free classified ad with subscription.

Which ad would you run? The answer is to test BOTH. Test to see which ad pulls in more money.

[ ] If your classified ads are facing an increasing number of competitors for the same product, here are six ways to stay ahead:

1. Change your ad slightly
2. Add bonuses and extra items/products to your offer
3. Add follow-up offers of your own, and handle other offers from non-competitors
4. Push rentals of your customer list
5. Work with other advertisers by swapping appropriate customers names
6. Remember "positioning." What sets your product apart? Is it faster? Bigger? Prettier? Smaller? Easier to use? More adaptable? Create a product difference.

[ ] Time again to remind you of the five steps to a more powerful small ad

1. Get the reader's **ATTENTION** as soon as possible. Make sure that the two or three bold face words you're allowed to start your ad with are both dramatic and eye-catching.
2. Get your reader **EXCITED**. You do that by...
3. Arousing **INTEREST** quickly. Tell your readers how your product/service will benefit them. In other words, lose no time in telling readers why they should respond.
4. Your **OFFER** must be compelling. You have to create a desire for your product or service.
5. You must **URGE** your reader into the action you want... write, call, e-mail, go to a web-site, stop into your office/store. Whatever. Tell your prospects what to do right now.

Here's an example of my effective AEIOU principle: "COMBINE SIMPLE FOODS — enhance nutrition — lose weight naturally — end indigestion! Giant kitchen poster displays nature's health secrets. Free! Call now: 1-800-555-5555" Imagine how many requests that ad would bring so you could market your book on, say, natural dieting. Then you'd "back-end" other health books from your catalog.

The ad contains all the elements: it gets Attention, creates Excitement, arouses Interest, delivers a compelling Offer, and Urges readers to do something. Make sure your ad includes all the AEIOU components.

[ ] *KEYsecret*: this warning comes from a seasoned advertiser, a KEY reader. "You have to work hard

and keep on top of your expenses at all times. Classified advertising can be the best thing that's ever happened to a small mail order entrepreneur... if used properly.

“On the other hand, the classifieds can be a costly mistake to those unfamiliar with the business. It's so easy to believe the stories of those who run one or two classified ads in a national publication or on the 'net then skyrocket to fame and fortune. I'm constantly bombarded with offers to advertise in this or that publication with the empty promise of becoming an overnight success. Don't believe it!

“Classifieds can be a real boon to a firm doing business by mail and the Internet, but if they're not used properly they'll nickel and dime you to death with a promise of success that never materializes. Use common sense. Seek help from professionals when you first begin.”

[ ] Here are eight ways to command immediate action from your small ad:

1. Ask your reader to do something NOW. Say, “Order today” or “Write today” or “Call now” or “Visit [www.yourbiz.com](http://www.yourbiz.com)” now.
2. Put a time limit on your offer. Like, “Pre-publication price good until June 30.”
3. Suggest a specific date: “makes wonderful Father's Day gift.”
4. Offer a bonus for prompt action. “Free directory with each order.”
5. Tell that the supply is limited (if true). “Last 200 copies...”
6. Reduced price announcement. “Was \$12.95. Now only \$7.95.”
7. Indicate a price increase. “Clearance! New stock 15% higher!”
8. Offer “satisfaction guaranteed.”

[ ] Believability is an important element in your mail order advertising. Here are 9 things you can do to put “confidence-builders” into your ads...

1. Offer free information
2. Guarantee prompt satisfaction if you ask for money directly from the ad
3. Show that you've been in business many years. For example, “Established 1978” or “Our 10<sup>th</sup> Year” and so on.
4. Announce that you belong to any trade association(s)
5. Give enough information
6. Promise that a fee for a catalog or booklet is refundable. For example, “\$3 (refundable) brings How-To booklet.”
7. Watch your promises. If your best dealer once earned \$7,500 one week, don't promise that in

your ad. Rather, use the *median* income your dealers make. Like, “Earn possible \$750 weekly distributing...”

8. Give a Free sample.

9. Make sure your headlines and lead phrases are believable.

[ ] Classic mail-order selling principle is: “The more you tell, the more you sell.” Not necessarily so in e-mail copywriting. Readers get tons of e-mail each day and impatiently want to move on. Keep your e-mail copy tight, succinct, to-the-point so your readers get the facts fast.

[ ] Keeping to that thought... the “from” and “subject” lines of your e-mail message you send are very important. Your reader must be able to quickly tell they asked for the e-mail, that it’s from you, that it’s something they want. For example, From: “the Editors of”... or “Your Name”... or “KEY Newsletter.” Subject: “Here’s your current issue of”... or “Thanks for asking for”... or “As you requested”... or “George, here’s how you can”... and so on.

[ ] Strengthen your ad with extras that others fail to mention. Spell out if your product is new, hard-to-find, natural, larger, has more ingredients, pays more money, saves more money, double refund guaranteed, or otherwise unique. Offer helpful advice, literature, instructions and other extras. List your phone number, if you take calls. Give your address.

[ ] AD CLINIC: Do you remember your teacher or Mom or Dad correcting you for starting your sentences with “me?” “Me and Jim...”, “Me and Jenny...”

Seems like many advertisers haven’t learned that lesson yet. Look through any publication, listen to radio and TV commercials and you’ll see plenty of examples of “me first” advertising.

It’s reassuring to know that an advertiser thinks she or he has made the finest, greatest, most magnificent product in the world and that they’ve been in business for 50 years. But what is the advertiser, the product, going to do for *me*, the prospect?

A good copywriter can see your product or service through the eyes of the consumer. You may not be as happy with his or her writing as you are with your own string of adjectives about you, your product, your company... but a good copywriter can zero in more objectively on your customer’s needs with product benefits. And that leads to more sales.

[ ] Launching a web-site? Already have one? Smart dot-com marketers know that small ads can significantly increase traffic. As an example, the new start-up AllBooks4Less.com credits small ads in trade publications as a key element of their success.

[ ] Action verbs increase response from your classified advertising. Action verbs put movement into

your statement or proposal. A newcomer to direct marketing/mail order might begin an ad, “Strawberry Plants...”

An experienced copywriter knows sales can be dramatically increased merely by changing the dry description to an interesting proposition. Such as, “Pick juicy strawberries... larger than hen’s eggs... from your own garden!”

[ ] WHAT’S WRONG WITH THIS AD? Two column by 1½ inch newspaper ad. Headline: Blank Blank Ford-Mercury. Copy: “Buy From The Guy You Talk To! No Pressure, Fair Deals, Great Service.” Hmmmmmm. How would you fix it? Go ahead, work on it.

[ ] “Send cash” or “personal checks not accepted” say many small ads. How would you respond to those ads? Negatively, I’d suspect. Asking people to send cash in the mail is a dumb idea. Plus, it raises all kinds of red flags. Don’t be concerned about accepting personal checks. Most folks are honest. However, if your losses from bad checks are too high you could wait a couple of weeks before shipping, while the check clears. That, too, is a bad idea. But if you do it, be sure to acknowledge the order with a simple postcard that reads, “Thanks for your order! Your new dealie-bob will be shipped in two weeks.” Better yet, state in your sales literature that personal checks hold up orders by two weeks.

BUT... the very best thing is to accept checks and ship promptly. Lost sales (thus lost profits) far outweigh any trivial losses from NSF checks.

[ ] Don’t believe everything you read about a publication’s circulation. For instance, a supermarket tabloid runs its own classified ad stating: “this ad will be read by more than 18,000,000 people this week... so will yours!”

What’s wrong with that statement? Right. The circulation claim of 5 million and the average readership of 18 million may be correct. However, not everyone reads all the classifieds, or all the ads. Or every article, for that matter. Of the people who read the classifieds in any one week, only a small percentage read them all. Most read only within the classifications in which they’re interested. So don’t count your returns before you test.

Another publication claims that it’s read in all 50 states. It’s possible to mail to just 50 copies in order to make that statement true. So that’s a weasel statement. It’s designed to distract you from the publisher’s failure to make a flat guarantee of circulation.

Before inserting your ads always ask for rate cards and for the circulation guarantee. Cost-per-order is a vital factor in your overall marketing cost analysis. And you’ll get a pretty good indication of what that’s going to be by knowing the true circulation in specific numbers of the copies paid for and delivered.

[ ] Generally speaking, there are several basic needs that all people want fulfilled. When you appeal to one or more, you’ll do well.

## People Want To Be:

Important  
Admired  
Successful  
Influential  
Attractive  
Sociable  
Efficient in their work  
Wealthy  
Healthy

## People Want To:

Save Money  
Save Time  
Relieve Discomfort and Pain  
Work Less  
Make Money

[ ] When addressing letters and packages to countries outside the U.S. be careful of the post code placement. The location varies from country to country. Placed incorrectly, shipment will be delayed. For help, go to the Universal Postal Union Web site at [www.upu.org](http://www.upu.org).

[ ] After your letter's headline, the P.S. is the most eyeballed element. This gives you a great opportunity to drive home a benefit, even before your prospect begins reading your letter. Here are four tips to help you use this space wisely...

1. Have a goal in mind. Reiterate a special benefit, describe a freebie, remind the reader of a deadline, and so on.
2. Create a sense of urgency.
3. Often, two postscripts are better than one. As long as they do not conflict with each other.
4. Use ellipses, dashes, italics, bold type, and capital letters. Perhaps underline a sentence or word using a bold felt-tip pen. Or, try a handwritten P.S. as if it was truly an afterthought.

[ ] Do not become emotionally attached to your product. If it's not profitable, get rid of it and find another that is.

[ ] What's the most important word in advertising? Free? New? How about POSITIONING? How you position your product or service — indeed, your entire marketing efforts — can determine your success or failure. Find a special niche you can fill, determine what sets your service or product apart

from all others in your field. Be distinctive. Capitalize on your uniqueness.

Use me as an example. There are dozens of good direct response copywriters in the U.S. But I specialize in small ads and I'm known as "America's Small-Ad Specialist." I recognize my strengths so I dominate this tiny, specialized marketing field. And have made good money for over two decades by capitalizing on my uniqueness.

[ ] RECORD ALL RESPONSES! Never forget to record every response you receive... an order or an inquiry. This vital information will help guide you to new product ideas, new promotional ideas, expand into more profitable markets, give you accurate customer profiles, show your weaknesses and strengths, and on and on.

The program I use is called MailMAXX™. It does a whole lot more than record responses. To check it out go to <http://www.brooksowen.com> then click on "How I Slashed My Work Day in Half." See for yourself how it can boost your efficiency by as much as 300%.

[ ] More basic appeals:

People Don't Want To:

- Be embarrassed
- Take undue risks
- Be self-conscious

People Want To Have:

- Affection from others
- Self-improvement
- Curiosities satisfied
- A business of their own
- Good health
- Leisure time
- Money-making hobbies
- Control over others
- Ability to resist control by others

People Want To Attain:

- More enjoyment from life
- Advancement at work
- More money
- Better appearance

Personal prestige  
Popularity  
Security for retirement  
Increased leisure time  
Greater self-confidence  
Feelings of accomplishment

Review the above “wants & needs” and see how your product appeals to one or (better yet) more of these elements.

[ ] **SUCCESS STORY...** Sydney Vernon turned his hobby into a full time business with the help of powerful classified ads. He sells military medals to collectors and history buffs. Prices of his stock range from \$500 for a rare British campaign medal down to \$20 for a modern U.S. Army Good Conduct Medal. Sydney’s brief classified ad runs in about 30 magazines. It reads simply: “Collecting Military Medals? List, \$1 (refundable). Vernon, address.”

Vernon runs his home-based mail order business using 100% classifieds and now mails yearly 20,000 printed lists at \$1 each; not only selling, but also buying and trading.

See how you can turn your hobby or interests into a booming full or part time business? Effective, dirt-cheap classifieds can make it happen.

[ ] *KEYnote:* here’s how to double your prospect mailing list quickly & easily... include an insert with your customer mailings requesting the names of three people who would like to receive your offers. If you use catalogs, print the request on the order form. Test it. You’d be surprised at how quickly new prospect names can build up.

[ ] If you can’t afford, or want, to seek out marginal prospects via your small space or classified ad, try qualifying them in the ad so you can increase your inquiry-to-sales conversion rate. Pre-qualify prospects by targeting the exact prospect you’re seeking.

For example, instead of saying something like “free furniture catalog,” you can eliminate many curiosity seekers by stating “free rustic furniture catalog” which targets only prospects interested in rustic furniture. Or perhaps by saying “\$2 (refundable) brings full-color rustic furniture catalog featuring 317 quality, hand-crafted products.” You’ll get fewer, but more qualified, potential buyers.

[ ] Make sure your products have a proper margin of profit. It’s pointless to try to sell by mail or online at a price that doesn’t give you enough profits to stay in business. If your promotions aren’t profitable, check your margins. Test new prices.

[ ] Speaking of pricing. It’s better to raise prices rather than lower them. More often than not, you’ll alienate your buyers at the higher price when they see your lower one. But when they purchase at the



lower price, they'll be satisfied they got a good deal when they see an increased price.

[ ] Why is the offer important? Because the right offer can sell almost anything. It can mean the difference between success and failure. The more attractive you can afford to make your offer, the better your response will be.

One tried-and-true method of making your offer more attractive is to “sweeten the deal” with a freebie. The freebie is definitely a cost factor to consider and it should, of course, tie in with your offer. The free gift could be a one-page how-to report, a discount coupon, a guide or booklet, a map, a packet of garden seeds, an audio cassette, a demo-disk, free tickets to a seminar and so on. Freebies won't save a poor offer but, when done right, can dramatically boost response.

[ ] The 12 most popular consumer offers are: Free Trial, Money-Back Guarantee, Free Gift, Yes/No Offers, Sweepstakes Offers, Your Choice, Limited Time Offers, Sample Offers, Short-Term Introductory Offers, Positive and Negative Options, Discount Offers and Free Information.

[ ] The 12 most popular business offers are: Free Catalog, Free Booklet, Send Me a Salesperson, Free Demonstration, Free Survey or Estimate, Special Discount, Trial Offer, Sample Offer, Conditional Sale, Free Gift, House Newsletter Subscription and Your Choice Offer.

[ ] 15 Rapid-Fire Principles for Internet Success...

1. Get your web site book-marked by customers and prospects
2. Confirm orders immediately
3. Use many marketing channels — direct mail, small space advertising, publicity, inserts and telemarketing in addition to your regular online marketing activities.
4. Update your site often with materials helpful to your visitor
5. Be a niche marketer... a specialist in a small field
6. Sell... don't entertain
7. Utilize proven, traditional marketing methods to selling online
8. Buying decisions are based primarily on emotions, not reason (emotional appeals trump logic in advertising)
9. Make it easy for your customer to order
10. Improve your offer to improve your response
11. Make sure your selling copy pushes one or (better) more of these “hot buttons:” fear, greed, guilt, anger, exclusivity, salvation and flattery
12. Pepper your copy with these 12 powerful sales words: you, save, money, easy, proven, guarantee, love, new, results, discovery, safety and free
13. Test your offer, price, copy often... on the 'net you can do it real time
14. Make sure your prospects first see what brought them to your page
15. Your prospects don't care about you... it's about what's in it for them

[ ] Here's a proven technique that can dramatically increase response to your Direct Mail package... change your "order form" into a CERTIFICATE. Why? Because "certificates" add a sense of value to your mailing, dramatizes your offer, stimulates sales, gives perception of importance, and invites an immediate decision and call to action.

The key is to design your certificate as a separate element to your package, use a certificate-like border, use distinctive paper with screens or tints, use short copy, specify a deadline and clearly tell how to use the certificate. Along with a header suggesting that it's a certificate, further identify it as a certificate with copy like: "this certificate brings you..." "This certificate qualifies you for..." "use this certificate to get..." "send this certificate today for..." "send this limited-offer certificate now to assure you an immediate position in the..." and so on.

Additional cost to you? ZERO. Since you use an order form anyway, why not boost response by making it appear more important? Simple. Test it.

[ ] Here are five ways you can boost response to your next DM package:

1. Test sending your piece by FedEx. Yes, it's expensive but it sure does give the appearance of being important. Who doesn't open a FedEx package? Caution... you'll need to convince your prospects of the importance for the "next day mail" service. AND, of course, it must be cost-effective.
2. Put your contact phone number in the copy of your sales letter, not just in the brochure or order form.
3. Sweeten the offer for responding now. For instance: buy later, then it's full price; they don't get the full deal or freebie after X days; or call now and get two for the price of one. And so on.
4. Be sure to "tease" your prospects into reading more and more of your letter and brochure. Don't reveal everything right away. Keep them interested.
5. Re-test an old mailing piece. If it worked well before, dust it off, update it, and try it again.

[ ] Carol Brown, 88 years young, recently retired after celebrating 50 years of classified advertising. She's more than satisfied with the profit power of the tiny ads. From her home in Vermont, Brown started advertising handwoven Irish tweeds and other natural-fiber fabrics and clothing in House Beautiful over 50 years ago. She placed classified ads in Saturday Review for 25 years. "People came clutching the SR ad which they've been waiting years to present to us in person," Carol smiles.

Imagine... a 50-year career using only powerful, dirt-cheap little classifieds for advertising. Think what they can do for *your* business!

[ ] *KEYnote*: what to do with old letterhead stationary you no longer need when you move? Design a "moving notice" by printing a map in two different colors to supplement the original letterhead colors.

This effectively gives you a four-color mailing piece showing your new location.

[ ] Keep your letterhead simple. Often, beginners think the more that's put on the letterhead, the more elaborate, the more business it will bring. Not so. A tastefully designed letterhead with just your name, address, e-mail address and phone number is best. Your message is more important.

Idea to test: many successful marketers discretely place their "letterhead" at the bottom of the first or last page of their sales letter, leaving the top of the first page for a compelling headline.

[ ] More office economy: Re-use file folders. Just turn them inside out, or stick new labels on top of old.

[ ] In nearly every case, the Order Form should be on a separate piece of paper in your direct mail package. This is not only necessary to call attention to it, but also to make it a bit easier for your reader by not having to tear out or cut the form from the letter or brochure. Again, consider making it appear "certificate-like."

ALSO, check the following eight points to make sure that your order form is complete:

1. Does your order form restate the benefits of your proposition? For instance... "Yes, I want to reduce my mortgage interest rate by a full 50% without re-financing!"
2. Is your name, address and phone number (all contact information ) on the order form?
3. Is your money-back guarantee repeated on the form or in a tear-off panel?
4. Is there plenty of room for buyers to write their name, address, credit card info, etc.?
5. Have you keyed (coded) the form so you can keep an accurate account of the response from each list you use?
6. Is the order form understandable? Are options clearly stated, and copy simple enough for a sixth grade student to understand?
7. Is the appearance of the order form pleasing? Printing professionally done? Graphics inviting?
8. Is the order form the right size for your return envelope? Preferably, it should go into the envelope without folding, unless there's a sales reason for a larger form.

[ ] Even though we're now in the 2000's you'll get some letters that sound as if they were written in the 1800's. For example, "As per your letter of March 12 at hand." Huh? Better to start right out with the topic. "Kindly advise the undersigned" should be "Please let me know." "In the event that..." is a long-winded, old-fashioned way of saying "If." And "In accordance with your wishes" should be simply stated, "As you requested."

You've seen other examples, I know. Just make sure your letters follow what I've coined as the 4 C's... Clean, Clear, Concise, Contemporary.

[ ] ALL writers of sales letters — not just fund raisers — will benefit from this “case statement” recommended a few years ago by the editor of the Fund Raising Institute for preparing a money solicitation letter. His rule of thumb:

1. State the problem.
2. Tell what's being done about the problem.
3. Describe what needs to be done.
4. Say what your institution proposes to do about this problem.
5. Explain how your institution is able to do this.
6. Show that your institution has wide-spread support.
7. State what it'll cost to do what your institution wants to do.
8. Clearly spell out what you want contributors to do... and when!

You can readily see that by the time you've prepared such a “case statement” you'll have nearly completed your fund-raising (or *any* sales) letter. Add a strong opening and a warm me-to-you style and you should have a winning, money-pulling letter.

[ ] The firm that doesn't test its direct mail can soon go broke. Direct mail is effective because it can be targeted to the best prospects. And regular testing will make sure you're on target! Here are some common sense rules for testing direct mail:

1. Either test one thing at a time or one complete package against another. As an example, you might test mailings that are identical in every way except for a different bonus offer; or, you might test one package that offers a discount for a trial subscription against another package that sells a special premium for a year's term.
2. Test a large enough sample and a representative sample of the mailing list. A test should be big enough to be meaningful. (Some recommend at least 2,000 to 5,000. Let your budget be your guide.) And it should be representative enough of the total list so that 2,000 names will give a good picture of a list of 20,000; it would require at least 5,000 names to test a list of 250,000. Of course, it's assumed that the test list is made on the basis of nth selection. It should not be taken only from the top, middle or bottom of the list.
3. KEEP GOOD RECORDS OF YOUR TEST. (Use MailMAXX Operations Software.)
4. Mail all test pieces at the same time. Remember our first rule about testing only one thing at a time? If you want to test December against March, then mail the exact same pieces in order to see which season pulls best. If you're testing different packages or items within a package, you obviously must keep the time element the same.

5. Test and re-test. It's okay to roll out a mailing to the entire list of 10,000, if you're satisfied with the results of your test of 2,000 of those names. If you have a universe of 250,000 names, however, and you have only mailed to 5,000, you should mail to another 5,000 or another 10,000 — perhaps more — before rolling out.

6. Don't quit testing even with a winning mail package. Time becomes a factor from one test to another, and there may be other unknowns. So continue to test. Use your best test package as the standard, your control, to judge all the others.

7. Test only elements that will make a real difference in profits. Some mailers test different color return envelopes. And it may make a difference. Usually, such small details can only be read in giant mailings and even then the returns are so close as to be statistically indecipherable. Test the offer... test the sales copy... test the premiums. Spend the rest of the time counting your profits.

[ ] 13 common-sense ways to keep visitors coming back to your web-site...

1. Make your address easy to remember — don't mix letters and numbers, if at all possible

2. Wait 'til your site is completed before bringing in traffic

3. On your home-page, tell your visitor exactly, concisely, simply what you do

4. Avoid lots of banners and long, convoluted forms to fill out

5. Provide solid, helpful content and links to related sites

6. Speak to your visitor in the everyday language they expect... not corporate-speak

7. Cultivate a "community" via discussion groups, Q&A's, e-zines

8. Make sure your download time is fast

9. Make it easy for your visitor to get around your site

10. Do what you do better than your competitors do it

11. Make it easy for your visitors to contact you

12. Always reply quickly

13. Encourage visitors to bookmark your site

[ ] Here are five proven ways to earn extra money, if you're a consistent classified advertiser:

1. Add new products and services to sell to your present customers.
2. Sell your sales and inquiry letters to mailing list compilers.
3. Rent your list of customers to others.
4. Save all the stamps that come on your mail and sell them to stamp dealers.
5. Include (for a fee) brochures for other mail order firms, if their products and services would appeal to your lists, but would not be competitive with your offers.

[ ] You can increase your number of inquiries by offering a free booklet or report in your classified ad. Can your sales literature be fashioned into a booklet weaving in "sales copy" with helpful information? For example, a quick printer could offer a booklet on how to prepare camera-ready copy. Or a metal detector company might offer a free report on how to locate hidden treasure (by using their detectors, of course).

[ ] Your first two or three words in a classified ad are your most important. They should appeal to the interests of the reader of the heading under which you've placed the ad. The balance of your ad copy should give details that will encourage the prospect to answer your ad.

Three good rules for writing classified ads...

1. Give your most important benefit in the first two or three words
2. Give just enough information about your offer to make the reader want more
3. Make it easy for the reader to respond the way you want

[ ] It *does* make a difference where you put your classified ad. The following ad was run in a San Francisco paper more than 100 years ago: "WANTED: Young, skinny, wiry fellows not over 18. Must be expert riders, willing to risk death daily. Orphans preferred. Salary, \$25 a week." No one responded in San Francisco.

But when the Pony Express ran the ad in Carson City, Nevada, where men prided themselves on horsemanship and bravery... applications came pouring in!

[ ] Many classified ads are not complete. The advertiser either doesn't know how to write a classified ad or s/he is being penny-wise and pound-foolish, trying to save money on the word count by leaving out some essential points of the ad. Every ad, whether classified or display, must have my AEIOU elements — Attention, Excitement, Interest, Offer, and Urge to know more.

It should also mention the product (or area of interest), tell benefits to the user, highlight special or unique features, spell out the desired action (e.g., write, call, e-mail, buy, visit the store), and have the name, address and key of the advertiser.

[ ] Classified ads are just that — ads arranged by category or classifications. A stamp collector may not read the Business Opportunity section, while an opportunity seeker may not read the Automotive or Gardening section. Study the publication in which you want to place your ad. Then have it inserted in the most appropriate category.

In cases where your ad may appeal to readers of several different headings, test your ad by placing it under two or more sections within the same issue. Be sure to use a different key for each section so you can determine the best classification.

[ ] AD CLINIC: A classified ad can give too much detail and miss the benefits to the prospect. One such ad that a client sent to me listed topics available under a directory-style heading: “Relaxation Cassette Tapes. Memory, Study, Smoking, Weight, Tennis, Golf, Self-Confidence, Loneliness, Pain Relief, Bust Enlargement. 100 titles. \$5 to \$15. Free catalog, (Name/Address).

I changed the ad starting with the purpose of the offer, which was to get the catalog into the hands of prospects, and I emphasized more universal benefits rather than specific topics. My ad: “FREE CATALOG! Relaxation cassettes reveal 101 easy ways to self-confidence, change habits, achieve goals! Write: (Name/Address).”

I advised my client not to advertise the cassettes under “Tapes” and other such headings. He’s not selling tapes... he’s selling success, motivation, self-confidence. Sell the sizzle, not the steak. Sell the benefits, not the product.

[ ] *KEYnote*: self-publishers often overlook the extra income to be made by selling articles adapted from their book(s) or selling reprint rights for serial or condensed versions to periodicals. Such use of the book’s materials usually helps sales, especially if you can get the editor to include ordering information.

[ ] In the last issue I suggested that you call your Order Form a “Certificate.” Here are nine more heading ideas you can test:

1. No Risk Inspection Request
2. Risk-Free Inspection Request
3. Free Examination Offer
4. Free 30-Day Trial Reservation
5. Free Book Coupon
6. Non-Transferable Certificate
7. Official Enrollment Form
8. Money-Saving Certificate
9. Special No-Risk Offer

Watch your mail and magazine ads for other order form headings.

[ ] AD CLINIC: Even an apparently successful ad can be improved from the viewpoint of years of experience. A client sent me the following ad: “Huge Profits. Unique Birthday Reminder Calendar sells on sight for \$5.95. Details/sample \$5 (refundable). Calendars, address.” I re-wrote the ad in fewer words and made several changes:

“Easy \$5.00 from \$5.95 sale! Free sample Birthday Reminder Calender/Poster! Write: SmithCo (Address).” My re-write spells out the motivation in more understandable and practical terms... \$5 profit from a \$5.95 sale, rather than the ambiguous “huge profits.” Another change was inserting “Calendar/Poster” to get across the idea that it wasn’t just a calendar and that it would not have its sales limited to the beginning and ending of the years.

And the biggest change was an improvement in the proposition. Client’s ad asked for money for a sample. My version offered a free sample because the manufacturer had developed a miniature version of the large poster. I also suggested that the advertiser use his last name in the ads instead of “Calendar,” because the term was already used in the ad and he didn’t need to re-emphasize it. Plus, it would pay for him to think of additional items to sell and not be tied into a word that suggested he had just the one product.

[ ] Some publishers overlook the obvious when they market their books — such as the resources listed in the books themselves. The lady in charge of special sales at Warner Books several years ago found a source directory in the back of Howard Ruff’s bestseller, “How to Prosper During the Coming Bad Years.” She mailed a sales piece to the list with a note, “You’re mentioned in the book; thought you’d like to know. And we think you might be interested in offering this book to your customers.”

She received many orders for the book as a result. One dehydrated food company mentioned in Ruff’s book ordered a thousand copies a month over several months to give as premiums to its customers.

[ ] If you do a lot of classified advertising each year, you can save yourself a bunch of money by paying attention to the wording of your ad.

For example, use “\$1” rather than “one dollar.” That one less word could amount to several hundred dollars, if it ran in several ads that run monthly in numerous magazines. (If the average cost-per-word is, say, \$8 and you advertise in 10 magazines, you’d save \$960 a year!) Don’t say “Full details will be sent free upon request.” Say “Details Free.”

Also, watch your address and key. Instead of J. B. Johnson & Co., Inc., Post Office Box 387, Desk A, St. Louis, MO, write it: “JohnsonCo, Box 387A, St. Louis, MO.” You cut out eight words and still have all the information you need to get and record your mail.

Using the \$8 per word example above, by cutting 8 words your total yearly savings amounts to a whopping \$7,680.00! (Do the math.) It really does pay to watch word count.



[ ] Use the following checklist BEFORE you send out your next direct mail package to insure the best response...

1. Have you made up a “dummy?” This will help you plan your printing, meet postal requirements and, most of all, help you get a feel for the DM package in the same way your prospects will when they pick it up in the mail.

2. Have you spelled out, in writing, the objectives of your mailing? If yes, then does the mailing communicate those objectives... from the envelope teaser to the P.S. to the lift letter to the order form?

3. What benefits are you promising the reader? Does it immediately capture your reader’s attention... from the envelope teaser to the letter headline/opening sentence of the sales letter? And is the main benefit summarized on the order form?

4. Does your sales letter stress the “you” of the reader? Does it “talk” in terms of the reader’s wants, interests and needs? Does it sound me-to-you, like one person talking to another?

5. Does your entire package flow? Does it project one image? Does it seem to be an integrated whole? Not a package of variously prepared pieces slapped into one envelope? Does it flow naturally from the main benefit opening to additional benefits, present the ease of ordering, guarantee satisfaction, and ask for the order?

6. Do the graphics support the copy? Or do they seem to be merely added to break up blocks of copy?

7. How will the individual pieces be inserted into the envelope? Do you have them arranged so that the first page of your sales letter (headline/opening facing out) will be the first thing the reader sees? Are the rest of the pieces cradled neatly into the letter so that all of them are pulled from the envelope in one movement by the person opening the envelope?

8. Are you making it easy for your prospect to reply? And are you giving him or her a reason to order NOW? Is that reason stated convincingly?

9. If you came upon your direct mail package “cold” in the morning, would you buy your offer on the basis of that package?

[ ] *KEYnote*: here’s a tip to boost response to your e-mail marketing efforts... use the “subject line” effectively. You have six to ten words to capture a prospect’s attention. Don’t write “A special offer from XX” or “The weekly report from XX.” Personalize your e-mail campaign by inserting your prospect’s name, along with a benefit, like “Bill... save \$175 on your next furniture purchase!” Make it interesting enough to encourage opening of your e-mail message. Perhaps pose a question that makes the recipient nod Yes, such as “Alex, do you want two free ski-lift tickets?”

[ ] A client asked me a question about follow-ups. She wanted to know how soon a second follow-up sales package should be sent, assuming no order results from the first mailing. She also wanted to know how many follow-ups should be sent and at what intervals. And when does the law of diminishing returns set in to make it useless to continue mailings?

The follow-up after the original answer to an inquiry (sent by first class mail) should go out no sooner than two weeks and no later than two months after the first mailing. Test the intervals that are best for your offer. I would test a 30-day period first. Many advertisers with high-ticket items use three follow-ups, spaced at 30, 60 and 90 days. I say no sooner than two weeks because, generally, you'll get 90% of your first-class returns within the first two weeks after you receive your first orders. So if you wait at least that length of time, the odds are that you'll not be crossing many orders in the mail.

The number of follow-ups you do depends on your tests and your mail order math. If you're selling a \$19 item, it rarely pays for you to do more than answer the original inquiry. If you're selling a \$500 instructional course, you can generally afford three to six follow-ups. Years ago, I answered a *Foley-Belsaw* \$750 correspondence course ad. I received follow-ups every 3 months for 4 years.

Remember... the materials to be used in the follow-ups must be tested just like your initial sales package! Follow-ups can highlight, or focus upon, different sets of benefits. Some firms stick with a basic package for each follow-up. Others go to great lengths to make each package different, and then remind the prospects that the company mailed previous replies to the prospect's original inquiries. With expensive propositions a firm may even offer a reduced price for part of their follow-up offers, or discount a "slightly damaged" product.

The law of diminishing returns comes into play when you spend more to land a customer than he or she is paying you — unless the history of your deal shows that the customer is likely to spend many times that amount over the years in back-end orders. Again... test, test, test! And keep accurate records with Operations Software like MailMAXX™.

[ ] A KEY reader asked me, "What makes an ideal product to sell by mail?" Thought I'd share with you the 10 features that my ideal mail order product should include:

1. It should be NEW
2. It should be a BARGAIN
3. It should have a NOVEL twist
4. It should be PRACTICAL
5. It should be PERSONALIZED
6. It should APPEAL to most people in your target universe
7. It should be ECONOMICAL to ship
8. It should be EASY to ship
9. It should be PRICED RIGHT
10. It should SATISFY your prospect's wants & needs

What points would you add to these standards for the perfect “mail order” product? It’s possible to market a product that will meet ALL these criteria. What product? To me, the ideal is an “Info-Product”... books, manuals, newsletters, reports, CDs, cassettes, videos, disks, e-books, directories.

[ ] Here are 20 Blunders Commonly Made by Mail Order Operators...

1. Not considering the worst-case scenarios first
2. Not taking your markdowns as soon as possible
3. Dealing with the same sources all the time
4. Depending on one source for any one project
5. Not thinking that declines in the economy will affect your business
6. Not budgeting, or setting aside enough money, for marketing experiments
7. Hiring friends and borrowing money from friends
8. Worrying too much about the competition
9. Not offering quality products or service
10. Expanding too quickly
11. Listening to outsiders (non-marketing people)
12. Accepting internal recommendations without making sure you understand all the internal relationships
13. Involving yourself in intra-company gossip
14. Thinking your objectives will remain constant
15. Wasting time with schemers
16. Buying or marketing something “about to be made”
17. Believing your own PR
18. Allowing success to lower your standards
19. Assuming all people are honest
20. Assuming all people are dishonest

[ ] In your direct mail package repeat your key points often. To get your point across, you must hammer it home several times. Then your prospects are more likely to remember and respond. Redundancy is OK in copywriting.

[ ] If you offer too many choices in your sales package, the more likely your prospect will hesitate and put off ordering. And that means “no sale.”

[ ] One of the easiest, quickest ways to evaluate your own sales package is to ask yourself, “Would I respond to this offer?” If not, here are 6 tips to improve your copy...

1. Is your letter easy to read.
2. If you include photos, have you used captions that add to the product benefits?
3. Is your letter very “me-to-you?” Does it flow smoothly? Is it logical?
4. Are you trying to be funny? (Humor seldom works.)

5. Are the benefits in your headline and/or opening paragraph the best for your offer?
6. Do you clearly spell out persuasive reasons why your reader should respond now?

[ ] There should be many arrows in your “marketing quiver.” One hidden secret of smart marketers is to use low-cost postcards. They’re perfect for follow-ups, special sales, upcoming events, announcements, and to keep in touch with customers. Even web-based companies use them as a potent ingredient in their overall marketing efforts. They get the immediate attention of your prospect or customer. Who doesn’t read postcards?

There’s all kinds of ways to use ‘em. If you want to know how these little power-packs can help you increase your sales/profits, read my classic book “Beat the Post Office... Sell with Postcards! (How to Ignite Explosive Sales While Cutting Postage).” To get your copy, visit <http://www.brooksowen.com> then click “Mail Order/Marketing Pipeline.”

[ ] AD CLINIC: A client sent me the brochure he’s been using to sell a Shriek Alarm. His classified read: “PROTECT YOURSELF — anywhere — hand-size Shriek Alarm frightens criminals, vicious dogs — brings instant help! Send \$12.95 — moneyback guarantee! (Name/Address). This 24-word ad was not working. Why?

As I’ve said many times before... you cannot expect to make enough sales directly from a classified ad. Maybe you can justify a buck or two for a special item. But certainly not \$12.95. The classifieds are best used to get inquiries, then send your prospects a sales package.

My ad: FEEL SECURE! Carry hand-size Shriek Alarm! Brings instant help! Free Information: (Name/Address) This ad will bring inquiries from people obviously concerned about personal security who can then be sold the Alarm PLUS burglar warning decals, car alarms and other safety/protection devices. From free information a real business can be built.

[ ] Classified ad advice from the Globe advertising manager: A classified ad is a sales tool and must be designed to do just that... SELL. In spite of this, two out of three classified advertisers use ineffective copy and are surprised when their ineffective “tool” doesn’t sell a thing!

A word, the turn of a phrase, a benefit properly described, will make a world of difference in inquiries from brief 10-20 words classified. It’s better to run four 20-word ads that sell benefits of your product than run eight 10-word ads without punch or sales appeal.

I’ve often talked about effective words to be used in ad copy. Here are what I consider to be the 15 most persuasive words in English language...

Free, Now, Health, Love, Money, Results, You, Discover, Easy, Proven, New, Safety, Guarantee, How-To and Save.

[ ] AD CLINIC: Here's a 62-word ad a client sent me to rewrite: "BUSINESSPEOPLE: don't let fire put you out of business. Automatic extinguisher stops fires before damage is fatal. Eliminates water damage to inventory. Gas chemical — no mess. One unit covers up to 1,000 cu. ft. \$49.95 per unit. Less costly, more effective than sprinklers. Fires don't wait, so order now. Money back guarantee. (Firm name/address/phone)"

Whew! He ran that ad for six months. No orders. KEY readers know why.

My ad: PROTECT FAMILY, BUSINESS against fire! Automatic extinguisher stops flame early, uses fire-stopping chemical, eliminates water damage. More effective than alarms, sprinklers. Free illustrated booklet. (Firm name/address/phone)" While my version is longer than I like, it gets the job done. Client now reports 25% inquiry/sales conversion. PLUS he's selling additional products to customers.

[ ] Words matter. For example, in my sales packages I say "When," not "If." Instead of "No-Risk," I prefer "Risk-Free." And "Money Back," in place of "Refund."

[ ] *KEYnote*: I can't stress enough... keep good financial controls. Do you know exactly where your income is coming from? Do you know where it's going? In addition, do you know where your inquiries and sales are coming from? Key your ads and keep records! (MailMAXX Mail Order Software is invaluable.)

[ ] Some classified advertisers use no name in ad asking prospects to reply to street address or box number. No good! No way does that build trust. Would *you* reply to a "no-name" ad?

[ ] Use testimonials in your sales package. At least three. More's better. In fact, don't be afraid to use too many. Many short ones are better than a few long ones. Specifics are better than generalizations.

For example: Instead of "I love your new window cleaner," have your happy customer say, "The window cleaner you sent me cut my workload by 37% first time I used it. Here's my order for three more cases."

Don't have testimonials? If you've been in business for any length of time, you likely have many happy customers who'll gladly give you great testimonials. All you have to do is ASK. If they're too busy, write one for them... with their final OK. Also, get photos. Use real names, real addresses.

[ ] *KEYnote*: in your sales letter, be sure you appeal to reader's *emotions*. You should stress your product benefit, of course, PLUS include an emotional benefit. For example: "WiggleWorm lures are quick 'n easy to use... no more hazardous hooks... AND you'll catch bigger fish than anyone else on the lake!"

[ ] AD CLINIC: Client send me this ad to fix: "Animal, Vegetables, Minerals. We have them all! Our 19-page rubber stamp catalog features over 325 designs. Send \$1.50 (Name/Address)"

The ad concentrates on the rubber stamps, not the benefits. Too, ever try stuffing \$1.50 into an envelope? And not many would write a check, get a money-order, or use a credit card for \$1.50.

My ad: “FREE rubber-stamp catalog! For business, collectors, lovers, hobbyists! For fun! For profit! Write: (Name/Address.)”

[ ] Person claims to have sent you cash and threatens to contact his state’s attorney general because s/he didn’t get the order in the time allowed by law. You never received the order. No proof on either side. What can you do?

Assure the letter writer you have no record of the order and that the burden of proof is up to him or her. Also suggest that they file a “trace” with their local postmaster.

Since they mentioned contacting the attorney general, beat him to the punch... *you* contact the attorney general. In your letter, point out that the regulation regarding delivery time is a federal one, that you have no record of the claimant’s order, and that you’ve suggested that s/he ask the local postmaster to trace the order. Indicate that you’re not responsible for cash orders. And, if your literature states this information, enclose a copy.

Finally, for the “hot-head,” send him or her a copy of your letter and indicate that additional copies are going to the claimant’s postmaster, your state’s attorney general and to the Federal Trade Commission. The intent of this effort is to put the burden on the claimant. It should silence all but the most demented. (Caveat: that’s what I’ve done. But remember, I’m not a lawyer and I’m *not* offering legal advice.)

[ ] AD CLINIC: A long classified ad usually doesn’t move a prospect to buy. A client sent me this ad to fix: “REPLACE LOST HUMUS! Restore your vegetable garden with DK/6 organic soil conditioner. Completely natural — apply any time of year. DK/6 can improve productivity, encourage rooting, conserve fertilizer. Great for potted plants. Treat 30' x 30' garden for \$12.95 plus handling and UPS shipping (\$5.50). (Wisconsin sales tax \$1.94.) Check, Visa, MasterCard accepted. (Name/Address)”

The ad breaks my rule about trying to sell something for more than \$1 to \$3. This product (along with a catalog of compatible, higher priced products for back-end profits) is best sold via the inquiry/follow-up method.

My ad: “HOW TO renew your garden, potted plants. Apply any season! Secrets of natural, organic soil conditioner revealed. Free Booklet: (Name/Address)” I urged my client to send prospects a helpful how-to booklet featuring the benefits of his product, along with a sales letter/catalog.

By the way, his fee for the new, more potent ad was recovered with the savings of the first insertion.

[ ] Small, one or two-inch display ads can work well with your classified ad to generate even more inquiries. They're best use when a particular publication is already doing well with your classified ad, or when a likely test magazine does not offer low-cost classified ads.

[ ] To me, the first step in writing a successful how-to book, report or manual is choosing a dynamite title. Everything springs from your book's title.

Joe Karbo had one of the best, "Lazy Man's Way to Riches." Terrific benefit in few words. Or Jerry Buchanan's "How to Avoid the 22 Mistakes (The Beginner Always Makes) In Mail Order." Longer title, definite benefit. Mark Haroldsen's old book title, "How to Wake Up the Financial Genius Inside You," was great.

There are many others, of course. Once you have your subject in mind, creating a socko title gives you the springboard from which to begin.

[ ] You can often increase readership of your headline by enclosing it in quotations. For example, "How You Can Save 27% On Your Auto Insurance."

[ ] In your headline, classified or small ad consider using "why" instead of "how." For example, "Why Some People Almost Always Make Money in the Stock Market." "Why These Vitamins Can Make You Feel Peppier." "Why Publishers are Paying Top Money for Short How-To Manuscripts." Reason-why copy can often create more interest than "how."

[ ] *KEYnote*: stuck for headline or classified ad ideas? Review the publications Reader's Digest, Cosmopolitan, National Enquirer and Globe. They're loaded with appealing headlines and you're bound to find something to jog your brain.

[ ] Test a Gift Certificate in your next mailing. They're cheap to print, add little weight to your package and, best of all, have a high perceived value. They cost you practically nothing until redeemed. They can be used for most any offer and are ideal for overstocks, factory seconds, out-of-date products and dollars-off (or bonus tie-in product) on high-ticket items.

[ ] Customers prefer to have relationships with people... not companies. Be sure all your sales materials are "me-to-you." Add personality to your ads, mailings and web-site. Be forthright, not clever. Being a real person to your customers helps build loyalty.

[ ] Tell what you're selling. And why. For example, early last century copywriter John Powers saved a Pittsburgh department store with this small ad: "We are bankrupt. We owe \$125,000 more than we can pay, and this announcement will bring our creditors down on our necks. But if you come and buy tomorrow, we shall have the money to meet them. If not, we shall go to the wall." Customers lined-up for three blocks to get a bargain.

How's *that* for honest, reason-why copy? Prepare a similar little ad in today's vernacular and you could sell the socks off an overstock or whatever.

[ ] FREE is still a magic motivating word. Do you offer anything free? Free reports? Free gift certificate? Free gift? Free software? But don't forget... it must be of a high perceived value. And you've got to stress that value; make it important. For instance: instead of just saying "Free Gift Certificate," say something like "only the first 300 people who call will get a Free Gift Certificate for saving \$200 on a brand new Dizzlewhopper!" True, that's a bit longer than Free Gift Certificate... but it's certainly much more motivating.

[ ] Copywriter "Rocket" Ray Jutkins suggests, when creating your sales package, think will what you offer make the purchaser feel...

1. more *important*?
2. *happier*?
3. *comfortable*?
4. *prosperous*?
5. make his or her *work easier*?
6. give greater *security*?
7. *attractive* or better liked?
8. some *distinction*?
9. appeal to the purchaser as a *bargain*?

He says, "you want me to buy? Make me an offer I can't refuse!"

[ ] Actual dollars you make is more important than percentages.

[ ] When placing a classified ad schedule, don't look for the least expensive publications. Look for the most expensive that are appropriate to your offer. Dollar for dollar, they'll pull in more prospects.

[ ] When placing small ads, try for positioning. Placed at the upper outside corner, or middle column, small ads pull better than at the bottom of a page. Too, your ad could be behind a coupon on the page behind, which would disappear when clipped. Ads next to the gutter are the weakest, especially if covered with a bound-in coupon. It's not always possible to get a favored position... but it's worth trying. Squeaky wheel and all that.

[ ] Use sub-heads to sell. Most readers skim ads and sales letters to decide whether or not to read the entire message.

[ ] Remember, consumers aren't interested in issues. They're interested in benefits to them.

[ ] AD CLINIC: a few years ago a client asked me to fix this classified ad: "DRIVER'S BACK PAIN? You can go on suffering when you sit, or you can write for free facts about our new way to pamper,



relieve and protect tense, irritated backs! We hope you'll write. Comfort Company, Dept. OO, 1234 Main St., New York, NY 12345." The ad was way too long, didn't sell.

Here's how I fixed it: "BACK PAIN? Spine Spoiler supports — pampers — protects while sitting/driving! Free proof: Comfort/A, 1234 Main St., New York, NY 12345."

The telegraphic style not only saves words, but gives a kind of breathless urge for action. And "free proof" is stronger than "we hope you'll write." Note that I gave the advertiser a DBA of "Comfort/A" It ties in with the ad and saves three words over the old ad's address and key.

[ ] "In the last three years my mail order business has blossomed from the single classified ad you wrote for me to one that can easily support my family in fine style. I now have a catalog of nine books which I publish and sell through distributors, as you've outlined in your manual *A Lifetime of Financial Security*," writes a California client. Yes, the power of small ads truly is mind boggling.

[ ] When sending in a classified ad, do NOT abbreviate any word. Some publications have a policy of abbreviating state, etc., but let them do it. You want to get all the space you're paying for and want to avoid any confusion sometimes caused by abbreviations.

[ ] Always insert your classified ad for three or more times. Response usually increases with consecutive appearances.

[ ] AD CLINIC: client's ad read "SUPER ATOM FENCE CHARGERS — rain or shine, thru many weeds — without starting fires! Staple wire to wood posts — without insulators! \$46.95 postpaid. 30 day refund guarantee if unsatisfied. Dealerships available. (Name/address.)" Much too long and attempts to make a sale directly from ad, yet the advertiser has 3 models available. Also, the ad is more like a directory listing than benefit oriented.

Classic use of small ads is to get inquiries, then follow-up with a prompt mailing of a direct mail piece. I recommended that the client's package be strengthened with a brochure or booklet on "How to Solve Your Electric Fence Problems." This would pull the package together and answer the needs of people who would respond to this brief classified I wrote for her: FREE Booklet! "How to Solve Your Electric Fence Problems." Write: (Name/address.) Then the selling job is done with a sales letter and brochure/booklet. Too, I recommended that she increase the length of her guarantee to one year. Her selling costs were slashed and sales took off like a NASA space shot.

[ ] Teaser copy on your outer envelope has the same function as your headline. So don't minimize your efforts to create a powerful, benefit-oriented teaser. For example:

1. See sample inside
2. An urgent message from (you)
3. See inside for details

4. Free gift inside
5. Here's How Five of America's Top Stock Brokers Pick.... (then continue inside)
6. Why Some People Almost Always Get Rich with... (then continue inside)
7. Inside... Master Gardener Reveals How to Grow 5-Foot Tomato Plants with Coffee Grounds!
8. Hearing Problems? This Can Help. Or... Hearing Problems? Try This!

Anyway, you get the idea. When the prospect gets your letter, your first job is to help him or her open the darn thing. But... don't try to be cute or tricky. Your freebies must have value and the teaser must be benefit-laden.

[ ] Unconditional Money-Back Guarantees *always* boost response. The longer the guarantee, the more orders and less returns you get. If your offer and product are good, refunds are never a problem. Example of a simple, yet potent, guarantee: **Five-Year Risk-Free Money Back Guarantee!** If for any reason you are not 100% satisfied, simply return it to us anytime within Five-Full-Years and you'll get your money back. Promptly and courteously. I promise.

[ ] Classified ads should be written specifically for the market they're designed to reach. Sometimes this requires two, or more, ads. For example, a client wanted birdwatchers and "snowbirds" escaping northern winters to visit his ranch. From the description of what he wanted and from his brochure, I wrote these two ads for him:

1. FREE! Map/Field Checklist for 190 birds — Chiricahua Mountains area — plus illustrated brochure of active nature lovers' retreat. Write: (Name/address).
2. ENJOY ACTIVE WINTER! Southeastern Arizona sun warms you for carefree natural living, birding, backpacking, more! Free illustrated brochure. (Name/address).

Ad #1 was written to be placed in birding magazines, while ad #2 would work well in backpacking, travel, resort and natural living magazines.

[ ] Savvy advertisers often use more than one ad in the same magazine under different classifications. There are two key reasons to do this. First, to test the pull of each classification.

For this, each ad must be exactly the same except for the code, or "key." A wholesaler of candles, for example, might find it profitable to run the very same wording under "Buy It Wholesale," "Business Opportunities," "Moneymaking Opportunities," "Do-It-Yourself," "Crafts," and other headings. After testing, the advertiser then checks results and may want to drop one or more classifications.

The second reason is to pull the most from the ad. An advertiser who's been testing the media for several seasons soon runs out of publications in which to place his or her ad profitably. That's when it pays to go back to the publications on your active list and see if the same ad under a different heading might draw additional business. It usually doesn't double your response, but it can give as much as 30%

to 60% additional pull. Certainly worth testing.

[ ] Always, *always* track results of your small ads. Otherwise, you're flying blind. You won't know where your inquiries and sales are coming from. You could be wasting money on unprofitable publications. That's why I use MailMAXX Operations Software everyday. This simple, yet valuable, tool actually puts money in my pocket by saving me time and money.

[ ] DON'T overlook planning a long-range campaign to establish credibility and strength. Repetition gives emphasis.

[ ] DO take advantage of the impact of the first few words of your classified ad. They'll usually be in bold, capital letters and should be the "eye-catchers" that lead to sales.

[ ] DO answer the reader's question, "What's in it for me."

[ ] DO plan ahead. Meet the deadlines.

[ ] DO read your ad several times before you mail it. Be sure to say what you mean. Be sure readers will understand what you mean.

[ ] DON'T write your ad 15 minutes before the mail is picked-up. Don't count on last minute changes being made at the magazine. You could end up with a garbled ad!

[ ] DO be clear about numbers. Prices and addresses are very important to success.

[ ] DON'T let your 6 be mistaken for a G. Don't let D be mistaken for an O.

[ ] DO select an appropriate classified heading for your ad. State it clearly in your ad insertion instructions.

[ ] DO spell carefully and correctly.

[ ] DON'T abbreviate unless commonly-used and understood. S.A.S.E. for "Self Addressed Stamped Envelope" is frequently used and saves words.

[ ] DO keep a list of all buyers/inquirers. Mail other offers later for additional sales.

[ ] DON'T fail to include an order form and literature when you ship. Make it easy for buyers to re-order.

[ ] DO speak in the language of your prospects.

[ ] DON'T talk down or be too technical or cute in your choice of words.

[ ] Need help with your small ad? E-mail me at <mailto:Brooks@BrooksOwen.com> or write to...

Brooks Owen  
Owen Publications  
Battle Ground, WA 98604-0010

Include an L/SASE.

## **Legal Stuff**

### **(A Few Things You Must Know if You're Involved in Direct Marketing/Mail Order)**

This is a brief overview ONLY to give you an idea of the legal aspects with which you should be concerned in direct marketing, advertising and “mail order” in general. The following points are by no means meant to interpret direct marketing law in its entirety. I'm not a lawyer, nor do I offer any legal advice... my goal here is simply to offer you some useful guidelines.

These points also apply to your web related business.

1. Your product must be mailed within 30 days of receipt of the order. The exceptions are: (a) your offering clearly states a different period of time, or (b) you send a delay notice as required by the Federal Trade Commission and offer the option of refund. An SASE must be included with the delay notice. Violation of this rule can cause you penalties of as much as \$10,000 per violation.
2. Cases for mail fraud may be filed either civilly or criminally, but are more likely to be filed as criminal cases, if there is (a) a failure to deliver the product, (b) a failure to make promised refunds, or (c) a lottery or chain letter/referral scheme.
3. If you use testimonials, you must have copies of the testimonials on file. If you've paid for those testimonials (provided consideration), that fact must be clearly disclosed in the marketing piece.
4. If a guarantee is subject to conditions, the conditions must be clearly disclosed in the offering.
5. The U.S. Postal Service continues to diligently crackdown on “opportunity” advertising... particularly envelope stuffing and pyramid schemes.
6. In cases of either civil or criminal mail fraud, statutes now permit the government to seize real and personal property, including bank accounts which are used in a mail order business or which are traceable to the proceeds of a mail order business. Such seizures can be made without notice and may result in total forfeiture of such assets to the federal government.
7. You can be found guilty of mail fraud not only for what you say in your offering, but for what you imply. Implied claims are those things you don't say, but which an ordinary reader would read into the ad.
8. An advertising piece must be read as a whole. Thus, if you mention inconspicuously, or in a carefully worded but misleading fashion, the truthful statement that one must put forth effort to be successful in the program, but then in other portions of the offering you state or imply, with greater emphasis, the false statement that no work or effort is required, the ad will be interpreted to have made the claim

which was emphasized. In other words, you cannot whisper the truth and shout a lie. If an ordinary reader would give greater credit to that which is emphasized than to that which is buried in the fine print, the authorities will consider the main message of the marketing piece to be false.

9. Judges of the federal court come from a socio-economic class where they don't think highly of diet ads, opportunity ads, and other flamboyant ads which are written in a "supermarket tabloid" style. Consequently, when you try to justify the typical mail order advertising the burden of proof is really on the defense, regardless of the fact that the law states it should be on the prosecution. (Not fair, but reality.)

10. Most cases of mail fraud are civil. It's not the object of the government to put the operator out of business. Instead, the government's goal is to obtain a cease and desist order or a civil consent decree which prohibits the mail order operator from making similar fraudulent statements in the future.

11. There's a difference between that all participants in a program will be successful and guaranteeing a refund if they are not. A guarantee that all persons will be successful may be fraudulent, because obviously all people will not be successful. A guarantee of money back, however, is not fraudulent provided it is honored.

12. Offering a money-back guarantee does not save a fraudulent ad. If the offering contains fraudulent misrepresentations, the fact that a money-back guarantee was given is no defense.

13. There are some products which, if you sell them, make it a virtual certainty that you'll be scrutinized. While it may be possible to sell these products honestly, it's almost certain that you'll be challenged. They include: breast enlargers, cures for baldness, weight loss programs involving "magic pills," cures for illness such as arthritis, work-at-home envelope stuffing programs, chain letters, and chain referral or pyramid schemes. This isn't to say that all such programs are illegal per se, but rather that if you sell them, you'd better be extra careful.

14. The postal service and other regulatory agencies will not review advertising to see if it passes muster. If you send advertising to them for approval, their silence cannot be construed as approval. All you'll have accomplished is to be absolutely certain that the offending piece comes to their attention.

15. Under the Lahnam Act a consumer who was injured because of mail fraud can bring a class action on behalf of other injured consumers to get refunds for everyone.

16. Postal and FTC cases aren't handled like ordinary lawsuits. It's best to get together with the opposition early with an eye towards working out a win/win solution. The attorney's role is critical because he or she must understand the goal of the government as well as the needs of the client.

Again, the above are useful guidelines only — things you should be aware of. For complete, updated texts on rules & regulations contact your local postmaster or the Postmaster General in

Washington, DC and the Federal Trade Commission in Washington, DC for their publication, “A Business Guide to the Federal Trade Commission’s Mail Order Rule.

Also, log onto the FTC’s web site, <http://www.ftc.gov>, then go to “site map,” click “business guidance, business publications,” click “consumer information,” then finally, click on “advertising.” Loads of stuff you should know.

You should get copies of, learn and understand, the regulations under which you operate your business in order to sidestep any problems. In a nutshell, run a “tight, clean ship” and follow the Golden Rule.

## Mail Order Jargon, Slang, and Other Weird Buzz Words

If you want to work more effectively and efficiently in direct marketing/mail order, proper terminology are the tools you use for communicating your planning and your creativity.

First, there are terms and words used in direct marketing and mail order. Then there are words and terms that have to do with such related fields as printing and graphic arts, advertising and marketing. And then, terms used in other fields such as computers, television and telephones. All have some relationship to direct marketing/mail order. Of course, in this Lesson I can't review each and every word you might be concerned with in your business. What I *will* do is define several of the more commonly used words.

I'm going to skip such words as "pica" and "elite," or words that have to do *strictly* with, say, printing or computing. You may need to know those words depending upon the way you operate your business. But I won't list each and every technical term in a related field. I'll stick with those common words, terms and phrases having to do with a *general* knowledge for direct marketing and mail order.

OK, we've got a lot of ground to cover so let's begin.

An A/B split. That's a phrase that stands for a type of test in which you can test an element of a catalog, an ad, or direct mailing. Generally, you test it against a "control." For example, if you have a run of 500,000 catalogs, you can split your catalog mailing into two runs of 250,000 each. Then you can change *one* particular element in that catalog. Let's say you're testing an order form or a bonus item, you can offer the bonus item or use the order form in one half of the mailing, and use another bonus or order form in the other half. Notice I said test only *one* element. You can do the same thing with a magazine. If the magazine has a circulation of 1 million, you can run an ad with one headline in half the circulation and run the same ad with another headline in the other half. You'll key the ads so you can tell which headline brought the best response.

**AEIOU**, coined by Brooks Owen, is an acronym for "Attention, Excitement, Interest, Offer and Urge" which reminds you that your ads must attract Attention, generate Excitement, stir Interest in your product or service, explain your Offer, and Urge your prospects to act.

**AIDA**. A.I.D.A. is an acronym for the classic formula used in preparing advertising. It stands for Attention, Interest, Desire and Action. The letters A-I-D-A remind you that each ad must get Attention, arouse Interest, stimulate Desire, and encourage Action.

**Action Devices** are elements and techniques used in a mailing to initiate a desired response. A common example you're probably familiar with are the "yes" or "no" stickers found in mailing pieces which ask the prospect to place the appropriate sticker on the order form. That's an Action Device.



It's some way of involving prospects in the process of your mailing and getting them to take an action.

An **Active Buyer** is a person who has made his or her last purchase within a specific time. Usually, sometime within the last six months.

An **Active Member** is a person who has joined a group of some type but, especially in mail order, it's a person who is fulfilling an original commitment. For example, an Active Member is a person who has joined a book club and is still in the process of purchasing the books they obligated themselves to buy when they joined.

An **Active Subscriber** is a person who has committed himself for a regular delivery of a magazine, newsletter, books, collectibles, or other goods and services for a time period that's still in effect.

**Actives** are customers who have purchased within a specified time period, usually within six months. Or subscribers whose terms have not expired.

**Add-On Service.** A program of the Direct Marketing Association, the DMA, which allows consumers names, upon request, to be added to mailing list of member companies.

**Address Coding Guide.** ACG is a list of the actual or potential beginning and ending house numbers, block groups or numerical district numbers, zip codes and other geographic codes for all delivery service by post offices located within city zip code areas. You'll see an example of this in the codes that are printed above your name on a shipping label. If you look closely at the label, you'll notice that the code is made up of letters taken from your name, numbers taken from your street number and numbers taken from your zip code. It's not a series of numbers given in sequence as you join or sign up for a particular membership or subscription.

**Address Correction Requested** is a phrase printed in the upper left hand corner of a mailing piece under the return address. This authorizes the U.S. postal service to give the new address, if known, of a person no longer at the address on the mailing piece. There's a charge for this service. The Address Correction Requested is a handy way to keep your mailing list up to date and clean.

**Advertising Agency.** An advertising agency is a business which functions as an intermediary between a client and the media. It places time and space purchases on a commission basis and might provide other services, such as consulting, ad preparation, research, publicity, and so forth, on a fee basis. You can set up your own "in house" advertising agency then take for yourself the usual 15% commission which a magazine, or other media, might allow for placing your advertising. Of course, you'll have to produce — or outsource — your own camera-ready ad copy, or commercial.

The **Agency Commission** is a payment made to an ad agency for advertising placed by the agency on your behalf. Normally, it's 15% of the regular charge for the advertisement.

**Assigned Mailing Date.** This is the date on which a mailing list user is obligated to mail to a specific list. The date is arrived at, with the approval of the list owner, so that the list owner can space out the use of the list. In other words, when you rent a mailing list, you want to be assured that it arrives on time, or within your mailing schedule. Also, you want to know that not immediately before nor immediately after your mailing a competitor would be using the same list. So you arrive at your assigned mailing date in cooperation with the list owner; you indicate that you'll be using the mailing list on, say, the 15th of the following month. The broker then assures you that no one who's in direct competition with you will use the mailing list for however many weeks or months, depending upon the agreement.

**Back End.** The "back end" is the second part of mail order sales. For instance, when you sell a book you then follow-up by soliciting a continuing service, or offer other items from which your real, or biggest, profits are made.

**Bill Enclosure** is a promotional piece enclosed with a bill, invoice or statement.

**Bindery.** A business where books, magazines and other printed material are bound.

**Binding** is the method in which books, magazines and other printed material are fastened together. For example, a manual may be bound with staples, with spiral plastic devices, or glued at the base, or spine.

A **Bingo Card** is a reply card inserted into a publication to enable the reader to request literature and samples from companies whose products or services are advertised or mentioned in the editorial columns. Ads often are accompanied by a number so all a reader does is mark or circle the corresponding number on the bingo card and mail it to the "reader service" department of the publication. Readers may mark one or more numbers and the publication will send your name on labels to the corresponding advertisers. Using just one stamp, a prospect can reach many advertisers.

A **Bleed** refers to the appearance of printing to the very edge, or even off, of the page. This is often done by trimming or cutting the edges after printing. It's usually part of the bindery process.

The **Body Copy.** The body copy, or copy, is the text of an ad or sales literature, apart from the headlines or the sub-heads.

**Boiler Plate.** Pages of copy and/or photos and diagrams made up in advance of a publication, whereas these pre-done pages are used as filler or as identical pages used in different publications.

**Bold Face** is the heavier, thicker typestyle that stands out from the regular typestyle due to its larger ink surface.

**Bounce Back** relates to "back end." Bounce back is an offer, or offers, sent to a customer along with the fulfillment of an order.

A **Broadside** is a single sheet of paper, half page or full, printed on one or two sides and folded for distributing by mail or door-to-door distribution.

The **Break-Even Point** refers to the point at which sales income equals all the expenses.

A **Brochure**. The brochure is typically a flyer or circular with planned layout, typography and illustrations. It can loosely be referred to as any promotional flyer. The brochure accompanies, for example, your sales letter which sums up and re-defines your product's benefits, along with product features.

**Bulk Mail**. Bulk mail is a category of mail known as third class which covers a quantity of identical pieces addressed to names sorted by zip code. Check with your post office for current details and rates. If you're willing to do the sorting and if you'll accept slower delivery, then bulk mail saves a substantial amount of money.

**Bullets** are solid dots, like oversized periods, measured in diameter by points and are used to set off, or highlight, lists or phrases. For example, if you have an ad which describes a product with a number of features or benefits of the product, you can accentuate them by the use of bullets.

**Burning In** is the process by which an offset plate is exposed to light through a negative so that the negative image is burned into the plate. The plate is a step in the printing process.

**Business Reply Mail**. Commonly called "BRMs." This is mail for which a postal service permit is needed in order that the sender (usually a business or organization) guarantees to pay the return postage. Self-addressed postcards and envelopes using Business Reply Mail indicia must follow a required format. Business Reply Mail makes it easier for a prospect to mail in an order or inquiry. Check with your post office on the current regulations and rates for Business Reply Mail. Incidentally, BRMs are usually pretty costly, and are generally used only for higher ticket items.

**Buy Customers**. This is the act of acquiring customers at a cost that equals, or falls below, sales income. For example, a firm might pay \$100.00 for a small ad that brings in 50 \$2.00 orders. While the ad cost is equaled, the cost of the goods and other overhead might make the cost of acquiring the 50 customers, say, \$75.00. You consider this an investment because you're "buying customers." For example, you're going to try to make back end profits; you're going to do follow-up mailings; or you're "buying subscribers" who you will urge to renew or buy additional items during the course of their subscription.

A **Buyer** is a person who has purchased something, in our case, by mail.

**Caliper** is the thickness of paper.

**Case Lots**. A packaged quantity of flat paper generally weighing from 500 to 600 pounds.

**Camera Ready.** Camera ready means to prepare your art work or mechanical, including photographs, ready for plate making and printing.

The **Caption** is the legend, or copy, usually placed under or near a photo, or drawing, which describes it. Used in magazines, brochures, or in catalogs.

**Card Deck.** This is a cooperative direct mail media, consisting of a pack of advertising postcards usually addressed back to each advertiser individually.

**Carrier Route Code** is a key made up of numbers and letters which identifies various carrier routes. The codes are updated every 6 months by the post office which furnishes this information for carrier routing and sorting. Check with your post office if you want to further refine and prepare your bulk mail. There is zip code sorting and then carrier route code sorting which gives you a further discount and helps speed your bulk mail through the postal system.

**Cash Buyer** is a purchaser who sends payment with the order, whether cash or check. Other buyers are credit buyers, whether by credit card, a bill-me system, or other similar device.

**Census Tract.** You'll hear this term especially in renting consumer mailing lists. A census tract is the geographical area of about 1,200 households of relatively uniform economic and social characteristics. It's established by a local committee and approved by the United States census bureau. Census tract information can be combined with zip codes to help you get the characteristics you want in selecting the right lists for your mailings.

**Center Spreads** are the facing pages in the center of a publication. Pages 4 and 5 for example are the center spread in an 8-page newsletter.

**Chads** is a short hand term for Change of Address. The post office prepares a Chads list for mailers in the hope of reducing undeliverable mail. Again, check with your postmaster or postal service representative to find out how they can help keep your mailing list current.

**Change Of Address Processing.** This is a method of matching known movers (usually provided by magazine publishers) to a list before mailing in order to correct addresses for such persons who have recently moved.

**Checking Copy.** There are two different definitions of checking copy. It can be an issue copy, or a tear sheet, of a publication in which your ad appears. It's sent to you as proof that your ad was actually run. Or checking copy can be a copy of a list, usually on sheets, used to monitor response to a mailing or a phone solicitation.

**Cheshire Label.** This is an ungummed label, computer prepared, affixed by machine to the mailing piece. Cheshiring, then, is the process of affixing address labels by a cheshire machine.

**Circular.** A circular is a general term for printed advertising that stands alone in almost any form, including a printed sheet that accompanies a sales letter in a direct mail package. A brochure.

**Classified Advertising** are small ads usually charged for by the word in magazines and by the line in newspapers, and which are grouped according to various interests, such as automobiles for sale, business opportunities, craft plans, stamp collecting, help wanted, homes for rent, gardening, and hundreds of other categories.

**Cleaning.** Cleaning is the process of updating lists, especially removing “undeliverable as addressed” names (also called “nixies”) from a file.

**Clearance** in renting a mailing list. Clearance is approval by a list owner to mail a specific direct mail package to his or her list. Most mailing list owners require a sample direct mail package to be submitted with an order to rent a list.

**Clip Art** is a collection of artwork that has been syndicated for reproduction.

**Club Plan.** This is selling on a continuity basis, such as a book club or a gift-of-the-month club plan.

**Cluster Selection** is a procedure that takes a group of names in series, skips a group, takes another group, and so on. For example, a cluster selection on what is called an “Nth name” basis might be the first 10 out of every 100 hundred names.

**Coding Accuracy Support System (CASS):** A service offered to mailers, service bureaus and software vendors that improves the accuracy of matching to delivery point codes, ZIP+4 codes, 5-digit ZIP codes and carrier route codes on mail pieces. CASS provides a common platform to measure the quality of address matching software and to diagnose and correct software problems.

**Co-Op Mailing.** This is an arrangement by a supplier to share the ad cost for his product. Or, it can be the sharing of the cost of space, or direct mail advertising, by two or more firms.

A **Code** is the letters, numbers, or other devices used to identify a specific ad, mailing, or other promotion. For example, you’ll see a Code, or Key as it’s often called, in mail order ads. The advertiser will have you ask for, perhaps, department “X, Y, or Z.” Or mail to, say, 517-A Main St. The “A” is the code identifying the magazine in which the ad was run. The code tells the advertiser exactly which ad, mailing, or other promotion generated an order.

A **Cold List** is a prospect list that is not yet tested by the mailer.

**Collate.** A machine, or hand, process which gathers together individual parts into a whole. For example, assembling 12 pages into a booklet or gathering 40 postcards into a card deck. Collate is the gathering of individual elements of a mailing in sequence into an envelope. Collate could also mean

combining files of information or lists.

**Column Inch** means the space of one inch in depth by the width of one column, whether the column is a narrow newspaper column or wider magazine column. Describes the space charged for by the print media.

A **Compiled List** is a list of names and addresses gathered from printed records, public or other.

A **Compiler**, then, is the person or organization that develops lists of names from directories, newspapers, public records and other sources.

A **Comprehensive** is the complete and detailed layout for a printed piece. You also hear it referred to as a Comp.

A **Computer Letter**. A computer printed letter which provides for personalized, fill-in information located in pre-designated parts of the letter. It may also be a full printed letter with just personalized insertions. For example, instead of the generic “Dear Friend” salutation, the letter would start out “Dear Mr. Smith,” or whomever. And, perhaps, the name would appear peppered throughout the sales letter to give the appearance of being written specifically to the reader.

A **Computer Service Bureau** is a business that offers the computerized handling of mailing lists.

**Confidence Level**. The confidence level is a statistical measure of how often and what, in a hundred attempts, test results can be expected to be within given limits. It’s based not on the number of pieces mailed, but on the number of responses received.

**Consumer List**. These are people to whom are addressed at home. They may be a response list, a compiled list, a list of addresses only, or addressed only to “resident” or “occupant.”

**Continuation** refers to successive mailings to the same list, following a successful test. This may be a “rollout” which usually, after testing, means mailing to the rest of the list.

**Controlled Circulation**. A magazine that sends most of its copies free of charge to people who are qualified to receive it by their profession, their job title, lifestyle or other classification is using controlled circulation. Recipients of the magazine are asked, from time to time, to verify the information that qualifies them to receive the publication free. As direct marketers, or mail order operators, you’ll find there are a number of controlled circulation publications, such as Catalog Age, Target Marketing and DM News to which you can subscribe free, if you qualify.

**Conversion** is the process of converting an inquirer into a buyer. It’s also the process of transferring hard copy from paper to a computer disk. And conversion can be a process of changing from one data processing system to another.

**Copy Camera.** Camera used primarily for photo engraving art work and mechanicals. It produces a negative on film or paper in preparation for the printing process.

**Copyright** is the notice of ownership of certain rights in a published work. The printing of the notice on a book, in a magazine, or on other medium is known as Copyrighting. Filing a form with a fee and copies of the item to the Register of Copyrights in Washington D.C. is known as Registering the Copyright.

A **Copywriter** is a person who creates advertising copy.

**Cost-Per-Inquiry.** A simple arithmetical formula, cost-per- inquiry gives you the total cost of a mailing or advertisement divided by the number of inquiries received. In a similar way, cost-per-order gives you the actual cost for each order.

**Coupon.** This is a portion of an ad, or a promotion piece, to be filled in by the inquirer or customer and returned to the advertiser to complete the action intended.

**Coupon Clipper.** A coupon clipper is a person who has given evidence of responding to free or nominal cost offers out of curiosity, with little or no serious interest. Also known as a Curiosity Seeker, or Tire Kicker.

**Cropping** is the act of indicating what portion of a photo or art work is to be reproduced.

**Data Bank.** Same as a data base for company use. Or, for public access which includes multiple inputs.

**Dead Names** are people on a mailing list who are no longer at the listed address.

**Deadline.** The date by which some action must be completed, such as the last date for the receipt of an ad order or copy, or a specific issue of a periodical.

**Decoy.** This is a record (a dummy name and address) unique to just one list that's been inserted as a control to check what was mailed, at what time and by whom. It's also known as a Seed Name. If you rent your list of customers and, if you used a decoy or several decoys in your list when you rented it, you'd be able to receive a copy of the piece mailed by the renter, learn when it was mailed, by whom, and if the list was being used according to the terms of your rental agreement. You'd be able to obtain this data because the renter would not know which names you had seeded into your list. If the renter duplicated the list, rented it to others, or mailed to it beyond the agreement with you, you'd quickly know and could take appropriate action.

**Deliverability** is the term used for mailing pieces actually delivered to the addressees.

**Demand** is the dollar value of an order, or group of orders, for a certain time period. Demand does not necessarily equal sales, because some orders are not filled or not filled completely. Also, demand can refer to sales of units of an item.

**Demographics** are the social and economical characteristics pertaining to a geographic unit, such as a county, city, or zip code. Or, the demographics of a magazine in which you were running your ad. You'd want to know if your prospects had the characteristics that would indicate they are good leads for your offer.

**Destination Bulk Mail Center (DBMC) Rate:** A rate available for Standard Mail (A) and Standard Mail (B) Parcel Post that is properly prepared and entered by the mailer at the BMC or other designated postal facility that serves the delivery address on the mail.

**Direct Mail** is the use of the post office to deliver common messages to a particular audience.

**Direct Mail Advertising.** Mailing an offer to gain a direct response from the addressee. The prospect who responds is asked to go into a dealer or company, to call, to buy direct from an enclosed order form, or to request additional information from the mailer. Briefly, any promotion using the postal service delivery system.

**Direct Marketing** is the profession of selling products via a seller-to-buyer message.

**Direct Response Advertising.** Direct response ads are placed in publications, electronic media, or other media in which the respondent is asked to buy or inquire directly from the advertiser.

**DMAA** is an acronym for the Direct Mail Advertising Association.

**Double Truck** refers to the two pages in the middle, or center, of a printed piece which makes up a single unit. For example, a two page ad in the center of a magazine is called a Double Truck.

**Dropship.** Dropshipping is an arrangement whereby a supplier ships a product directly to the customer of a firm selling that product. A customer buys the product from the seller (who does not stock the product); seller sends a pre-arranged portion of buyer's payment to the supplier that, in turn, ships the product directly to the buyer.

**Dummy** has two definitions. The dummy in printing is a mock up of the proposed direct mail package or magazine. The dummy in mailing lists is another name for a decoy or a seed.

**Enhancement.** Enhancement in mailing is any increase in selectivity and value that can be added to a list by a mailer from his own records, or from outside sources.

**Envelope Corner Card** is the mailer's return address printed in the upper left-hand corner of an



envelope.

**Envelope Stuffers**. Any advertising material enclosed in an envelope with business letters, statements or invoices. The advertisement does not have to be from the same firm that does the mailing in which the stuffer is enclosed. Used in “co-op mailing.”

**Exchange**. Exchange in direct marketing and mail order is a reciprocal relationship, usually in which one mail order marketing company swaps lists — often on a name-for-name basis — with another mail order firm. Frequently, both are targeting the same markets. Other exchanges might be package inserts, space-for-space, or trading products for space.

**Expiration Date** is the date on which a subscription expires. Or the date which an offer or bonus for early orders expires.

**Exposure** has a number of definitions. We’re concerned with two. Exposure is the amount of light controlled by a lens that’s allowed to act on a film. Exposure can refer specifically to a combination of lens openings and shutter speed. Second definition refers to an advertisement’s exposure to the number readers of a magazine.

**Eye-Ball a List**. This phrase refers to visually reviewing a mailing list to check its validity, or conformity with your order.

**Field**. The field is a computer term which indicates the location on a disk of given sets of information.

**Fill-in**. Fill-in refers to putting in the name, address or some other words into a pre-printed letter.

**First Class Mail**. Mail receiving priority-type handling.

**First Time Buyer**. A mail order buyer who has made his first and only purchase to date.

**FLTS**. An abbreviation used on mail container labels that identifies the contents as flat-size mail.

**Folder**. A small folded advertisement to be used in envelope stuffing or for other kinds of distribution.

**Form**. This is the page, or group of pages, that will be, or has been, printed in one pass through the press. The form is most likely going to be a group of 4, 16, or other multiples of 4.

**Four Line Address**. This is generally used in business mailing lists. The typical business list is set up in 4 lines specifying the individual, the company name, the address and finally the city, state and zip on the 4th line. Home addresses are usually set up in 3 lines.

**Friend-of-a-Friend.** Recommendations made by prospects, or buyers, of their friends who might also be prospects for your goods or services. Names usually given as a result of a specific insert in a customer mailing, or special appeal on the order form.

**Fulfillment** is the processing and servicing of received-by-mail orders.

**Geographics.** This is a selection factor based on location including state, city, zip code, telephone area code, and so on. For example, a direct marketer might select certain states or zip codes in order to test a seasonal product, like skis in Wisconsin and Colorado during the winter months.

**Glossing** is a short term for glossy photographs. It's a photo printed on smooth or shiny surface as compared with a photo that might be printed on mat paper which has a dull or textured surface.

**Guarantee.** A pledge of satisfaction made by the seller to a prospective buyer. Generally, terms of the guarantee are spelled out under which the seller will make good this pledge.

**Gutter** is the division between two facing pages.

**Half-life.** Half-life is a formula used to estimate the total response of an ad, mailing or other promotion so that a valid estimation can be made of total response. Used to decide to continue or discontinue a promotion.

**Inquirer** is a person who answers an offer of information about an advertised product or service.

A **Key** is a group of numbers or letters used in the identification of advertising placement or direct mail solicitations. See Code.

A **Label** is a gummed piece of paper applied to a mailing which contains the name and address of the recipient.

**Lettershop.** This is a business that handles the routine details of addressing, imprinting, collating and shipping of mailing pieces.

**List Broker.** An individual or organization that arranges the rental of mailing lists which have been tabulated by others.

**List Rental** is the process of renting another's mailing list for, generally, a one-time use.

**Media** generally covers all publications, including broadcast stations.

**Nth Name** is a way of selecting a portion of a mailing list for testing. For example, every 5th, 10th,

20th, 50th name in a list.

**Presort.** The process by which a mailer prepares mail so that it is sorted to the finest extent required by the standards for the rate claimed. Generally, presort is performed sequentially, from the lowest (finest) level to the highest level, to those destinations specified by the standard and is completed at each level before the next level is prepared. Not all presort levels are applicable to all mailings.

A **Prospect** is anyone who is considered a potential buyer of a product or service and who has not yet made a purchase.

**Prospecting** is mailing to get leads of potential buyers rather than direct selling.

**Publicity.** Publicity refers to getting editorial-type coverage in various media without utilizing advertising funds.

A **Rate Card** is a card issued by the media giving advertising rates and other information of interest to advertisers.

**Rollout** means to mail to a full list of names after test mailing to a portion of that list.

**SASE** is an acronym for Self-Addressed, Stamped-Envelope. Also used frequently are the initials L/SASE for Long (#10 size) Self-Addressed Stamped-Envelope.

**Self-Mailer.** A direct mail piece mailed without an envelope. A postcard could be considered a self-mailer, as could a small booklet, or folded sheet of paper with a space set-aside for addressing.

A **Stuffer** is advertising enclosures inserted in magazines, newspapers, other mailings, packages, and the like.

A **Tear Sheet** is a page torn from a magazine, book or other publication and sent to an advertiser, usually to show or prove that an ad has been printed. Used as a checking copy.

**Universe** refers to the total number of individuals which could be included in a mailing list, all fitting certain parameters or specifications.

**USP.** Unique Selling Proposition

**White Mail** is incoming mail that is not a return form sent by the advertisers. For example, letters of a general nature, complaints, compliments, and so on.

A **Zip Code** is a five digit number used to identify areas of postal delivery.

## Section No. Two

### Magic Headlines that Made Fortunes (and How to Copy Their Success)

You can turn a losing ad campaign into a winner just by changing a few words.

What are those few words?

They're the words that make up your headline. Listen, the very most important element in your ad, sales letter, brochure, banner, web page — whatever — is the Headline. Period. If you do not capture your proper prospect's attention with your headline, he or she will never read the ad and the sale is lost forever. No matter how good your product is, how well it's priced, how sweet the offer... nothing will happen if you can't get your prospect "in the door."

The headline's "equivalent" is the first sentence, or first paragraph, of your sales letter and brochure. It's first few words of your small ad. It's the first few words of your phone solicitation. And of your Internet ad or banner.

Think of your headline as an ad for your ad. It must appeal to your prospect's self-interest. It should be *specific* and state a benefit your reader will gain by reading the rest of your ad or letter. It must grab their ATTENTION.

Simply put, **the headline is an emotional appeal to your prospect's self interest.**

Some marketing gurus state that the headline is 75% of your ad's effectiveness. Some say 80%. Still others claim it's 90%. Who knows? Who cares? Just be aware that it's *crucial* to your marketing campaign's success.

So that means you've got to spend time getting it right. Lots of time.

First thing, begin reading and collecting headlines of all kinds. I have literally thousands of headlines crammed in boxes labeled Good Headlines and Poor Headlines. They're not necessarily all taken from actual ads. Many in my collection come from article headlines found in such diverse publications as: *Mother Earth News*, *Reader's Digest*, *National Enquirer*, *Globe*, *Cosmopolitan*, *Entrepreneur*, *Popular Mechanics*, *Forbes* and others. Including newspapers.

Type the headlines you've clipped from the ads or articles to sheets of paper into your word processor. Or, clip them out and tape them in a 3-ring binder. Group them in order (like all "question

headlines” or all “how-to headlines” and make notes about each one... what you like, or don’t like. Note the ad headlines that *repeat often*. Those are the winners.

You’ll discover that it’s easy to pick out winning headlines. Ask yourself, why does that headline captivate me? Does it paint a vivid picture in my mind? Does it arouse a strong feeling? Does it make me want to read further?

Make it a habit to study ad headlines. Always re-work the headline in your mind, on paper or in your word processor. How would you improve it? *Can* you improve it?

Now, when it comes time for you to write a headline, don’t limit yourself to just one. Write lots of headlines! Great headline writers often draft a hundred different approaches and ideas. Then select the best four or five to test.

Select the headline that goes best with, or best matches, your offer. But don’t discard your list of headlines! Keep them for ideas for your next ad. Or use them for copy sub-heads.

As you’re thinking about your ad’s headline, consider the message you want to tell. That’s because these two characteristics of effective headlines are put into play...

1. They connect with your proper prospect from the rest of the publication’s readers.
2. They convey a reason, a benefit or “reward” for reading your advertisement. Or perhaps it makes them curious to read your ad’s copy.

So think about your message carefully.

Creating a powerful headline is often as easy as merely relating your offer’s most important benefit. For example, let’s say you’re a master woodworker and want to market your beginners furniture building how-to manual. Pretend the manual reveals how people on limited budgets can make enough good-looking, modern furniture from scrap plywood and 2x4s to fill an entire house for less than \$500.

Does that give you ideas for an effective headline? Let’s see if we can come up with a couple. Okay, how about

**Released at last...**

**Master Woodworker Reveals 21 Easy Secrets for Homeowners  
to Make 7 Rooms of Full of Eye-Catching Furniture for  
*under \$500 with Just Scrap Plywood and 2 x 4s!***

or,

**In just 7 days with scrap plywood and 2x4s...**

**You Can Own a House Full of Good-Looking,  
Heirloom-Quality Furniture for Less than  
the Price of a TV Set!**

You must make your headline persuasive so that it captures your prospect's attention instantly. And be so convincing that the reader stops and reads your entire message.

How can you do that?

Simply put, you need to know what you want to say to your prospect. You focus on how to solve your reader's problems, by connecting with them and by telling how you can help them.

For example,

*How to Win Friends and Influence People, The Secret of Making People Like You, Free Yourself from Debt Fast, Win at Poker!, How to Cut Your Mortgage in Half, How to Make \$200 a Day with PVC Furniture, How to Collect from Social Security at Any Age, How to Trigger a Lifetime of Financial Security*

Compelling headlines, aren't they?

Another point: when you talk about your business with others you converse in a factual, logical manner. On the other hand, when preparing your headline (or any sales material, for that matter) you must appeal to some *emotion*. And it has to be believable and make sense. Plus, be bolstered with facts and logic in your sales copy.

But the sole purpose of your headline is to first get prospects to read about your offer.

In his book, *Tested Advertising Methods*, the legendary John Caples lists 29 ways to make your headlines more powerful. Summarized, they are as follows:

1. Use the word **now**
2. Use the word **new**
3. Use the phrase **at last!**
4. Start your headline with the word **announcing**. As in, *Announcing a New Way to Tan Faster*
5. Use words that simulate an announcement. Like: **introducing, just released**
6. Use the word **free**

7. If possible, include a date, a time limit. As an example, *You Can Speak French by October 15*. Or, *Sale ends November 30*
8. Write the headline in a news-like manner. For instance, *Doctors Invent Lazy Way to Lose Weight!*
9. Use the word **wanted**. *Wanted... \$35,000 a Year People Who Want to Earn \$100,000*
10. Begin with the word **advice**. For example, *Advice to Gardeners Who Want a World-Class Garden*.
11. Begin with the phrase **who else wants to...**
12. Start with the word **which**. For example, *Which of These 17 Projects Can You Use to Make More Money?*
13. Spotlight a price. Like, *Why Are We Giving Away These Beautiful Diamond Necklaces for Only \$19.95?*
14. Feature a lowered price. *Was \$10.00, Now Only \$3.95!*
15. Feature a special offer. *Special Introductory Offer... 12 Issues for Only \$9.95!*
16. Offer an easy-does-it payment plan. *Order Now — No Payment Until Next January*. Or, *Florida Land -- Only \$50 Down, \$50 a Month!*
17. Offer information of value. For example, *What Every New Parent Should Know About SIDS*
18. Tell a story. *How I Made a Fortune with...*
19. Begin your headline with **how-to**
20. Start with the word **how**
21. Start with the word **this**. Like, *This Magic Lotion Eliminates Wrinkles Forever!*
22. Begin with the word **why**. As in, *Why Some Headlines Always Outpull Others*
23. Use a testimonial headline. *How Brooks Owen's Headline Report Helped Me Rake in \$100,000 Last Year!*
24. Offer the reader a test. *Can You Pass This Writing Test?*
25. Use a 1-word headline. **FREE!** or **OVERWEIGHT?**
26. Try a 2-word headline. **HEARING PROBLEMS?** or **LOSE WEIGHT**
27. Warn the reader to delay buying. *WARNING: Don't Buy Any Hearing Aid Until You've Read These Startling Facts!*
28. Use first-person dialog. For instance, *How I Earned 5 Million Dollars Before Age 30 (Starting with Only \$15)*
29. Address your headline to a specific target. Like, *Advertisers!... Discover the Fabulous Secret of Dirt-Cheap, Powerful Classified Ads*

When you put these 29 power-techniques into action you'll discover that your ad will pull as much as *20-times* more response than many of the dull, throw-money-down-the-drain, ineffective and lazy headlines that abound today.

### **“Magic Words” that Make Your Headlines Sizzle**

There are certain “magic words” found in successful headlines. The favorite six are: You/Your,

Free, New, Now, How-To and Easy. In addition, here are more power-words that, when used right, will punch up your ads, headlines and letters.

amazing, approved, astonishing, attention, attractive, bargain, better, big, blast, bold, boost, bonanza, buzz, cash, colossal, complete, confidential, crazy, crucial, discount, discover, drench, dynamic, earnings, easily, enjoy, enormous, excellent, exceptional, exciting, exclusive, expert, famous, fascinating, fast, force, fortune, genuine, gift, goldmine, great/greatest, guaranteed, handy, helpful, hidden, huge, hurry, improved, income, increase, informative, instructive, interesting, killer, largest, latest, lavish, lazy, learn, lifetime, limited, lull, magic, mammoth, marvel, maximum, maximize, miracle, money, noted, notice, novel, odd, offer, opportunity, outstanding, popular, possible, potent, power/powerful, practical, professional, profitable, proved, proven, purr, quality, quick, rare, refundable, remarkable, reliable, revealing, rewarding, rich, save, secret, sensational, shrewd, simple, simplified, special, speed, starting, startling, strange, strategy, sturdy, successful, suddenly, surprise, terrific, tested, throb, thump, treasure, ultimate, uncommon, unconditional, unique, unlimited, unusual, useful, valuable, value, warning, when, why, wanted, wealth, wisdom, wonderful, zero (as in zero-in), zoom

Choose from these power-words to liven up your headlines... to ATTRACT ATTENTION.

**Note:** using come-on buzz words and phrases like *breathhtaking, eye-popping, jaw-dropping, turbo-charged, explosive, melts fat away overnight, shocking secrets revealed, effortless wealth producer, earth shaking, electrifying, automatic cash, mega-bucks, like printing money, colossal cash bonanza, money-dripping, get rich fast online* and so on (followed by multiple !!!) is a sure sign of a weak (fraudulent?) offer and a weak-minded copywriter. Think more carefully about the words you use and how they'll affect the overall perception of your presentation and proposition.

Following now, in no special order, you'll find hundreds of successful headlines. Use them to stir your imagination... as idea generators. Emulate (not "copy") the examples which suit you, then go to work creating your own winner.

How to Win at the Races... without Gambling!

Does She... or Doesn't She?

7 Ways to Break the Overweight Habit

Dead Doctors Don't Lie!

The Secrets of a Sweepstakes Millionaire

How to Make Money Writing Short Paragraphs



Health Cures the A.M.A. Doesn't Want You to Know About

No More Drugs: How to Get Relief Naturally

Seniors with Arthritis Should Read This Before It's Too Late

A Little Mistake that Cost a Farmer \$30,000 a Year

How I Made a Fortune with a "Fool Idea"

Thousands Have This Priceless Gift — But Never Discover it!

Do *You* Do Any of These Ten Embarrassing Things?

17,000 Blooms from a Single Plant!

The Man with the "Grasshopper Mind"

Suppose This Happened on *Your* Wedding Day!

Phone Wizard

They Shocked us. They Outraged Us. They Didn't Do Anything Wrong — They Just Did It First!

Throw Away Your Oars!

Tastes Just Like You Picked It

At 60 Miles an Hour, the Loudest Noise in the Rolls-Royce is the Electric Clock

What's Wrong with This Picture?

The \$12,000 Housewife

You Don't Know Me, I Realize, But I Want You to Have This Before It's Too Late

Six Types of Investors — Which Group are You In?

Why am I Giving Away My Trade Secrets?

Super Surprise

I Want to Give This to My Fellow Men... While There is Still Time!

Lost Secret Reveals Your Wealth!

The Crandall Secret

Maybe It Really *Is* That Simple!

Mailboxes Drive Connecticut Man Crazy

What's this Woman Doing?

We Want You to Have This Before It's Too Late

The Amazing Money-Making Secret of a Desperate Nerd from Ohio!

The Most Prestigious and Profitable Profession in the World!

I Want You to Have This While There Is Still Time

Here's What You Do to Get Rid of Pimples Fast

\$25,000,000,000 the Government Holds for You

Free Parcels Flood My Home

I was Forced to Sit Alone While Everyone Laughed

Nine Girls Stood Giggling at Me as I Opened the Door

My Two Skinny Cousins Had Abandoned Me...

I Took the Picture & Was Set for Life

Yours Free

To Men Who Want to Quit Work Someday

It's Free, Free, Free!

Pour Yourself a New Engine

The True Story of a New York Man Who is Living Your Fantasy

Hidden Secrets of a Multimillionaire Revealed

No Time for Yale — Took College Home

The Arab's Loss is Your Gain!

Why You Should Buy a Mouse with No Moving Parts

The Ultimate Tax Shelter

Shrinks Hemorrhoids without Surgery

What Makes a Consultant Successful?

Only Way Left for Little Guy to Get Rich

Cucumber and Beauty

Earn Spare Time Cash at Home

Free Book Tells You 12 Secrets of Better Lawn Care

If You Are a Careful Driver You Can Save Money on Car Insurance

It Cleans Your Breath While It Cleans Your Teeth

The Secret to Being Wealthy

The Secret of Bowling Strikes

The Deaf Now Hear Whispers

Reduce Office Turnover by 100%

New Rubber Stamp Business Pays Beginners Up to \$16.50 an Hour!

Would You Like to Make \$100 After Dinner?

Where the Money is and How to Get It

Lose Ugly Fat — an Average of 7 Pounds a Month

Now! Own Florida Land This Easy Way... \$20 Down and \$20 a Month

Reduce without Dieting!

Inventor Reveals How to Make \$400 a Day with Free Tires!

“\$4,000 Profit First 2 Months.” Thanks, It Really Works!

Make Money Sitting at Home

California Millionaire Wants to Share the Wealth

Attention Farmers: Here Are 21 Things You Can Do to Triple the Yield of Next Year’s Crop

One Million Dollars in 9 Months Guaranteed!

\$8,000 a Month with a Computer!

You Can Cash In with Your Home Computer to Escape the “Payday-to-Payday” Rat Race

\$9,800 in 24 Hours!

Thousands Across Nation Using Ohio Man’s Sure-Fire Way to Get Rich

\$500 a Day Writer’s Utopia

New Diet Burns off More Fat Than if You Ran 98 Miles a Week

Almost Everyone Has a \$10,000 Idea. Here’s How to Make It Pay.

Vision Breakthrough

Floats Fat Right Out of Your Body

5 Minutes to Homemade Bread

When You’re Weary with Daytime Fatigue, Take Alka-Seltzer

Soldering Made Easy

Is It Sinful to Make Money This Easy?

It Should be Immoral to Make Money this Easily

I Pay Only 12¢ a Bottle for Great European Beer — Why Not You?

I Became Financially Independent in 2 Days... and I'll Tell You How You Can Do the Same!

Make \$15,000 ... in the next 30 Days

Can You Use an Extra \$200 - \$400 - \$600 (or More) Each Week?

My Plan Starts You Fast in Your Own Home Import Business

Want to Lose Some Weight?

The Amazing "Face-Lift-In-A-Jar" Used by Hollywood Stars Who Don't Want Plastic Surgery!

Shave Strokes Off Your Golf Game In Three Hours or Your Money Back... on the Spot!

Free Kit Tells How to Take Better Photographs

\$500 a Day, Every Day

\$500 a Day Writer's Utopia (Multiply Yourself to Riches)

Watch Your Weight and Inches Disappear!

The Secret of Perfect Putting

Think and Grow Rich

Get Out of Debt in 90 Minutes Without Borrowing!

\$97,500 a Year Hidden in Your Computer? Yes!

How to Make \$200 a Day with PVC Furniture

\$31,750 with Just a Pencil & Paper

Does \$30,000 a Year in Your Own Spare Time Home Business Sound Good to You?

Become Your Own Boss Easy, Quick with Closet Cash!

Free Directories Can Bring You \$300 a Day!

The Simple Art of Making Executive-Level Earnings with Gift Baskets

You Can Earn as Much as \$100,000 a Year as an Information Broker!

The Easiest Way You Can Get the Very Most from Your Mail Order Venture

How You Can Now Travel the World Practically FREE!

How You Can Increase Your Income with “Classifieds”

When Doctors “Feel Rotten” This is What They Do

Who Else Wants a Whiter Wash — with no Hard Work?

Get Your Promotion Fast

12 Special Tax Strategies that are Making Doctors Rich

Profits that Lie Hidden in Your Farm

Hands that Look Lovelier in 24 Hours — or Your Money Back

You Can Laugh at Money Worries — if You Follow this Simple Plan

Discover the Fortune that Lies Hidden in Your Salary

Guaranteed to Go Thru Ice, Mud, or Snow — or We Pay the Tow!

161 New Ways to a Man’s Heart in this Fascinating Book for Cooks

Who Else Want Lighter Cake In Half the Mixing Time?

How to Develop a Silver Tongue, a Golden Touch and a Mind Like a Steel Trap

Here’s a Quick Way to Break up a Cold

Learn the Jealously Guarded Secrets of the Most Successful Magazine Advertiser in the Country

How to Get Your Share of the Riches that Lie Hidden in Your Computer!

17 Stocks You Should Dump Right Away!

Don't Try This with Any Other Copier

Advice to Wives Whose Husbands Don't Save Money... by a Wife

Do You Do Any of These Ten Embarrassing Things?

If You Can Lick a Stamp, You Can Lick Your Weight Problem

How to Turn Your Free Time into \$200 a Day!

How I Made a Fortune with a "Fool Idea"

How to Get What the U.S. Government Owes You!

How to Collect from Social Security at Any Age!

How a New Discovery Made a Plain Girl Beautiful

How to Write a Hit Song and Sell it

How to Pay Zero Taxes!

How to Wake Up the Financial Genius Inside You

How to Get Rich

How to Get Rich Sooner than You Think

How to Borrow \$50,000... on Your Signature for Any Purpose

How Your Business Can Acquire Hundreds — Even Thousands — of New Customers

How a Failure at 40 Can Retire a Millionaire Before 50

How to Turn Your Crafts into Cash!

How to Advertise for Less than the Price of a Postage Stamp!

How to Avoid Con Jobs, Home Swindles & Scams

How to Triple Your Mail Order Income!

How to Publish Your Way to Riches

How to Become a Mailbox Millionaire

How to Start and Operate Your Own Home Business (without losing your shirt!)

How to Make Money Writing Short Paragraphs

How to Form Your Corporation without a Lawyer for Under \$50

How to Improve Your Memory

How to Write a Good Advertisement

How to Earn Big Money

How to Prepare Your Own Will

How to Win at Blackjack

How I Started a New Life with \$7

How to Stop Worrying and Start Living!

How to Feel Fit at Any Age

How to Get Rich in Mail Order

How to Win Friends and Influence People

How to Find Someone to Love

How to Rob Race Tracks Legally

How to Flatten Your Tush

How I Improved My Memory in One Evening

How to Do Wonders with a Little Land!

How to Make \$400 a Day with Free Tires!

How to Make a Financial Killing During the Current Recession

How to Succeed as a Paralegal



How to Make Your Headlines Make Money

How to Avoid Probate

How to Sell Your Invention

How to Start a Booming Mail Order Business

How to Make a Living without a Job

How to Get Your \$1,000,000 in Free Advertising

How to Make Yourself Judgement Proof

How I Earned \$500,000 in the Last Six Months

Often a 1-word headline, printed in a big bold typeface, can make your small ad appear larger. The word you choose, of course, must target your proper prospect.

Free!

Patents

Bashful?

Money

Corns

Hemorrhoids

Overweight?

Shy?

Damn!

Poor?

Moneymaker

AIDS!

Prostate

Homeowners!

Fat?

Unemployed?

Copywriters!

Policemen

Salespeople

Rape!

Advertisers

Doctors

Nurses

Paramedics

Engineers  
Lawyers  
Authors!  
Privacy  
Fishermen  
Skiers  
Boaters  
Lovers  
Cold?  
Secrets!

Sometimes you can't find, or use, a single word to do the job. The same effect can be accomplished by using only 2 words.

Credit Problems?  
Hearing Loss?  
Need Money?  
Public Speakers  
More Horsepower!  
Free Book (or whatever)  
Attention Lawyers (or whomever)  
Authors Wanted  
Head Cold?  
Vitamin Breakthrough  
Vision Breakthrough  
Computer Maverick  
Instant Mailorder!  
Miracle Muscle  
Trade Secrets  
Miracle Glasses  
Thunder Island  
FAX Basher  
Information Invasion  
Audio Telescope  
Potent Classifieds!  
Love Machine  
Quick Cash  
Double Income  
Recession Beater  
Magic Garden  
Make Money  
Debt Problems?  
Scum Buster

Prostate Problems?  
Scalp Itch?  
Inventors Wanted  
Heart Attack!  
Insurance Hoax  
On Welfare?  
Retire Early  
Cars... \$1!  
Counterfeit Diamonds  
Emeralds... \$3!  
Want Companionship?  
Free Tuition  
Pass SATs!  
Stop Smoking  
Cheap Gas  
Pro Ghost  
Book Dealers  
Credit Help  
Money Finder  
Reduce Fast!  
Memory Help  
Strange Books!  
Build Machines!

More great headlines...

Pharmacist's Wrinkle Cream Great Success Across Nation

What Seniors Must Know About Trusts to Qualify for Medicaid

Weight Loss Pill Approved for U.S. Gov't. Patent

Doctors Invent "Lazy Way" to Lose Weight

Developer of Gas Saver Awarded \$22,000

How to Get Rich In a Year

Rich Man's Burial Now Less Costly Than a Simple Grave

Man Makes \$300 a Day from What Others Throw Away!

Small Firm's New Golf Ball Draws Hole-in-One Letters from All Over US

Now Possible to Shrink Hemorrhoids!

Ex-Factory Worker Gets \$242,456 for a Product You Can Get FREE!

Small Golf Firm's New "S" Ball Takes Distance Title in Ohio Competition

Good News for Back Sufferers

New Treatment for Itch

Now, Free Yourself of Debt

Special Introductory Offer

Doctors Prove 2 Out of 3 Women Can Have More Beautiful Skin in 14 Days

New Pill Gives Almost Complete Relief from Arthritis Pain!

Announcing... the New Edition of the Encyclopedia that Makes It Fun to Learn Things

California Lawyer Discovers How to Make Money at Home with the Help of the U.S. Government

Fountain of Youth Discovered by Little Known Civilization Over 2,300 Years Ago

The Inside Story of a Business that Requires So Little of Anything, You Could Run it Out of a Phone Booth

New York Lawyer Reveals the Insider's Way to Get Even

Greatest Bible News in 341 Years

Great New Discovery Kills Kitchen Odors Quick! Makes Indoor Air "Country Fresh."

Thousands Now Play Who Never Thought They Could

New House Paint by DuPont Keeps Your White House Whiter

To People Who Want to Write but Can't Get Started

To Men Who Want to Quit Work Someday

Former Barber Earns \$8,000 in 4 Months as a Real Estate Specialist

Why People in Vermont are Healthier, Less Overweight, Stay Young Longer, Live Longer than People of Any Other State in the Union

Canadian Man Discovers Secret of How to Live Like a Millionaire in World's Best Climate for Less than \$250 a Month

Ohio Man Discovers the Secret of How to Escape the American Rat Race!

The Secret to Being Wealthy

The Amazing Blackjack Secret of a Las Vegas Mystery Man!

Using a Lawyer May Be Dangerous to Your Wealth

The Amazing Diet Secret of a Desperate Housewife

Live Like a King in the Sunbelt on \$20 a Day

Lawyer Warns... Did You Make This Mistake in Writing Your Will?

How You Can Make a Fortune from the Trunk of Your Car

Pow! Wham! Denver Comics Fan Knocks Down a Fortune in Mags!

New Discovery Stops Dog and Cat Scratching

Researchers Discover Calorie Blocking Formula

American Homes for Just One Dollar!

Beauty Secret Guarded by 5 Million People

Heart Attack... the Billion Dollar Hoax

Wisconsin Woman Turns \$9 into \$5,000 with "Secret" Hobby

Real Estate Associates Wanted Now

Youth Becomes Real Estate Millionaire Before Age Thirty without Cash or Credit Risk

A Will May be Hazardous to Your Family's Financial Health

Prostate Problems? Latest Medical and Natural Treatments Revealed

The No-Gamble Lottery for People Who Don't Like to Gamble

20 Money-Making Businesses You Can Start from Your Kitchen Table

How I Made \$30,000 in 30 Days Teaching Swimming

Ex-Banker Tells You How to Make 8 Times More Money Than You're Now Making

Arizona Lady's Screwball Idea Creates Fun New Way to Make Money — Best Shot Yet at Financial Freedom?

New Approach Pioneered by Oregon Computer Nut Lets You Claim Your Slice of the Computer Billions

Free Book Gives You 63 Easy Ways You Can Boost Your Income 200% in Less than 90 Days!

21 Secret Ways to Find Out Fast if Your Husband is Cheating on You!

How Man of Modest Means Amassed Mail Order Fortune: Others Getting Richer, too.

Hot New Reports from Top Ad Expert Reveal 5 Amazing Secrets!

The "Midas-Secret" of a Man Who *Really* Escaped the Payday-to-Payday Rat Race

The Secret of Making People Like You

Who Else Wants a Screen Star Figure?

Do You Make These Mistakes in English?

Why Some People Almost Always Make Money in the Stock Market

Be an Electrician!

Quit Smoking!

Borrow by Mail!

The Truth About Getting Rich

Great Stocks Under \$25

Here Are the 10 Best Boats in the World

Here Are 133 Surprising Ways to Get Money from Washington DC

Dare to be Rich

Need More Money?

The Passport to Riches

Pregnant? The Sooner You Know, the Better

Why These Vitamins Can Make You Feel Peppier

Better Bread, Even Faster

Marketing Maverick

Computer Maverick

Cordless Wonder

Stop Taking Vitamins

Printer Bargain

Why Are We Giving Away Our (Whatever) for Only (Low Price)?

Imagine Me... Holding an Audience Spellbound for 30 Minutes!

They Laughed When I Sat Down at the Piano — but When I Started to Play!

Car Owners ... Save One Gallon of Gas in Every Ten

Hand Woven by the People of New Mexico

7 Ways to Break the Overweight Habit

Which of these Five Skin Troubles Would You Like to End?

You're Never Too Old to Hear Better

Can You Spot these 7 Common Decorating Sins?

Portable Car Garage... only \$5.98

Fortune Located in “Junked” Batteries

Instant Mail Order Opportunity

Announcing a New Course for Men Seeking Independence in the Next Three Years

Turn Your Crafts into Cash!

Video Money Secrets Unlocked

How to Speak Spanish Like a Diplomat!

Anything for a Buck?

In 5 Easy Steps You Can Become a Successful Mailing List Broker

Banker’s Secret

Confessions of a Million-Dollar “Opportunity Book” Writer

My Name is Paul Franklin and I’d Like to Make a Confession!

World Poker Champ Sells Secrets for \$9.95

Free Money!

The Amazing Secret of the Hottest Investment of the Last 5 Years!

Why I Left IBM to Clean Carpets

Work at Home. We Train You!

Make Money!

Riches in Your Attic!

Doctors’ Own Stunning Health Cures!

Looking for a Way to be Your Own Boss?

Do You Have Prostate Trouble? Older Men Avoid Surgery

ROACHES! I Had Them by the Hundreds, but Now I Don’t Have a Single Roach



Homeworkers Urgently Wanted Now!

Afraid You're Going Deaf?

Couple Attends Seminar, Gets \$105,000 to Buy Real Estate

67 Reasons Why It Would Have Paid You to Answer Our Ad a Few Months Ago

How to Improve Your Memory

How to Write a Good Advertisement

This Free Booklet Brought Me Back to Life

Young Man, be an Accountant!

How I Lost Weight by Over-Eating

I Haven't Aged in 20 Years. I Have a Secret Creme that Makes Me Look Forever Younger!

Woman "Rubs Away" Arthritis Pain After Reading Free Booklet

We Earned... \$40,500 the First Month! \$82,500 the Second Month! \$210,100 the Third Month! And *You* Can Do the Same!

Mail Order Wisdom... Free!

Money in Donuts!

Assemble Products at Home

Bronze Baby Shoes

I Fire Writers!

Bargain Books

Play Guitar in 7 Days or Your Money Back

Make a Career Out of Your Love of Animals!

"How to Make Your Computer as Easy to Use as Your Telephone..."

The Lazy Man's Way to Riches

Are You Over 55? "It's All Free for Seniors"

"Send Me to Any City in the United States. Take Away My Wallet. Give Me \$100 for Living Expenses. And in 72 Hours I'll Buy an Excellent Piece of Real Estate Using None of My Own Money."

New Lure Out-Fishes Live Bait 3 to 1; Could Be Banned From Tournaments.

These Pro Fishing Secrets Catch Bass Like Crazy

There are other great headlines, of course. But these should be plenty to help get your creative juices flowing.

### **Now, Here's How to Take All You've Learned and Create a Forceful Headline for Your Business**

Get out a sheet of paper and a pencil and write down all the benefits of doing business with you. What are the advantages of your product or service? What is the most powerful benefit? List everything you can think of. (If you had the opportunity to talk face-to-face with a prospect who was asking questions, what exactly would you tell them?)

Then rank them in order from the most valuable to the least.

Apply key words to each of the items on your list. Then use as many of the "magic words" as you can that will CALL ATTENTION to your headline. Do this by adding the hot words to the advantage or benefit of your product or service. For example, you've just written a book titled "Making Your Car Last Longer." (Should I mention I don't like your title?)

Anyway, list all the benefits of owning this book. Like conserve money, maintain value, keep the car you love longer, and so on. When you apply some "magic words" such as save, maximize, enjoy your headline might look like this:

How to Save Maximum Money  
and Enjoy the Car You Love  
10 Years Longer

OK, I don't really like that headline either. But it's an example on how you can create a winning headline for your product, service or business. I'm sure you can do better... so why not take my example and re-work it. It'll be good practice.

Remember... **the headline is an emotional appeal to your prospect's self interest.**

One more thing. You now know the vital importance of creating a good headline. I promise you this... when you select your best five headlines from the hundred, or so, you write, one of them will out-pull your current headline by 100% to 900%. Perhaps more. That's the power of a great headline.

Now, time to move on

## Section No. Three

### Mail Order Operations Made Easy

#### Business Fundamentals 101

You've chosen a product or a service for your new "Mail Order" venture. Next, consider such questions as: Are there customers for my product and service? How do I know? How will I find them. Who are my competitors? What will I charge? How will I promote my product and service? Finding the answers to these questions is the challenging and sometimes tedious homework that will help you determine your chances for success.

#### What Is My Product?

Getting a clear idea of a business concept is one of the most difficult tasks in creating a business. Your vision may change several times as you experiment with the market and test your skills. Instead of "I make removable tattoo patterns," you may want to narrow your product line to "I create custom personalized removable tattoos for fund raising groups." See how it feels to describe your product or service to family, friends, potential customers, and fellow business people. Is your description clear and brief? Can you say it with confidence and enthusiasm?

#### Who Will Buy It?

To develop and test your business idea, answer the question "Who will buy my product or service?" Make a list of potential customers: individuals, groups, segments of the population, or other businesses that need your product or service. If you're producing sports caps, how will you quickly and inexpensively find a market? Through local coaches? School fund raisers? Sporting goods stores? Mail order catalogs? Ask friends and colleagues for help in brainstorming all the possible markets (customers) and uses for your product or service.

#### Who Is The Competition?

Your business planning must also include an up-to-date analysis of your competition. Why? Because you need to plan your market position — how you will fit into the marketplace, what is your niche... what is your Unique Selling Position (USP)?

Will your product or service be cheaper or more expensive than that of the major competitors? Will it be more durable? Will you be open during hours that your competitors are closed? What benefits can you build into your product or service that your competitors don't offer? Will you do rush or custom orders? Do you offer sales and/or help on the Internet?

In planning your business, look for a unique niche that will give you freedom from strong competition or that will make your product or service more valuable than others in the market. The more you can learn about your competition, the better you'll be able to decide how to position yourself in the market.

Newspaper ads and trade magazines are other good sources of market information. Check also with the Chamber of Commerce, your county office of economic development, the Census Bureau, and business and professional organizations to gather market and pricing data.

### **Where Are The Buyers? How Can I Find Them?**

As you become more familiar with the competition, you'll also be discovering where and how to find buyers. You'll need to do market research to determine if there are buyers for your idea, where they are, and how to find them. (And in the process, you will also be gathering information on pricing. See Lesson on Pricing.)

Visit your local library to compile local and county statistics on the size and makeup of your market. While you're at the library, check out some books on marketing research so you'll better understand the methods.

When your marketing research is completed you will have:

1. Identified your potential customers
2. Found out all you can about their habits, needs, preferences, and buying cycles
3. Decided how best to reach them to generate sales.

### **How Much Shall I Charge?**

Four main factors will help you decide what to charge for your product or service:

1. Your direct and indirect costs
2. The profit you want to make
3. Your market research data on competitors' prices
4. The urgency of the market demand.

There is rarely an exact "right" price but rather an acceptable price range within which you will want to fall. Avoid the common mistakes made by many new business owners — charging too much or too little. Use several approaches to arrive at a cost and "test" the price. If your ego is too involved,

your price may be too high. On the other hand, if you have the attitude that “this is just a little something I do in my spare time” or “anybody could do this,” then your price may be too low. (See the Lesson on Pricing.)

Remember, the main purpose in operating a business is to make a profit. Don’t undersell your product or service just because “I’d be making crafts anyway” or “I’m just starting out” or “I work out of my home” or “I’d be making these things as a hobby anyhow.” If you have a new, rare, handmade product or personalized service, the demand may be so high that customers are willing to pay more.

For example: there are many woodturners who make custom wooden pen and pencils in their home shops. Prices range from \$25 to \$150, or so. And you can find wooden pens in most stores and online. However, a friend of mine makes custom pens from million-year-old fossilized wood. He sells all he can make for several hundred — in some cases, thousands — of dollars.

## **Promotion**

Promotion is an overall, long-range plan designed to inform potential customers about what you have to sell. Advertising is usually thought of as the paid communication part of the promotion program.

To develop a total promotional campaign you must answer these questions:

1. What image or message do I want to promote?
2. What are the best media and activities for reaching my potential customers?
3. How much time and money can I spend on the effort?

Develop a long-range, consistent program for building image and reaching customers. Your image should be reflected in your business card, logo, stationery, brochure, newsletter, telephone and answering service, signs, paid ads, and promotional activities.

Word-of-mouth recommendations — testimonials — from satisfied customers are the very best promotion any business can have. Consider which promotional tactics will build the confidence and image you are looking for — giving speeches and interviews (often good for the counselors, teachers, lawyers, consultants), having an open house or holiday home sale (for craftspeople), holiday recitals or shows (for music and dance teachers or day-care operators), free demonstrations and samples (for retailers, decorators, caterers).

Several small ads most often have a greater impact than one large, splashy ad. *Conduct a campaign* rather than having a one-shot ad or event. For over a quarter century, I’ve written hundreds of powerful small ads. I’ve personally experienced, as have my clients, how these little powerhouses consistently bring in customers year after year. For more information on how they can work for you, read “How One Tiny, Powerful Ad Can Make You a Fortune” later in this Course.

If you hire a public relations firm, look for one that can give you personal attention and develop a total marketing plan for you, not just a couple of ads. The plan should include market research, a profile of your target audience, a clear description of the image they recommend you project, the written copy, and a list of media (including cost and scheduling calendars) that are best for your type of product or service. As a new small business owner, you'll probably decide to set aside a certain dollar amount per year or a percentage of past, current, or projected sales for paid advertising.

### **Choosing Your Form of Business Organization**

One of the most important decisions you will make is how to set up the business as a

1. Sole Proprietorship
2. Partnership
3. Limited Partnership
4. Corporation
5. Limited Liability Company

Remember, the small business owner risks it all, no matter what form of organization. The forming of a business organization depends on the following factors:

1. Legal Restrictions
2. Need for capital
3. Liabilities assumed
4. Number of people associated in the venture
5. Kind of business or operation
6. Tax advantages or disadvantages
7. Intended division of earnings
8. Perpetuation of the business

Most home-based businesses are sole proprietorships or partnerships, but a comparison of the advantages and disadvantages of each type of organization is discussed by home business expert and attorney Elena Fawkner, as follows...

#### **What's in a Name?**

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How's business? Humming along nicely? Good ... glad to hear it. Take a seat. We're going to talk about what you need to start thinking about now that your business is off the ground, so to speak.

When you started your business, you may have done so on a part-time basis while you continued with your full-time job. Perhaps you're still doing double duty. If so, it's possible that you haven't really given too much thought about the tax and legal ramifications of the legal entity you have chosen for your business. After all, it's hardly something to worry about when you're just starting out. After all, who knows whether this thing's going to fly, right? At some point, though, once your business begins to get off the ground, you do need to turn your mind to such things. Now that your bird is in the air, it's time to give some serious thought about the entity you're using for your business.

In this article, we'll discuss the main forms of legal business entities and the advantages and disadvantages of each so you can begin thinking about which one is best suited for you, your business and your circumstances.

Of necessity, we're only concerned with general issues here. Each state/province/country is different and you will need to take the advice of your own professional adviser (lawyer or accountant) before making a final decision that's right for you.

While this discussion will be focusing on entities most commonly used in the United States, most of them exist, in some fashion or another, all around the world (although some of the finer details will vary). For this reason, this article is only intended as an issue-spotter and thought-starter and should not be used as a substitute for independent professional advice.

## SOLE PROPRIETORSHIP

The most simple form of business entity, the sole proprietorship, is just that ... one person who is the sole owner of the business. If you're running your business under your own name or under a fictitious business name that you have filed with the state (and that fictitious name has not been filed by a partnership of which you are a member or by your company) you are a sole proprietor. You are required to file a fictitious business name if your surname does not appear in the name of your business or the name of your business suggests the existence of other owners.

Under this form of business entity, the owner and the business are legally inseparable. In other words, the business does not have an existence separate and independent from its owner.

### Advantages

The advantages of a sole proprietorship are that it is simple and inexpensive to set up (you've probably done it without even realizing just by signing up for and promoting an affiliate program, for



example); the owner reports the business's profit/loss on his or her personal income tax return (the business doesn't have to file a separate tax return); the owner may offset a business loss against other income; and the owner has total management and control of the business.

#### Disadvantages

The disadvantages of a sole proprietorship are that the owner has personal, unlimited liability for the debts of the business; the owner may find it difficult to obtain finance; community property is at risk if the owner is married and the owner is personally liable for the acts and omissions of agents and employees.

A sole proprietorship may be a good choice for you if you are in sole control of your business (i.e. you don't use agents or employees) and where personal liability for business debts is not a major concern. When your business starts to grow, however, and you begin adding employees, incurring significant debts or need to source venture capital of any substantial amount, it may be time to consider another form of entity for your business.

## PARTNERSHIP

The next step up from sole proprietorship is a partnership. A partnership is a business with more than one owner that is not incorporated and that is not a limited liability company (corporations and LLCs are discussed below). In a partnership, each partner shares in the management of the business and in the liability for the acts of fellow partners.

The internal workings of the partnership are governed by a partnership agreement which should include issues such as the authority of the partners, the name and purpose of the partnership, each partner's respective contribution to the partnership (whether in the form of money, time, expertise or other services); payments to be made by the partnership to the partners in the form of profits and drawings; the management duties of the respective partners and how to handle the addition of new partners and the withdrawal of existing partners. In the absence of a partnership agreement, the profits and losses of the partnership are distributed equally amongst the partners. If this is not the intention (for example, because of a disparity between partners' respective contributions), the partnership agreement should provide for this.

#### Advantages

As with a sole proprietorship, a partnership is relatively simple and inexpensive to set up; each partner reports his or her share of the partnership profits or losses on their personal income tax return (again, the partnership doesn't have to file its own tax return); a partnership offers a deeper talent pool than does a sole proprietorship; the burden of running the business is shared and, generally speaking, a partnership is stronger financially than a sole proprietorship.

#### Disadvantages

As with a sole proprietorship, however, the partners are each jointly and severally (i.e. together and separately) liable for the debts and other obligations of the business. In addition, each partner is liable for the acts of the other partners (within limits). Another potential disadvantage is that because decision-making authority is divided, disagreements may arise which may cause friction between the partners. It would be a good idea to provide for a dispute resolution mechanism in the partnership agreement to overcome deadlocks.

## LIMITED PARTNERSHIP

A limited partnership offers a useful compromise for the business that wants to attract capital but doesn't want to relinquish control of the business. A limited partnership is one in which there are two types of partners: "general" and "limited". A general partner has exactly the same rights and obligations as a partner in a traditional partnership arrangement (discussed above). A limited partner, however, contributes financially to the business but has minimal control over its management. So long as the limited partner stays out of the control of the business and doesn't get involved in any misdeeds that adversely affect the partnership and the other partners, he or she enjoys a cap on personal liability set at the amount of the investment or the amount received from the partnership after it became insolvent.

### Advantages

In addition to the advantages discussed above of a normal partnership, a limited partnership offers the additional advantage of being a way for the general partners to raise cash without involving outside investors in the management of the business and without having to deal with the intricacies of creating a corporation and issuing stock.

### Disadvantages

For the general partners, the disadvantages are the same as for a normal partnership. In addition, it should be noted that a limited partnership is more expensive to create than a general partnership.

## CORPORATION

A corporation (or company) is an entity created and regulated by state law (at least in the US). A corporation is a separate entity from those who create it; it is, in fact, known as a legal "person."

### Advantages

Because the corporation is a separate legal entity, the shareholders (owners) are protected against personal liability by a corporate "veil" or "shield." The corporate veil limits the owners' personal liability because, as the corporation is a legal entity unto itself, it has capacity to enter into contracts, incur debts etc. in its own name and therefore only the assets of the corporation are at risk.

In practice, however, lenders and other contracting parties will typically require personal guarantees from the directors and/or shareholders so such protection is probably pretty illusory in a practical sense.

Unlike a partnership, however, individual owners are protected from the misdeeds of fellow owners so long as the corporate entity is not merely an “alter ego” for the shareholders. (Alter ego liability will arise if, in litigation, a court finds that the corporate arrangement is nothing but a sham; a way of protecting individual shareholders/owners from liability for premeditated misdeeds. In such circumstances the court will “lift” or “pierce” the corporate veil and attach personal liability to the individuals behind the company.)

One particular advantage of a corporate structure for a business is that it may afford the owners a more favorable tax treatment because of what is known as “income splitting.” Essentially, because the first \$75,000 (or whatever amount applies in your jurisdiction) of retained profits are taxed at separate corporate income tax rates that may be lower than the individual income tax rates of the business owners, owners who work for their own corporation can split income between themselves and the corporation which may mean a lower overall tax bill. Check with your lawyer or accountant about whether this is something you can take advantage of.

Finally, because a corporation issues stock, it is an ideal vehicle for bringing in outside investors or rewarding employees with stock options.

#### Disadvantages

The main disadvantage of a corporation is that it is more expensive to create than a partnership (general or limited) or a sole proprietorship. For this reason, you should probably (subject to legal and accounting advice) only consider it if your business faces or is likely to face substantial risk (and even if it does, consider whether insurance may not be a more cost-effective protection); you want to raise substantial amounts of capital or there are significant tax benefits available to you under such a structure.

Also, you may find the paperwork onerous. Many companies will use their lawyers to attend to the various filing and annual formalities rather than attempting to do it all themselves.

Because a corporation is a separate legal entity apart from the owners, it is also a separate taxable entity. This means the corporation must file its own tax return and this can lead to double taxation. Income is taxed twice: once in the hands of the corporation because dividends are not tax-deductible and again in the hands of shareholders who must pay tax on dividends received. On the other hand, however, where shareholders are also employees, they can receive salaries and bonuses as compensation rather than dividends and the corporation can then claim such amounts as are “reasonable” as an expense.

One way of avoiding the double taxation problem is to elect to be taxed as an “S corporation” if eligible to do so. If a company is eligible, the shareholders can file an election with the IRS to have

corporate profits/losses flow through the corporation directly to the shareholders who then declare the profit/loss on their personal income tax return. The S corporation does not have to file an income tax return itself. There are limitations on the types of corporation that can elect an “S corporation” status including the number and residency of shareholders. Talk to your lawyer or accountant for more information if this sounds like something you may be interested in.

## LIMITED LIABILITY CORPORATION

A limited liability corporation (or “LLC”), fits somewhere between sole proprietorship/partnership and a corporation. Similarly to an S corporation, the members (owners) of an LLC are taxed on business profits which flow through the corporation to be declared on their personal income tax returns. In other words, like an S corporation, an LLC is not a separate taxable entity. Like a corporation, however, an LLC IS a separate legal entity so all owners are protected from personal liability for business debts and other obligations. Note that as with a normal corporation, the protection is not absolute. Owners will still be liable if they sign personal guarantees and they must beware of alter ego liability (discussed above).

### Advantages

LLCs offer a more favorable tax treatment than a normal corporation because the IRS rules allow LLCs to choose between being taxed as a partnership or a corporation. An LLC is also more flexible than a corporation when it comes to allocating profits/losses and management duties. Unlike a corporation, profits and losses can be allocated independently of ownership interests. An LLC is also less expensive to set up and maintain than a corporation.

### Disadvantages

There would seem to be few disadvantages associated with an LLC other than that it is more expensive to set up and maintain than a sole proprietorship or partnership. Perhaps the greatest potential disadvantage is one of uncertainty. The LLC is a relatively recent creation of the legislature and, as a result, many issues that may be expected to arise have not yet been tested by the courts.

As you can see, there are several business entities to choose from for your business; each of which has its own advantages and disadvantages. What is right for you depends on your particular circumstances: your personal financial situation; the financial risk inherent in your business; your business’s financial position and whether capital needs to be raised; the level of control you want to exert over management decisions and many other considerations. It is therefore imperative to seek professional legal advice before making a final decision but do seek it. Your business is a serious undertaking. Protect it and protect yourself.

Elena Fawcner is editor of A Home-Based Business Online ... practical ideas, resources and strategies for your home-based or online business. Visit AHBBO at <http://www.ahbbo.com>.

## Record Keeping

Keeping accurate and up-to-date business records is, for many people, the most difficult and uninteresting aspect of operating a home-based business. If this area of business management is one that you anticipate will be hard for you, plan now how you will cope. Don't wait until tax time or until you are totally confused. Take a course at the local community college, ask a volunteer SCORE (Service Corps of Retired Executives) representative from the Small Business Administration to help you in the beginning, or hire an accountant to advise you on setting up and maintaining a record keeping system.

Your records will be used to prepare tax returns, make business decisions, and apply for loans. Set aside a special time each day to update your records. It will pay off in the long run with more deductions and fewer headaches.

If your business is small or related to an activity that is usually considered a hobby, it's even more important that you keep good records. The IRS may decide that what you are doing is only a hobby, and you won't be allowed to deduct expenses or losses from your home-produced income at tax time. So keep records of all transactions in which you spend or bring in money. Pick a name for your business and register it with local or state regulatory authorities. Call your city hall or county courthouse to find out how.

Your records should tell you these three facts:

1. How much cash you owe
2. How much cash you are due
3. How much cash you have on hand

You should keep five basic journals:

1. **Check register:** Shows each check disbursed, the date of disbursement, number of the check, to whom it was made out (payee), the amount of money disbursed, and for what purpose.
2. **Cash receipts:** Shows the amount of money received, from whom, and for what.
3. **Sales journal:** Shows the business transaction, date, for whom it was performed, the amount of the invoice, and the sales tax, if applicable. It may be divided to indicate labor and goods.
4. **Voucher register:** A record of bills, money owed, the date of the bill, to whom it is owed, the amount, and the service.
5. **General journal:** A means of adjusting some entries in the other four journals.

## Choosing a Record keeping System

Set up your records to reflect the amount and type of activity in your particular business. There are a wide range of pre-packaged record keeping systems. The SBA's pamphlet *Small Business Bibliography No. 15* lists many such systems. The most useful system for a small, home-based business is usually based on what is called the "One-Write System." It captures information at the time the transaction takes place. These One-Write Systems are efficient because they eliminate the need for recopying the data and are compatible with electronic data processing when you decide to computerize.

Even though you may be small and just beginning, it's probably wise to consult an accountant to help you decide which record keeping system is best for your business. Once it's set up, you can record the daily transactions or periodically have a bookkeeper post your daily transactions in your General Ledger and prepare your financial statements.

Be sure to establish a separate bank account for your business — even before the first sale. Then you will have a complete and distinct record of your income and expenditures for tax purposes, and you won't have to remember which expenses were business and which were personal.

It's important to choose a record keeping system that you understand and will use. It will help you see how well the business is doing and is the first step in responsible financial management.

### **Tax Obligations and Benefits**

Significant tax savings are available to the home-based business owner in the form of deductions, credits, and depreciation allowances. The time, money, and energy you put into keeping good records and keeping current on tax laws will be worthwhile and ensure that you operate within the law. You'll need to plan for income tax, social security (all self-employed persons must pay a federal self-employment tax), employees' taxes (if you hire anyone), property tax on your home and business-related taxes, such as sales tax, gross-receipts or inventory tax (in some states and localities), and excise or individual item taxes (on certain commodities).

The Internal Revenue Service supplies the following free booklets (and runs free workshops) to give you details on your specific obligations:

*Your Federal Income Tax* (Publication 17)

*Tax Guide for Small Business* (Publication 334)

*Business Use of Your Home* (Publication 587)

*Employer's Tax Guide* (Circular E)

*Self-Employment Tax* (Publication 533)

*Tax Information on Retirement Plans for the Self-Employed* (Publication 560)

*Tax Information on Depreciation* (Publication 534)

*Information on Excise Taxes* (Publication 510)

*Tax Withholding and Estimated Tax* (Publication 505)

There are various federal and state forms you will need to fill out to start a small business. The federal government requires you to fill out several forms including the following:

Application for Employers Identification Number (Form SS-4) (If you have employees or are subject to excise tax)

Employer's Annual Unemployment Tax Returns (Form 940)

Employer's Quarterly Federal Tax Return (Form 941)

Employee's Withholding Allowance Certificate (W-4)

Employer's Wage and Tax Statement (W-2)

Reconciliation/Transmittal of Income and Tax Statements (W-3)

As a home-based business owner you should be aware that every business decision — each purchase and transaction you make — has tax implications or built-in tax advantages or disadvantages. Deductions may be available for home maintenance and improvements; automobile expenses; telephone expenses; office and work space; inventory space; major purchases, such as computer; and a wide variety of other items like uniforms, coffee service, trademarks, a safe deposit box, credit bureau fees, and business cards.

Each business situation is different and tax laws change, so consult up-to-date references, a trusted attorney, and an accountant who can advise you on your particular obligations and benefits.

## **Insurance**

Insurance helps to safeguard your business against losses from fire, illness, and injury. You cannot operate without it. Talk with an insurance representative about your business needs. Check with the insurance carriers on your home policy and make sure business use of your home is compatible with your homeowner's policy. In addition to a homeowner's policy (personal plan), now that you have a business, you'll need a commercial policy for full protection. Discuss these other possible needs with your agent:

Product Liability Coverage: to protect you in case your product causes injury to the user

Auto Liability and “Non-owned” Auto Liability Insurance: if a car is ever used to support the business in any way

Medical Payments Insurance: payable if someone is injured in your home whether or not it was your fault

Worker’s Compensation: if you have employees

Business Interruption Insurance or Earnings Insurance: in case your business is damaged by fire or some other cause and you must totally or partially suspend operations

Disability Income Protection: a form of health insurance in case you become disabled

Business Life Insurance: to provide funds for transition, if you die

Be sure to keep all your insurance records and policies in a safe place — either with your accountant or in a safe deposit box. If you keep them at home for convenience sake, then give your policy numbers and insurance company names to your accountant or lawyer or put it in your safe deposit box.

Final advice for the wise business person is to read and understand the fine print in all policies and to reevaluate business insurance needs about every six months.

### **Other Considerations**

Another aspect of planning is sheltering tax dollars through a 401-K or corporate pension and profit-sharing plans, if your business is incorporated, or a retirement plan.

If you have a partnership, consider making a Buy/Sell Agreement with your partner(s). This agreement requires the surviving partner(s) to buy, and the heirs to sell, the deceased partner’s interest. The surviving partner(s) then becomes the sole owner(s) and the heirs receive cash for their share of the business.

### **Zoning, Licensing, Permits, and Others**

Unfortunately, many home-based business people try to “slide” into business, saying “I’ll just try it for a few months and see how things go” or “It’s not really a business. I have only ten clients.” This attitude can lead to a lack of planning and big disappointments. If you set up your studio, print business cards and flyers announcing classes, and then find that regulations make it illegal to operate out of your home, you may have to start all over.



## **Zoning**

Before you start your home-based business, do a thorough investigation of the zoning laws in your community. Zoning regulations spell out activities permitted and prohibited in specific portions of a city or county. Call your town hall, zoning office, or local library to get a copy of zoning laws. Find out the structure of your local zoning groups. Most areas have Planning, Zoning, and Appeals Boards.

If the home business you're planning conforms to zoning regulations then all you need to do is keep abreast of new proposals that may affect your situation. It's a good idea to stay in touch with others operating from their homes by joining business organizations or neighborhood groups in case you ever need to band together to propose or oppose new regulations. Maintaining a low profile and friendly relations with your neighbors will result in more support from them should adverse regulations affecting your business ever be proposed.

If, through your research, you discover that the home business you're planning would violate the zoning code, there are several possible ways to proceed. You might wish to check with an attorney who specializes in zoning law to look for a legal way around the regulation. You might decide to apply to the Zoning Board for a variance or exception. Or you may be able to change your business enough to make the operation fit the law. If the regulation outlaws businesses that employ people other than the owner at home, maybe you can have employees take work to their own homes. If your business will create too much traffic, consider another strategy for product distribution. If your business will create too much noise, maybe you can soundproof your house.

At last resort, ask yourself. "Is it worth it to organize a drive to change the law?" Considering the rapid growth in the number of home-based businesses, you just might find other entrepreneurs who are also interested in submitting a change in the regulations to the Zoning Board. Go to meetings of the Board and try to identify the person who appears most active and most sympathetic to your position.

In the unfortunate and unlikely (most zoning officers don't have time to chase people who aren't bothering anybody) event that you are issued a "cease and desist" order, you should:

1. File an appeal immediately with the Appeals Board (if you interpret the regulations differently than they do)
2. Submit a change in the regulation to the Zoning Board to allow your business, which may enable you to continue to operate without fines until the Board reaches a decision. You may need a lawyer if you are not entirely familiar with the regulations and the workings of the Board.

Cultural and national trends point in the direction of zoning regulations that allow quiet, non-polluting, low-traffic kinds of home businesses such as mail order and Internet-related operations. More and more businesses are employing people to work at home. Most neighborhoods will adopt a "live and let live" attitude, if you keep your premises neat and quiet and don't create traffic and parking problems.

## **Keeping Up With Zoning Legislation**

There are two ways to keep up with zoning legislation in your community (and with other topics of interest to home-based entrepreneurs). One way is to read local newspapers, especially the business section and the local or “neighborhood” sections. Be sure you notice local items about such things as proposed subway stations or the county’s plan for revitalization. Changes like these could eventually influence zoning in your area.

The other way to keep abreast of trends and zoning issues is to join the local Chapter of a business group, such as the Rotary Club, the National Association of Women Business Owners, your local Chamber of Commerce, the National Family Business Council, or a Business and Professional Women’s Club. Through newsletters, meetings, and friendships that develop, you’ll hear all the latest local (and national) issues discussed while you learn valuable business skills and make useful contacts.

## **Working With Professionals**

Even the smallest and newest business needs help from at least two kinds of specialists: an attorney and an accountant. Depending on your type of business and your skills you may, from time to time, ask the advice of other professionals, such as a direct mail or marketing specialist, an insurance representative, management consultant, a computer specialist, a realtor, a public relations expert.

Several guidelines will hold true no matter what type of expert you are dealing with:

1. Interview professionals to see if you will be comfortable working with them. Make sure they have served other small businesses similar to yours. Find out ahead of time exactly what service you are buying, what the working relationship will be and what fees will be charged.
2. Be completely honest about your business situation. Advice based on partial or incorrect information is no advice at all. If you’re having problems, don’t be embarrassed. If your sales are down, give the experts all the information you have and work as a team to solve the problem. If business is good, don’t be afraid that professionals will steal your idea or expect a raise. Build a trusting, businesslike relationship.
3. Expect the professionals you hire to spend at least some of their time teaching you and explaining complex concepts. But don’t expect to be spoon-fed or delegate all decisions to them. Take a course at the local community college in record keeping and taxes or public relations to develop more skill in areas where you are inexperienced.
4. Keep your appointments and pay your bills promptly.

## **Your Lawyer**

To find a lawyer who is familiar with businesses of your size and type, ask for a referral from a

business colleague, your accountant, the local Chamber of Commerce, your banker, or some other trusted source. Some local bar associations run a lawyer referral and information service. Some just give you names; others actually give information on experience and fees to help you match your needs to the lawyer's background and charges.

A lawyer can help you decide which is the most advantageous business structure (sole proprietorship, partnership, LLC or corporation). He or she can help you with zoning, permit, or licensing problems; health inspection problems; unpaid bills; contracts and agreements; patents, trademarks, copyright protection; and some tax problems.

Because there is always the possibility of a lawsuit, claim, or other legal action against your business, it's wise to have a lawyer who is already familiar with your business before a crisis arises. A lawyer experienced with your type of venture should also advise you on laws, programs, and agencies — federal, state, and local — that help small businesses through loans, grants, procurement set-asides, counseling, and other ways. He or she will tell you about unexpected legal opportunities and pitfalls that may affect your business.

In choosing a lawyer, experience and fee should be related. One lawyer may charge an hourly rate that, at first, looks cheaper than another lawyer's. However, because of a lack of experience in some area, the less expensive lawyer may charge a larger fee in the long run. Ask for a resume and check references. If you feel overwhelmed, take a trusted friend to the initial meeting to help you keep on track as you interview the lawyer about services and fees.

If you retain a law firm, be sure you understand who will work on your case and who will supervise the work. If junior lawyers handle your work, the fees should be lower. That's fine as long as you know an experience attorney will be reviewing the case periodically.

Let your lawyer know that you expect to be informed of all developments and consulted before any decisions are made. You may also want to receive copies of all documents, letters, and memos written and received in your case or have a chance to read them in the lawyer's office.

Ask the attorney to estimate the timetable and costs of your work. You may wish to place a periodic ceiling on fees, after which he or she would call you before proceeding to do work that would add to your bill. Always have a written retainer agreement, describing just what you and the lawyer expect of each other.

## **Your Accountant**

Most businesses fail not for lack of good ideas or good will, but rather for lack of financial expertise and planning. Look for an accountant as you would an attorney. Get referrals from trusted friends, business associations, or professional organizations. Discuss fees in advance and draw up a written agreement about how you will work together.

Your accountant (along with your lawyer) can advise about initial business decision, such as the form of the business. Your accountant will help set up your books, draw up and analyze profit and loss statements, advise on financial decisions (e.g., buying a computer), and give advice on cash requirements for your start-up phase. He or she can make budget forecasts, help prepare financial information for a loan application, and handle tax matters.

Accounting firms offer a variety of services. If this is not an easy area for you, the fees you pay will be well worth it. Most firms will maintain books of original entry, prepare bank reconciliation statements and post the general ledger, prepare balance sheets and income statements on a quarterly or semi-annual basis, and design and implement various accounting and record keeping systems.

They will also get your federal and state withholding numbers for you, give instructions on where and when to file tax returns, prepare tax returns, and do general tax planning for the small business person.

Your accountant is your key financial advisor. He or she should alert you to potential danger areas and advise you on how to handle growth spurts, how to best plan for slow business times, and how to financially nurture and protect your business future.

### **State and Federal Laws That May Apply to Your Business**

Most localities have registration and licensing requirements that will apply to you. A license is a formal permission to practice a certain business activity, issued by a local, state, or federal government. You may have the type of business that requires a permit from the local authorities. There is often a small fee for licenses and permits (usually \$15 - \$25). A license may require some kind of examination to certify that the recipient is qualified. Your business name must be registered and a sales tax number must be obtained. Separate business telephones and bank accounts are usually required.

Of course, you'll want to have the latter anyway for accurate bookkeeping purposes. If you have employees, you're responsible for withholding income and Social Security taxes. You must also pay worker's compensation and unemployment insurance and comply with minimum wage and employee health laws.

If your operations are intrastate, you will be concerned primarily with state and local, rather than federal, licensing. Businesses frequently subject to state or local control are retail food establishments, drinking places, barber shops, beauty shops, plumbing firms, and taxi companies. They are primarily service businesses and are subject to regulations for the protection of public health and morals. Your attorney can help you make sure you have complied with all licensing and permit requirements. Depending on your type of business you may have to comply with building and safety codes, too.

Think twice about the liabilities of operating without proper licenses and registrations. If you

begin to advertise or are fortunate enough to “make the news” in some way, you will probably hear from a local official. You’ll pay with embarrassment, time, and money if your business is not properly licensed.

If you find legal regulations, permits, and licenses confusing, make sure you find some way to get the information you need to operate legally. Get help from your lawyer, accountant, business partner, or even your local librarian. This is not an aspect of business operations that can be delayed until you “get around to it.” Your business reputation and financial standing are at stake.

## **Understanding the Financial Side**

Who needs financial planning? You do! All businesses run on money for the purpose of making money. A major reason for business failure is the lack of financial planning. Although it’s nearly impossible to make exact estimates, approximate ones will help. The very process of thinking through these financial questions will develop your business acumen and lead to solid planning. Get your accountant involved in reviewing your plans and advising you, too.

## **Estimating Start-Up Costs**

Begin your financial planning by estimating your initial or start-up costs. Include all items of a nonrecurring nature such as fees, licenses, permits, franchise fees, insurance, telephone deposit, tools, equipment, office supplies, fixtures, installation of fixtures and equipment, remodeling and decorating, funds for your opening promotional event if you plan to have one, signs, and, of course, professional fees for your attorney and accountant.

Depending on your type of operation, the amount of money you invest, and the energy you expect to put in (part-time to full-time) can determine how much working capital you will need. Many business experts say if you expect a profit in six months, double that time and be ready to operate without profits for twelve months to give yourself a cushion in case of unanticipated expenses or delays. Study the growth patterns of other similar business and ask for advice from your accountant and attorney.

## **Projecting Operating Income and Expenses**

Next, estimate the “working” capital you’ll need to keep operating for six to twelve months. Operating expenses include salaries; expenses for telephone, light, heat, office supplies, and other supplies or materials; debt interest; advertising fees; maintenance costs; taxes; legal and accounting fees; insurance fees; business membership fees; and special services expenses, such as secretarial, copying, Internet Service Providers, and delivery service.

It’s a good idea to obtain typical operating ratios for the kind of business in which you are interested. Among the sources for such ratios are *Robert Morris Associates*, *Dun & Bradstreet, Inc.*,

the *Accounting Corporation of America*, your bank, trade associations, publishers of trade magazines, specialized accounting firms, industrial companies, and colleges and universities. The typical ratios for your type of business combined with your estimated sales volume will service as benchmarks for estimating the various items of expense. However, don't rely exclusively on this method for estimating each expense item. Modify these estimates through investigation and quotations in the particular market area where you plan to operate.

In addition to business operating capital, you'll need to plan for reserve capital to cover personal expenses. This estimate will include all your normal living expenses, such as food, household expenses, car payments, rent or mortgages, clothing, medical expenses, entertainment, and taxes for you and your family.

After you have estimated start-up costs, working or operating capital needed for six to twelve months, and personal expenses and obligations, you may see that you need more start-up capital than you thought. What will you do? Discuss this with your accountant, attorney, and trusted business associates and family. Entrepreneurs secure needed capital in a variety of ways. You can:

1. Get loans or gifts from family members or friends. Make businesslike, written agreements and be sure to disclose fully the potential risk as well as the possible profit.
2. Apply for a bank loan. For this you will need a comprehensive statement of your personal financial condition and a business plan with financial projections to present to the loan officer. If you need help in preparing your loan application, take a course for small business people at a local community college or visit your nearest SBA office to get assistance from a SCORE counselor.
3. Apply for an SBA loan guarantee. The SBA is not a bank, but it does extend guarantees and may rarely participate in a loan when the bank is unable or unwilling to provide the entire financing itself. The SBA loan officer will ask you the same hard questions as a loan officer in a commercial bank and require the same carefully considered data on your personal finances, start-up costs, and business projections.
4. Search for some sort of venture capital. For start-up entrepreneurs some prior managerial or entrepreneurial track record is usually necessary in order to get venture capital. The main disadvantage of venture capital is that you will probably have to give up between 50 to 90 percent ownership of the new business in return for the capital. A home business is extremely unlikely to attract venture capital.

### **Understanding Your Balance Sheet**

Your Balance Sheet is a summary of the status of your business — i.e., its assets, liabilities, and net worth at an instant in time. By reviewing your Balance Sheet along with the Profit and Loss Statement and Cash-Flow Statement, you'll be able to make informed financial and business planning decisions.

The Balance Sheet is drawn up using the totals from the individual accounts kept in your General Ledger. It shows what you have left when you pay all your creditors. Assets less liabilities equal capital or net worth. The assets and liabilities sections must balance — hence the name Balance Sheet. It can be produced quarterly, semi-quarterly, or at the end of each calendar or fiscal year.

While your accountant will be most helpful in drawing up your Balance Sheet, it's you who must understand it. Current assets are anything of value you own such as cash, inventory, or property that the business owner can convert into cash within a year; fixed assets are things such as land and equipment. Liabilities are debts the business must pay. They may be current (such as amounts owed to suppliers or your accountant) or they may be long-term (such as notes owed to the bank). Capital (also called equity or net worth) is the excess of your assets over your liabilities.

Prepare a Balance Sheet for your new business during the planning phase to estimate its financial condition at that time and also a projected one for the first year of business. This will help you decide on the feasibility of your venture and make modifications to ensure profitability. You can also use these statements as part of the documentation in a loan application.

### **Understanding Your Profit and Loss Statement**

Your Profit and Loss Statement is a detailed, month-by-month tally of the income from sales and the expenses incurred to generate the sales. It is a good assessment tool because it shows the effect of your decision on profit. It is a good planning tool because you can “try out” decisions on paper before actually going ahead.

The Profit and Loss Statement includes four kinds of information:

1. The Sales information lists the number of units sold and the total revenues generated by the sales.
2. The Direct Expenses category includes the cost of labor, materials, and manufacturing overhead (but not normal overhead).
3. Indirect Expenses are the costs you have even if the product is not produced or the service is not delivered. They include the fixed costs (or normal overhead) of salaries, rent, utilities, insurance, depreciation, office supplies, taxes, and professional fees for your lawyer and accountant.
4. Income or Profit is the last category on the Profit Loss Statement. It is shown both as pre-tax and after-tax or net income. The IRS will look at your pre-tax figure, whereas your loan office and you are more concerned with your after-tax figure.

Your Profit and Loss Statement should be prepared at the very minimum of once a year — and more often in the beginning or growth stages of your business. It's a key document from which the economic health of a business can be determined. Make certain you do it properly and understand its

meaning.

## **Understand Your Cash Flow Statement**

Your business must have a healthy cash flow to survive. Cash flow is the amount of money available in your business at any given time. To keep tabs on cash flow, forecast the funds you expect to disburse and receive over a given period of time. Then you can predict deficiencies or surplus in cash and decide how to respond.

A cash flow projection serves one other very useful purpose in addition to planning. As the actual information becomes available to you, compare it to the monthly cash flow estimates you previously made to see how accurately you are estimating. As you do this, you will be giving yourself on-the-spot business training in making more accurate estimates and plans for the coming months. As your ability to estimate improves, your financial control of the business will increase.

The creative business owner works with his or her accountant to use the information gleaned from all of these financial tools to make a variety of managerial decisions -- decisions on buying supplies, expansion, when to hire more employees, how to get the best tax breaks, and many other important steps that will shape the future of the business.

## **Make It Easy On Yourself**

Successful home-based business owners learn from experience — their own and that of others. In Jeffrey A. Timmon's study of entrepreneurial personality characteristics (*New Venture Creation: A Guide to Small Business Development*), he notes that entrepreneurs are disappointed but not discouraged by failure. They use failures as learning experiences and try to understand their role in causing the failure in order to avoid similar problems in the future. Furthermore, Timmons asserts, entrepreneurs seek and use feedback on their performance in order to take corrective action and improve.

## **How To Learn From Experience**

You can learn from experience in several ways:

**First**, work closely and creatively with professional advisors, such as your lawyer and your accountant. As you continually review your business records, you will see "mistakes," but you'll also begin to develop skill in planning and managing.

**Second**, continue to learn about all areas of business operations, constantly acquiring new ideas. Most community colleges have short, inexpensive, practical courses for business owners in topics like: "Financing a Small Business," "Choosing a Small Business Computer," and "Starting and Operating a Home-Based Business."



**Third**, get to know other business owners with similar needs or problems. Talking with others may be a way to avoid repeating the mistakes they have made and you can benefit from their experience. Local and national organizations offer membership, social events, networking opportunities, newsletters, and seminars for home-based business owners. Through these organizations you can often advertise your product or service to other business owners. They also provide a way to learn about services you may need, such as accounting, public relations, or a responsible secretarial service. These organizations offer updates in such areas as taxes and zoning in their newsletters and workshops.

### **Finding and Using Resources, Networks, and Support Groups**

Start out with the attitude, “Whatever my current business problem, I can find the solution. Somewhere there is information, a book, a person, an organization, or a government agency that can help.” A word of warning though: finding resources and building networks can be very time-consuming. Joining organizations can turn out to be expensive, especially if you’re too busy to use their services and support once you join. So use this list to organize your search for resources useful to you, then pick and choose carefully what you decide to read, join, buy, or attend.

**Your Public Library:** Visit your local library. Get to know its resources. In addition to books, many libraries offer free workshops, lend skill-building tapes, and become a central place to pick up catalogs and brochures describing continuing education opportunities for business owners. Ask the librarian for current copies of zoning regulations. Get familiar with new books and resources in your field, as well as in business skills (advertising techniques, financing, etc.). Look for magazines such as: *Black Enterprise, Inc.*, *Entrepreneur*, *Money*, *Forbes*, *Home Business Computing*, *Business 2.0* and *Fortune*. Reading selectively is free. Subscribing to too many magazines can be expensive.

**Organizations:** A wide variety of local and national organizations have sprung up to serve the informational, lobbying, and networking needs of business entrepreneurs. Through meetings, services, or newsletters, groups such as the National Association of Women Business Owners, American Entrepreneurs Association, Business and Professional Women’s Club, National Alliance of Homebased Businesswomen, and the National Association for Cottage Industry offer members everything from camaraderie to valuable “perks,” such as group rates on health insurance. David Gumpert’s book, *The Insider’s Guide to Small Business Resources*, has addresses of many of the groups and other information on such resources.

**Government Resources:** Contact your local or district office of the U.S. Small Business Administration (SBA) to learn about SBA service and publications. The SBA also offers free or inexpensive workshops and counseling through SCORE. SCORE is a volunteer program sponsored by the SBA through which retired executives who have management expertise are linked with owners/managers of small business or prospective entrepreneurs who need help.

The Department of Commerce, Bureau of the Census, Department of Defense (procurement), Department of Labor, IRS (ask for the free “Business Tax Kit”), Federal Trade Commission, and the

Government Printing Office all have publications and services to inform and support you. Local and state government offices may also have services to help you. Addresses will be available in your telephone book, under U.S. Government, at your public library, or at the SBA office near you.

**Community colleges:** Most community colleges now have short, inexpensive, non-credit programs for entrepreneurs. The classes usually are convenient to business owners and are taught by experienced owners and managers.

As a home-based business person you can overcome feelings of isolation and give and receive valuable information if you tap into networks and resources. Being active in professional and trade associations will help to build a good marketing network for your service or product. Take the time and invest the money for memberships. Then continually evaluate which organizations and resources best serve your business information and networking needs.

### **Managing Time and Stress**

Expect to encounter stress and time problems similar to those of other business owners but accentuated by the fact that you work at home. Follow these guidelines to make it a little easier on yourself:

1. Plan your time and establish priorities on a daily “to do” list. Decide what your “prime time” is and do your most important or difficult tasks then. Set “business hours,” specific times when you are at work and times when you turn on the answering machine because you are “on duty but off call.” You, your customers, and your family will appreciate knowing your set routine, even though you know that for special events or emergencies you can break that schedule.
2. Notice what your four or five big time-wasters are and learn techniques to eliminate them or compensate for them. Some common ones are: telephone interruptions, visitors, socializing, excessive paperwork, lack of policies and procedures, procrastination, failure to delegate, unclear objectives, poor scheduling, lack of self-discipline, and lack of skill in a needed area.
3. Stay in contact with people. Even though you prefer to work at home, you should plan work-related or social activities that provide frequent contact with others. This will help your morale if you feel isolated. Even for home-based business owners who like feeling isolated, keeping up with social, business and professional contacts is a must.
4. Build a fitness program into your day. Many successful entrepreneurs exercise in order to think creatively because physical activity sends oxygen to the brain and helps the mind function better. With regular exercise your health will improve, your stress level will go down, and your trim look will inspire people to have confidence in your abilities.
5. Give your home business as much of a separate and distinct physical identity as possible. Although you might save a few dollars by using the ironing board as a bookshelf and a cardboard box as a file

cabinet, the stress and strain of operating without proper space and supplies will take its toll. Have a separate room or area for your business, with a separate entrance if customers or suppliers visit. Consider soundproofing so your family won't be bothered by your noise and vice-versa. (In addition to the psychological and physical comfort of having a separate office, the IRS requires it in order for you to make a legitimate claim for tax deductions.)

6. Take care of your major business asset: YOU. Being the boss can be exciting, fulfilling, and rewarding. It can also be lonely, stressful, and demanding. Learn to balance your professional and personal life. Go on vacation. Get a weekly massage. Join a health club. Take a class in meditation. Attend a business owner's breakfast club.

Your business depends on you to be at your best!

### **Seven Ways to Effectively Solve Problems in Your Small Business**

In business you deal with problems almost every day. How you approach problem solving can affect the growth of your business.

Critical to a company faced with problems, large or small, is your understanding of what the problems are, defining them, finding solutions, and selecting the best solutions for the situations. Problems are a natural occurrence of life, and in order to suffer less from the frustrations they can cause, we need to learn how to deal with them in a rational, logical fashion.

If we accept the fact that problems will arise regularly, for all kinds of reasons, and from a variety of sources, we can:

- A. Learn to approach problems from an objective point of view
- B. Learn how to anticipate some of them, and
- C. Prevent some problems from becoming larger ones

The following seven steps to effective problem solving in small business can be used in nearly all situations:

1. Identify the Problem. Don't let the problem intimidate you. You should approach it rationally and remind yourself that every problem is solvable, if it's tackled appropriately. What is the problem and why is it a problem? Describe the symptoms and the cause... what's wrong, why is it going wrong? Try to define all the terms, concepts, variables and relationships. Prepare a checklist of the effects of the problem by asking such questions as:

- a. is it disrupting operations?
- b. is it hampering sales?
- c. is it an everyday occurrence, or is it infrequent?

- d. is it common or unusual?
- e. is it affecting customers, suppliers?

Measure the problem in numerical equivalents. For example, if your problem is “not accurately and quickly filling customer orders,” determine how many orders were incorrectly filled and how long it took to fill them. If your problem is overall low response to your ads, find out which ads are pulling their weight, which ones you can eliminate, and where better to concentrate your advertising efforts.

2. Define the Objectives. After you’ve gathered and reviewed the information, you’ll have a pretty clear understanding of the problem and it’s major causes. Next, decide what you’re going to do about the problem in terms of objectives.

Objectives can be stated as active verbs, such as “to reduce, to increase, or to improve.” So what are the objectives of your study? Getting back to the above customer order problem, the key objectives would be a) to increase the percentage of orders filled correctly, and b) to reduce the time it takes to process an order. A sub-objective could include to simplify and streamline the order filling process.

3. Develop a Diagnostic Framework. That is, decide what techniques you’re going to use, what kinds of information are needed, and how and where the information is to be found. Is there going to be a customer survey, a review of company documents, time and motion studies, or something else? What are the assumptions of the study? What are the criteria used to judge the study? What time, budget, or other constraints are there? What other specific techniques are going to be used to analyze the data? The Diagnostic Framework establishes the scope and methods of the entire study.

4. Collect and Analyze the Data. Following the methods in Step 3, the next step is to compile the data. The raw data are then itemized and organized for analysis. Table, charts, graphs, indexes and matrices are some of the standard ways to organize raw data. And all that data must be analyzed. What do the data reveal? What facts, patterns, and trends can be gleaned from the data?

5. Generate Alternative Solutions. After you’ve completed your analysis you should reach some specific conclusion about the nature of the problem and its resolution. Next, you should develop alternative solutions and rank them in order of their benefits. To do this most often involves brainstorming with a group that has reviewed the data and analysis. The idea is to have an informed group suggesting a variety of possible solutions.

6. Develop an Action Plan and Implement It. Finding the solution doesn’t mean the problem is solved. Now, you need to choose the best solution to the problem. But be certain to understand why it’s best. In other words, how it achieves the objectives established in Step 2 better than its alternatives. Then develop an effective method to implement the solution. Here, an important organizational consideration occurs — who’s going to be responsible for overseeing the implementation and what authority does s/he have? The selected “manager” should be responsible for seeing that all tasks, deadlines, and reports are performed, met, and written. Details are important... schedules, reports, tasks, and

communication are the key elements of any Action Plan.

7. Evaluate, Obtain Feedback and Monitor. After the Action Plan has been set in motion to solve a problem, you must evaluate its effectiveness. Evaluation standards need to be determined, ways to handle communications and reports developed, and monitoring performed. This Step should be done after three to five weeks and again at about six months. The goal is to answer the bottom- line question...

Has the problem been solved?

## **The Nuts 'n Bolts of Daily Operations**

For a few “old pros,” some of the following information will seem obvious. But don’t forget that, once upon a time, you too were a beginner. You didn’t have all the answers. And I’ll bet you would have given a month’s wages to have this information right at your fingertips.

Besides, some of this information may invoke long forgotten, routine techniques. Anyway, here’s how to run a small mail order business, step-by-step.

### **How to Work with Your Local Post Office to Make Your Mail Order Life a Little Easier**

Of course, this is assuming you have a Post Office Box and that you trek to the Post Office to get the goodies. For those of you who have mail delivered right to your front door, only parts of this may be of interest.

Years ago when I began my mail order business, one of the first things I did was to set up my Post Office Box, number 10. But I had a unique problem. I’m fairly well-known in town and didn’t want to confuse my new mail order business with my other businesses. So I asked the postmaster if I could use this address:

Owen Publishing  
Dept. 10PM  
Battle Ground, WA 98604-0010

The postmaster saw no problem and that’s how I started out.

Why use that kind of address?

Well, my office has always been at my ranch-home. I really didn’t think an address of “Rt. 10, Box 2020” would instill customer confidence. And I didn’t want to use “PO Box 10” which, at the time, I thought might appear kind of flaky. (I’ve later learned that it makes no difference in response... an address or a PO box.)

By the way, the PM after “Dept.10” above is a magazine “key,”“which we’ve previously discussed.

A couple of years later, I was producing so much more mail that I was able to change my address to simply:

Owen

Battle Ground, WA 98604-0010

I was able to eliminate a complete address line (PO Box 10). The 9-digit zip, 98604-0010, got the mail to me. And, because I generate so much mail, I'm well known at the post office. So even if the last four digits were left off, the clerks would sort the mail to my box. Today, I get mail addressed all kinds of ways. For example:

MailMAXX, Battle Ground, WA; Owen, Mail Order Consultant, Battle Ground, WA 98604-0010; Brooks, Battle Creek, WA; and the like. If a postal clerk isn't sure where a letter goes, I usually get it.

I made sure the postmaster knew I was starting a "mail order business." And I made a point of asking his advice from time to time. For instance, when, in the beginning, my mail volume was small, I asked if all my mail could be bundled facing in the same direction and rubber banded. No problem. So, instead of mail lying loose in the box turned every which way, the clerks neatly bundled it with each envelope facing the same way so opening the mail is much simpler and quicker.

Later, when I got boxes of mail, the envelopes were still neatly banded with each letter facing the same way. Think how easily we were able to speed through the mail just by that one little assistance from the postal clerks.

## **Opening the Mail**

The best part of this business is shaking money orders and checks from envelopes sent from all corners of the world. That's why I still open all the mail. It's a thrill that never stops!

Anyway, after picking up the mail it's stacked next to the power letter opener. I use an old *Pitney-Bowes* opener picked up for about \$50. That was 20 years ago and it still runs perfectly after opening hundreds of thousands of envelopes.

When opening envelopes you need to be careful. Sometimes, customers fold checks and money orders and enclose them with the fold toward the top of the envelope. If you're not watchful, you could cut the item in half.

## **Sorting Mail**

Now it's time to separate your pile of mail into...:

1. Inquiries
2. Orders
3. White Mail ("White Mail" consists of letters other than Inquiries and Orders. For example, letters asking questions, complaints, thank-you's, bills, bank statements, etc.)

For now, set aside all the envelopes except inquiries.

## **How To Sort Inquiries**

Let's say you've placed 6 small ads for your product, each with a "key" which identifies the media generating the inquiry.

And let's say your keys are "ME," "PM," "PS," "MM," "NF," and "MT." Begin stacking your inquiry letters into appropriate piles. "PM" into one pile, "PS" into another, and so on.

After you've separated the inquiries, you must record how many inquiries came from which magazine. This is where *MailMAXX*<sup>TM</sup> becomes invaluable. Get in the habit of keeping records. It's how you know in which magazine your ads are pulling, which aren't. For example:

Your ad in, say, *Popular Science* pulled in 217 inquiries for the month of March. And you converted 29 of those inquiries into sales. Another ad in *Entrepreneur* generated 187 inquiries, converting 37 into sales. Those figures are important for considering in which magazine to continue your advertising, which to drop.

Now, using *MailMAXX*, you can print labels ship for shipping to your inquirer the information s/he is requesting. The label contains, of course, the inquirer's name and address. But it could also contain the magazine "key," customer ID number and, perhaps, your product code. Whatever you feel is necessary.

When I began my mail order business back in the "dark ages," I hand-typed labels on a sheet of 33 labels. Later, as business mushroomed, I began developing *MailMAXX* to ease the work-load. Now, I wouldn't be without it! (Check out "How I Slashed My Work Day in Half" at <http://www.brooksowen.com>.)

Once you've completed preparing labels for your inquirers, attach the labels to your order coupon which you'll insert into a window envelope. Then, after you've affixed stamps, or run the envelopes through an automatic postage machine, you're ready to drop your bundle of envelopes in the mail.

Note: I urge you to send mail every weekday. Every inquirer is important, each is waiting for your information. Most likely, they've inquired with your competitor. So don't wait until you've gathered several inquiries to mail out. Do it right away, even though you may have a short stack of outgoing mail.

## **How To Sort Orders**

Here's the best part... opening the envelopes with orders and counting the money.

There are many ways to account for the money you'll get in the mail. But here, let's concern



ourselves with a small operation. As you grow, you'll likely develop your own system.

Keeping track of orders is easy when you're using MailMAXX. First, as you're taking each order out of the envelope, make sure the check or money order matches the amount shown on the coupon. Make certain the order coupon has your customer's complete name, address, and product ordered clearly printed.

Or, if your customer is returning the order coupon with the label you originally affixed, see that it hasn't been altered; a change of address or spelling correction, for instance. If it has, change your records accordingly.

It's very easy when you get in a hurry to overlook a check or money order that's missing from the envelope, or you can't read a scribbled address, or whatever. When you're filling the order, it's too late because the envelope might be discarded.

So what happens is, you wait until the customer contacts you wondering where his or her order is. By that time your customer is upset which results in time wasted soothing the customer's feelings. Better to take your time and make sure you've got everything right.

If you can't decipher an order, don't deposit the check. If you can, send it back to the customer asking for clarification. It's so much easier. And, generally, the customer appreciates the time you've taken to personally see to it that his/her order goes smoothly.

Occasionally, an order arrives from a customer accompanied by a check from a different person (a "third-party" check), or it's a business check. Write your customer's name on the check. Then, if it "bounces" you'll know which customer to contact. By the way, later on you'll find a powerful little NSF check collection letter which works very nicely for me. I've used it for years and about 20% of NSF items are recovered. It's yours to copy and use.

Now that you've completed sorting the payments, making sure you have all the information on the order form, it's time to add up the checks, money orders, cash and credit card debits. The total, of course, is your day's receipts. Your gross income.

For more in-depth coverage of your Profit & Loss calculations, review the *Business 101* Lesson. Lots of good, general-use information.

Now you can print all your buyers' names and addresses on labels using MailMAXX. Incidentally, you don't have to print Inquiry and Order labels separately. Do all your inputting at once... MailMAXX knows how to separate them for you.

Stick the label on the appropriate package containing the order, weigh the package, affix postage, and mail. That's it.

As time goes on, when you get busier and begin to ship larger numbers of orders, check with your postmaster to obtain first class and bulk mailing permits.

## **General Office And Administration Notes**

There are a few additional points I want to make on handling your business from an administration point of view. If you read some of the same information throughout this Course, please forgive the repetition. It's rehashed because it's important.

Along with inquiries and orders you'll receive all sorts of other mail. Chain letters and other such junk should be tossed to get them off your desk. Bills should be attended to and direct marketing promotions (which you'll get stacks of) should be reviewed for ideas. That leaves the rest of your mail which will contain complaints, compliments, questions, requests of one kind or another, and so on.

Answer your "white mail" promptly. Especially complaints. Don't put off handling complaints with the idea that they'll go away. They don't. Unanswered complaints only compound. Most often, a complaint is easily resolved.

If a customer claims they didn't get their order, it's up to you to see that your customer gets what's been paid for. I always send another package immediately without question. It takes so little to satisfy your customer.

When you get unsolicited testimonials, immediately send a letter to your customer asking for permission to use the testimonial in your sales literature. (A copy of a letter you can use is in *Sample Letters*.)

Occasionally, you'll receive a letter from a total sore-head. In this business, it happens. And nothing, short of a refund, will ever solve his or her problem. So that's what I do. I return the money. It's easier than wasting my time and effort to write several letters. I figure you'll never please a jerk, so why even bother. Refund, and go on.

Since we're on the subject, let's talk a bit more about refunds. I'm often asked what to expect in the way of money-back requests. I've heard all kinds of figures, but in general, the mail order information business is expected to get back about 10% of gross sales for refunds. I don't really know what the "average" is, although 10% seems pretty high.

Over the years, my experience has been about 2% of orders turn into refund requests. Some products less, some more. Maybe that's good, maybe bad. However, I can live with 2%.

On the other hand, a fellow book publisher clearly states on his order forms that, because of the sensitive nature of his courses, he offers *no* refunds. Accepted mail order/direct mail doctrine states that when you offer money back guarantees — the longer the better — the number of orders are

substantially higher. The percentage of refunds remains the same, but you'll increase overall profits due to the increase in orders.

As you grow your business, you'll need to test what works best for you. However, keep in mind, that no matter what your stated refund policy may be, you *must* refund money in accordance with FTC regulations. Again, be sure to get and understand the regulations. Contact the Federal Trade Commission, Washington, D.C.

The way I handled refunds was to set aside a little time twice a week and send checks to these customers from a separate refund checking account.

Want to know how I turned refund requests into orders? Well, I promised I'd tell you everything. So here 'tis. This is so neat that my 2% money-back requests average plunged to under 1%!

Here's what I did:

Included with the refund check is a catalog of my publications, plus a "personal note" thanking my customer for the original order and a coupon offering a *10% discount on another purchase*. Simple. Yet it worked beautifully.

I mentioned earlier that, occasionally, you'll receive non-sufficient funds (NSF) checks. This is what you can do:

The number of "bounced" checks I receive each year is less than five out of thousands of checks received. But when it does happen, I send a form letter to the check writer which generates about 20% results. (A sample you may want to use is included in *Sample Letters*.) I figure that's about as good as I can do.

The other 80% are written off as a cost of doing business. Frankly, it's not worth trying legal collection procedures on these items which are usually written for less than \$50 anyway.

Happily, you'll find most people are honest. But, for the few deadbeats around who want to cheat you out of a few bucks, there's really not too much you can do about it. Don't let 'em bother you, just roll with it.

Something else about accepting checks: Don't say in your order form something like, "checks held for clearance before order shipped." You'll see statements like that in many ads. But it's negative and cuts response severely. Seems to me that right from the get-go it assumes your customers are going to cheat you. Of course, that's not the case.

Most people really are honest. The greater number of orders you'll receive by not holding checks for some period of time far, far outdistances the very few NSF items you'll ever get.

Now that said, I *do* have an exception to the rule. I request all orders coming in from outside the U.S. be paid either by credit card or money order.

Two reasons...

1. Banks outside the U.S. take forever to clear checks. Sometimes as long as 6 full months. And, often, U.S. banks will “send the item for collection” before giving you credit for the check. Not only does it take a number of weeks, the bank will charge you for the collection, to boot. So it’s easier, quicker, and less expensive just to ask for international money orders or credit card numbers.

2. In a U.S. based mail order business only a fraction of your orders comes from outside the country. Therefore, you’ll simply find little, if any, reduction in business. (Online, it’s a different matter. But here you’ll take credit cards or make arrangements with firms, like *PayPal*.)

From the very beginning, become 100% involved with your business. Understand every phase before hiring any help. Don’t ignore the “work” work and just handle the fun part. Do your own typing. Sort mail. Talk to customers (this is a great way to learn what people think so you can adjust to their wants). Keep in touch with your customers. Pick up mail. Answer the telephone. *Do everything yourself*.

I answer my own phone and e-mail. I want to take that order. Or handle a complaint. I want to know what a customer thinks. It’s amazing. So often, the caller says something like “What, you’re really Brooks Owen?” “You actually answer the phone?” “Wow, I’m talking to the head guy!” Or, and this has happened more than once, “you mean Brooks Owen is a real person? I just thought it was a made up name.” Hmnnnnnn.

One of my gripes is business people who refuse to answer their own phones. I often called competitors and asked for the owner personally. I was always surprised to hear the excuses. I knew that the guy had a tiny company and was probably sitting right there, but too arrogant to talk to mere customers.

Often, when a business owner finally did come to the phone you could feel the aversion at having to actually talk to a customer. Not good. Don’t you be like that. If you can’t enjoy your business, then get out of it and find something else you like. You’ll be much happier.

Now, I’m going to be a bit contradictory.

Yes, it’s important from time to time for you work *IN* your business. Especially in the beginning. But... as soon as you see that you’re experiencing a degree of success, start thinking about how you can ease your workload. The reason being, you want to start working *ON* your business.

To grow and prosper, you must spend more and more time devising ways to increase sales and net profit, add products and so on. Things like, placing additional ads, testing new sales materials,

testing the Internet, testing new ads, testing different appeals. It's a never-ending process.

And it's a balance each person must work out for themselves.

However, in the beginning, don't hire help. This is a home-based business and is very uncomplicated. As your volume of mail increases you'll need to expand the area in which you work. And maybe get a part-time helper or two to sort and/or type. Or enlist your spouse or kids to help out. But keep your overhead low.

Recently there was an article in a trade magazine about a small mail order company which grossed about \$300,000 annually. Pretty small. Yet this outfit had 6 employees!

I couldn't figure out what in the world they all did. That many people just aren't necessary, if you're well organized and see that your office runs smoothly using dependable tools like MailMAXX.

Take a few moments each day to plan your daily, weekly and monthly activities. Begin with what you expect to accomplish during the month, break it down into weeks, then into days. Concentrate on the activities which will bring you the most reward.

### **Simplify everything!**

Disorder will waste your time and lead to ultimate failure. Simplify your office environment, like your filing system, your daily activities, your fulfillment operation. *Simplify everything*. Try making a list of what needs to be done during the day, what you do.

Be specific, but keep it simple.

And don't try to be perfect... it'll just drive you crazy.

This is important. *Have fun. Be happy*. Don't take yourself too seriously. In our office we joked around. We listened to the stereo. Believe it or not, when the staff were busy a couple of them listened with one ear to their favorite soap operas. I believe it's important to your — and your staff's — health to make your office a fun place to be. Now, I don't mean to be reckless or indifferent... simply enjoy your business.

Another detail about the mail order business. Keep all your order forms you receive in some kind of storage for several years. I keep mine in boxes by product, then in order by date. True, everything's on computer. But once in a while the order may not be inputted correctly. The hard copy is your ultimate back up, something you can refer back to, when necessary. As the year rolled along, I took the boxes away and stored them. I've got every order hard-copy since 1979 in those boxes, which I admit is pretty silly.

(My wife tells me it's time to dump some of those keepsakes.)

## **How Your Business Can Run On “Auto-Pilot”**

In the beginning, it all takes planning and testing. But, soon, you can run the whole shootin' match in just a few hours a month... with one hand tied behind your back.

As the term “auto-pilot” implies, there's very little hands-on work involved. After you're satisfied with the way your little ads are working and with the results of your sales materials, there's really not much else to do. Simply pick up and process the mail on a periodic basis. Take care of minor book work. Then do whatever else you want to do for the day.

Some people do everything once a week. Others, for an hour or so each day. You'll do whatever's best for you. If you're really ambitious and want to get really big, you'll naturally spend more time working on your business. But the everyday nuts 'n bolts, once everything's properly in place, can run as smoothly as a 747 on auto-pilot.

## **The Mail Order Business Framework**

The Mail Order Business Framework helps you set-up your own business, step-by-step. Each function of a typical mail order business is listed alphabetically, then coaches you with a series of questions — some are thought-provoking, some can be answered Yes or No.

By writing down the answers to each question, your business model will be complete and ready-to-go.

### **Advertising**

1. What is your budget for advertising?
2. Does your budget include enough money for a reasonable number and period of test ads?
3. Are you going to “hire” an agency to handle your advertising?
4. Do they have experience in mail order and direct response advertising?
5. Is your budget going to be big enough to attract a solid agency? Will the commissions from ad placements be supplemented with charges for copywriting, graphics, etc.?
6. Do you know how to handle the advertising yourself? Are you familiar with setting up your own in-house agency so that you can keep the 15% commission (plus 2% for cash) in your ad budget?
7. Which appropriate media for your market have you contacted?
8. Have you built a file of rate cards and examined sample issues so you have a media list to match your ad budget? List the publications you’ve contacted here:
9. What are the best pulling months in which to schedule your ads?
10. Do you know how to key (or code) your ads and keep accurate records so that you will know which ads and which publications to repeat?
11. Have you installed *MailMAXX* and familiarized yourself with all the functions?

### **Business Name**

1. Have you avoided the trite and not called your business “Big Time Name Enterprises?”
2. Have you avoided the cute and not spelled it “Enterprizes”?

3. Is your name selection appropriate to your business?
4. Will your name allow for growth? (Don't begin with "Larry's Mailing Labels" if you plan to sell all types of printing or expand into gift items.)
5. Is your name too regional? (Wisconsin Cheeseman plays on a regional strength. Peoria Plastics sounds too local while not getting an advantage from any built-in recognition.)
6. Have you considered using your family name? (It was good enough for Ward and Sears and Roebuck but, if you have a difficult to sound name like Wynnowskiappola or laugh-provoking like Cheatum, then consider another idea.)
7. Have you avoided a pompous title, such as the Universal Consolidated Amalgamation Unlimited, Inc.?
8. Have you avoided any name that borders on stealing another company's reputation? Such as 4M Co., Dysney, Compak, Delll?
9. Have you decided what business you're really in? Wouldn't you rather be the Johnson Energy Company when fuel prices drop rather than be the Johnson Gasohol, Johnson Woodstove or Johnson Solar Energy Company?
10. Is your name short enough and explicit enough to help you cut costs and still sell in a classified ad? ("Perfect Printing" sells and saves words in an ad while "The New Age Comedy and Cosmic Awareness Tapes" does neither.)
11. Have you tried out your name with others (family, friends and business associates) before going to the printer for letterheads? (Within six days after renaming its domestic camera-making unit the U.S. Equipment Division, Kodak changed the name to U.S. Apparatus Division because the acronym of the first name would cause people to think they were buying USED cameras, even though they were brand new.)
12. Will the name you select lend itself to a distinctive logo? (Mountain Gear Company obviously suggests an outline of a mountain which will work well in a color letterhead or in a small black-and-white ad.)
13. Add up the costs of using your name for a year (ads, envelopes, letterheads, etc.) and then consider how much it will cost you to change it. Are you ready to live with it or risk that extra expense?
14. What is the name of your company going to be?

## **Catalog**



1. Are you pointing out the advantages of buying by mail in your own catalog?
2. Have you established a theme for your catalog? (“Everything for the office,” “Pleasurable and profitable hobbies” or “The Executive’s Gift Guide.”)
3. Have you considered an “overwrap” for your catalog, such as a letter on the front and an extra order form on the back?
4. Do you use incentives? Such as a premium or a discount for a minimum order or promptness (“within 30 days” or “before deadline”)?
5. Do you use testimonials from satisfied customers throughout your catalog?
6. Do you offer credit, or accept credit cards? (Firms accepting credit cards find the average order is increased from 10 to 40 percent.)
7. Do you lead with your best-sellers? Do you put the best-selling items up front or even on the cover to attract readership?
8. Have you tried a combination order form and envelope so that you can feature additional items on the envelope flap and on the back of the order?
9. Do you use action words in your catalog headlines? (Don’t just use labels, such as “Dishes,” but sell with, “Picture your table with these beautiful dishes featuring your own 24-carat gold-inlaid initials.”)
10. Of course, you’ll offer a guarantee (except for, perhaps, certain personalized items). But have you tested wording your guarantee as a free 10-day or 30-day trial?

### **Classified Ads**

1. What is your proposition? What are you selling? State this in a simple sentence or two so that your next door neighbor can understand it.
2. How does your ad relate to what you’re selling? Will the item or direct mail package that you send to the person who answers your ad make sense and move him/her to become a customer of yours?
3. Have you written the ad out in full? (Don’t worry about the word count now, but get all the benefits to the reader down on paper.)
4. Have you edited the copy to a more economical size?
5. Does the ad contain my AEIOU, or similar, principle for all good advertising — Attention, Excitement, Interest, Offer, Urge?

6. Did you begin your ad with a benefit to the reader?
7. Have you started your ad with the popular “How To ...” or with an active verb, such as “Get,” “Buy,” “Make,” “Save,” “Earn,” and others?
8. How many of these 12 best self-interest words have you included in your ad? Choose a few from among — save, money, you, new, health, results, easy, safety, love, discover, proven and guarantee.
9. Have you used a telegraphic style so that needless connecting words are not in your ad?
10. Have you gotten the most space for your money by using longer (but simple) words, such as “Information free!” rather than “Free details?”
11. Have you spelled out all words, including your city and state name?
12. Have you used dashes, punctuation and other devices for the greatest clarity and to get the most amount of space for your word-count ad?
13. Have you selected the right publication(s) for your ad?
14. How do you know it’s the best selection? In addition to examining a copy of the publication, have you also asked for the market research information so you know how the profile of the periodical’s circulation matches with the market for your product or service?
15. Have you selected the best classification for your test? What classification?
16. What other headings should you test next?
17. Have you keyed your ad properly?
18. Have you clearly indicated your instructions for key changes, if you’re going to change them for each insertion or for tests of different classifications?
19. In planning your test, have you made sure you’re changing and testing only one element at a time?
20. Is your name, address and phone number complete and correct?
21. Will the prospect’s writing of your name and address with the key be clear to the post office? For example, have you insured that a key such as Box 22-10 won’t be misread as Box 2210?
22. Is your sales literature ready or sufficiently in the planning stages so that it will be ready for you to reply to the first inquirers by return mail?

23. Are you ready to ship your product/service promptly?

### **Company**

1. How have you organized your company? In what manner?
2. Have you compared the advantages and disadvantages of single proprietorship, partnership, LLC, corporation?
3. Have you talked with your lawyer about your plans?
4. Have you talked with your accountant about the tax advantages and disadvantages for the different methods of organizing your business?
5. When you think about the future of your company, how do you see it organized?

### **Complaints**

1. Even though the customer is not always right, will you treat your customers as you would like to be treated?
2. Do you take care of complaints quickly? (Prompt response is more than half of the solution to the complaint, plus it will save time and the details of responding to follow-ups and the complaint being forwarded to the BBB, postal authorities, FTC and your state's Attorneys General.)
3. Are you aware that it's generally less expensive to keep a customer happily buying again than it is to go out and get another customer to replace the one you lost because of the unsatisfactory handling of his/her complaint?

### **Copy**

1. Do you know how mail order (and all direct response) advertising differs from other types of ads?
2. Do you know the difference between the product and your offer? How do they differ?
3. Have you noticed how mail order copy is direct, practical and information-packed? And how busy it is, taking up all the white space allotted for the ad?
4. Have you ever considered the difference between a soft drink ad and a mail order ad? *Coke*, for example, assumes you know where to buy it, while the direct response ad gives you all the details including a coupon and/or an "800" number to place the order or get the name of the nearest dealer.
5. Do you notice how a mail order ad stresses the guarantee?

6. Have you checked your copy? And double checked it? Is any sales point or benefit statement missing? Are there confusing statements? Is there a money back guarantee? Is the ad keyed? Is it absolutely clear how to order? And do you ask for the order?

### **Customer Payment**

1. Have you tested how “Send no money” or full payment up front affects your sales?
2. Are you aware that C.O.D. (Collect On Delivery) is not as popular as it was decades ago because of the rising C.O.D. fees? And that many firms ask for a deposit on a C.O.D. purchase in order to increase the odds of acceptance?
3. If you offer a “bill me” alternative, you can increase the percentage of payments by offering a bonus for payment with order (an extra issue on a subscription, for example) and by explaining that a premium (wrist watch or telephone) is shipped only upon payment of the invoice.
4. Do you accept checks? (Very few checks bounce. And you can reduce the number that do by establishing guidelines, such as the check address must match the order address.)
5. Do you offer credit card service? (Very few firms “carry their own paper” these days, and credit cards promote telephone sales and larger average orders?)

### **Direct Mail**

1. Direct mail is a sales call in print. Does your direct mail dress and approach a prospect the way you would in person?
2. Have you designed a standard direct mail package — sales letter, order form, circular, return envelope and a plugger or two?
3. Who are your prospects? List them. Exactly what do you want to sell them? List it.
4. Do you write your own direct mail package? Should you get a direct marketing agency to handle it? Or should you hire a consultant or copywriter to do it for you?
5. Does your outside envelope practically demand that the prospect look inside?
6. Is your order form called anything but “order form,” and does it make the prospect feel uneasy if he doesn’t act on it NOW?
7. Does your sales letter look like a letter and sound like it’s written by one person to another person? While your circular spells out all of your product benefits and looks like it comes from a well-established firm?

## **Display Ad**

1. Does your ad use a simple, yet attention-getting, headline that promises an immediate benefit to the reader?
2. Is your copy lively and oriented to the reader?
3. Does your copy tell why the product is unique and then give color, size and other descriptive information?
4. If ad size permits, have you used a photo that shows the product in use or helps picture the benefits (such as “before” and “after” photos)?
5. Have you given the price and offered a money back guarantee?
6. If you have a catalog, have you offered it in addition to the item in your ad?
7. Have you ended your ad with your company name and address? Key? And an action phrase, “Order today” or “Christmas delivery guaranteed if postmarked before Dec. 10?”

## **Dropship**

1. Do you understand how dropshipping works?
2. Do you understand the requirements of each of your dropship suppliers? (Some suppliers require more than one label, insist on check with each order, etc.)
3. Have you contacted your supplier before advertising the item? Have you asked for sales aids (such as ad copy, photos)?
4. Do you have assurances from your dropshippers that the products will be available for the life of your ad campaign or your catalog?
5. How has the supplier promised to answer complaints or fulfill guarantees?
6. What assurances do you have from the supplier about prompt shipment? Or notification when there's a delay?
7. Do you acknowledge orders at once when they have to be dropshipped? And then do you regularly forward orders to your suppliers?

## **Follow-Up**

1. Do you understand how you get the big profits in mail order? Right... from the follow-ups! From the second, third, fourth, etc. sale.
2. Do you have a plan to follow-up on your customers?
3. What will you mail to your customer list this month? Next month? Next season?
4. Your customers have expressed confidence in you. Have you left them wondering why they haven't heard from you again?

### **Fulfillment**

1. Do you have a regular routine that you or your employees follow in opening and recording money, orders, etc.? Does it allow you to track back, locate and correct errors?
2. What is your procedure when a complainant insists that s/he didn't receive a package that your records show was shipped?
3. How do you respond to a person who insists that s/he sent you an order and has not received it and your records do NOT show any order NOR any payment?
4. How do you handle an order that arrives with cash or money order but no name nor address?
5. Are you familiar with Federal Trade Commission (FTC) rules on fulfillment?
6. Do you insure that your fulfillment packages ask for additional orders? Are your name and address on the product packages themselves so that satisfied customers can reorder? Are additional offers enclosed in the shipment?

### **Graphics**

1. Your advertising literature (from letter to catalog to circular to order form) is your store. Do you ask yourself not, "Is it pretty" but, "*Will it sell?*"
2. Do you use appropriate illustrations? Preferably photos of the product in use? Or line drawings when it's difficult to show the product use with a photo or when you'll be running the ad on newsprint and many different grades of paper where good reproduction will be questionable?
3. Does your ad, sales letter, catalog cover and other literature feature a benefit to the reader?
4. Does your ad use all the space available for selling copy? Plus, does it look busy and lead the reader to the action?

## **Guarantee**

1. Do you offer a guarantee?

2. Is your guarantee worded simply and straight-forward, and formulated to make people buy more often? (“No refunds without the cash register receipt,” threatens the store sign. Mail order says it much more positively, “Money back guarantee” or “Your Satisfaction Guaranteed.” The retail store could increase its sales with a more positively worded sign, “Our guarantee of your satisfaction: Return any item with the receipt within 10 days for refund, exchange or other adjustment.”)

## **Sample Guarantees**

“(Product) is guaranteed to be exactly as advertised. Your money will be cheerfully refunded if you are dissatisfied in any way.”

“We guarantee,” states the Stationery House, “that we will ship your order within two working days from date of receipt. You must be 100% satisfied or you may return your order for full credit, even if it is imprinted. All returns must be made within 30 days after receipt of order. Please call (100) 555-1212 for authorization of all returns.”

The W.A. Charnstrom Co. Guarantee: “All items in this catalog are accurately pictured and described and shipped free from defects and damage. In the event any of our products become defective as a result of inferior materials or workmanship, we will replace them at no charge to our customer.”

“We like to keep it plain and simple... you must be completely satisfied with every product you order from Devoke. If for any reason you are not satisfied, products may be returned within 30 days of our invoice date for replacement, credit or refund. It’s your choice. Our Customer Service representatives are ready to help you simplify any necessary adjustments. For assistance, direct dial (100) 555-1212.”

“If for any reason you are not satisfied,” claims Publishers Central Bureau, “you may return purchase for a refund.”

“Satisfaction guaranteed or your money back,” headlines Sears. “You must be satisfied with performance, quality of workmanship, fit, styling — even color. And you get a wide selection at a fair price. Whatever you buy at Sears, you have the right to use it for a reasonable time before you determine it is satisfactory and decide to keep it. If you decide it is not satisfactory return it to us at our expense. We will do whatever is necessary to correct the cause of your dissatisfaction. If we can’t satisfactorily provide a remedy, or if you request a refund, we will refund your full purchase price including any appropriate delivery charges, finance charges and applicable taxes.”

Lowell Jewelers and Distributors gives manufacturers’ warranties on products that they sell, but they explain on returns: “Your satisfaction is foremost with us. If it becomes necessary to return an item to us, please do so in the original carton and with your sales receipt. We will be happy to repair, replace

or refund your money, with reasonable limitations.”

Owen Publications: “Lifetime Money-Back Guarantee!”

### **Inserts**

1. Are you familiar with the concept of “package inserts,” “co-op mailings,” “deck cards,” and “piggy back” mailings?
2. Have you tested these low-cost concepts?
3. Have you contacted your mailing list broker or advertisers in the trade publications for details on these programs?

### **Keying**

1. Do you understand why and how to key (or code) your ad?
2. How will you key your ads?
3. Is your method consistent and records kept with MailMAXX™ so you can tell not only which publications, but which of their issues are the most responsive to your offers?
4. Do you use an “internal key” in your classified ads so that you can save the cost of such words as “Dept. PM12?” What is it?

### **Legal**

1. Have you considered the legal issue about operating by mail (for examples, shipment of certain items, the collecting of taxes, and liability)?
2. Are you familiar with the Federal Trade Commission (FTC) and it’s rules, such as prompt shipment of orders and deceptive advertising? Have you ordered their instructional booklet?
3. Are there any local laws or zoning ordinances that apply to you doing business at your present or planned location?
4. Are there any special categories of laws that would apply to your business, such as those for certain agricultural products, firearms, explosives, sexually explicit material, etc.

### **Mailing List**

1. Will you build a mailing list from your inquiries and customers with *MailMAXX*?



2. What are other sources of names for your mailing list?
3. Do you have a mailing list broker? Are you aware that the broker works on a commission from the list owner and that it doesn't cost you any more to use his or her resources and services?
4. Are your lists of prospects and buyers large enough to consider letting a broker handle the rentals for you? Have you compared your costs to promote such rentals against the usual 20% commission charged by the broker?
5. Do you ask for a sample of the mailing package from renters of your list and check to see whether rentals (and what types) affect your own responses from the list?
6. Do you clean your lists regularly? And do you limit your lists as much as possible to real prospects?

### **Media**

1. Have you determined or tested the market for your product or line of offers?
2. What are the best media to reach that market or markets? List them.
3. What media are other advertisers who have offers similar to your own offers using? List them and compare to #2 above.
4. Have you studied the market research and rate cards from these selected media? How well do their audience profiles match with your market and customer profiles?

### **Order Form**

1. Are you aware that most catalog order forms are called "Order Forms," while those order forms in direct mail packages are called anything but order forms? (Direct mail order forms are often, "Free Trial Coupon," "Free Bonus Coupon," "Free Subscription Offer," "Risk-Free Certificates," and so on, tying the form into the offer.)
2. Have you tried personalizing your direct mail package and saving envelope addressing by having your mailing list labels go on the order card and show through a window envelope?
3. Are you aware that the mailing label on the order card also helps you cut down on shipping errors, update address files and identify the source of the order?
4. Do you get the prospect or customer started in filling out the order form and make sure you have the correct address by leaving space next to the label for any changes or corrections?
5. Do you also involve the prospect by asking whether the party wishes to be addressed as Mr., Mrs.,

Miss or Ms.?

6. Do you have your order card make a positive statement and repeat the essential benefit of your offer? (“YES, I want to make 37 birdhouses from one sheet of plywood. Please rush your plans immediately.”)
7. Do you keep your order card simple, limited to only one or two options?
8. Do you give a sense of urgency to your order card by offering a bonus or other reward for prompt orders?

### **Post Office**

1. Are you familiar with the personnel at your local post office? Have you told them you are selling by mail and asked for their help?
2. If you are going to be doing a great amount of mailing, have you checked with the USPS customer service representative (usually in a metropolitan post office or in a sectional facility)?
3. Have you asked your customer service rep about meetings of the postal council and other programs to help you get information and make your complaints and views about the postal service known?
4. Have you asked how they can help you save money (through bulk mail and presorted first-class)? And help you get your mail delivered faster (using codes for machine sorting)?
5. Do you get the FREE monthly newsletter that helps you use the mails more efficiently? Ask the USPS for it by writing to “Memo To Mailers,” PO Box 1, Linwood, NJ 08221-0001.

### **Pricing**

1. How do you arrive at the price for your product?
2. Will you test your prices?
3. How do you plan to test your prices? Are you familiar with split-runs in magazines and the use of different prices on order coupons in direct mail?
4. Are you familiar with your competition’s pricing?
5. Are you familiar enough with the psychology of pricing that you know a cut-rate price does not always mean a jump in sales?
6. Have you figured all costs into your price? Have you included payment and billing, packaging,

shipping, postage, bad debts, refunds, business overhead, your wages PLUS profits, etc.?

## **Printing**

1. Do you know the price you paid for your last order of envelopes? Letterheads? Circulars? Catalogs?
2. Why did you order the quantity of envelopes that you ordered the last time? How long did they last? Can you save money and reduce waste by ordering in quantities to last you for a year, six-months or a season?
3. Do you have a file or scrapbook of all your printed pieces so you can compare prices, sources of supply and regard any need for changes and updates in copy?
4. Have you ever gathered all your current printed pieces together and displayed them on a wall or board to evaluate the image you're projecting of your firm?
5. Do you use more than one printer? A special printer for your catalog? An envelope house for larger orders of envelopes?
6. How often do you ask your printers to bid on your work?
7. Do you plan your printing so you're not often asking for "rush" work and paying overtime costs?
8. Do you work with your printer? Do you ask him how to use paper sizes, press runs, additional colors, etc. most efficiently and effectively?
9. Do you know how to use a backward calendar to plan your production time most effectively for a catalog or other large direct mail campaign? (Write down your completion date for your printed package and then work backward. List the time you need for proof reading, photos, copywriting, and so on in order to arrive at your starting date.)
10. Do you know how to use the techniques of computer graphics presentation?
11. Do you make a rough dummy of your catalog or mailing piece? (You'll need it to get bids and plan for savings, postal weights and get all pieces of a package programmed together.)
12. Do you edit your copy and not your proofs?

## **Product**

1. Is your product of a good quality? Well enough made that you can stand behind its guarantee? Are you proud of it?

2. Is it something that people need and can not readily get elsewhere? (For example, you can buy a tooth brush in many stores, but tooth brushes personalized with your children's names will be hard to find except in a mail order ad or catalog.)
3. Is it something that your market may not need, but want — such as the prestige of a special dress or special equipment for skiing, hiking and other outdoor activities?
4. Is the item easily shipped and with little chance of damage? (A book is a better product than a heavy vase when considering these two features.)
5. Does the product lead to repeat business? (For example, a water purifier which requires new charcoal filters every few months.)
6. Can you make or buy the product at a low enough cost that you can sell it profitably? (A "lead" item for advertising in magazines to build your customer list should have a markup of four, five, six or 10 to one, while an item to be listed in your catalog may have a lower markup of two to one. In the first case, for example, the "lead" item is purchased for \$1.00 and sold for \$10.00, while in the second case the catalog item may be purchased for \$1.00 and sold for \$2.00 or more.)

### **Product Line**

1. Have you planned to develop a product line around your lead item? (Check the ads in the mail order sections of the newsstand magazines and notice how many are selling a lead product in order to get you on their catalog list.)
2. Are you prepared to offer a succession of products to your buyers? (A satisfied customer will buy from you again and again. And the nice part is that your sales costs drop dramatically after that first sale. Compare the average cost of a display ad with a circular or catalog inserted in your buyer's package.)
3. Promote a variety of products, but keep them somewhat within the same line. For example, a customer for a tool catalog may buy a how-to book from that catalog, but it's doubtful that he would buy a selection of romance novels.

### **Profits**

1. Do you keep accurate records? Can you make more profit by dropping the least profitable products, publications and mailings in order to concentrate on the most profitable?
2. Have you set up your own ad agency so that you take the 15% to 17% allowed when you place your own ads?
3. Have you checked your pricing? Wouldn't you rather take a 5% drop in sales if you raised your

prices by 25%?

4. Have you checked your suppliers to see what they can do for you in the way of discounts and sales aids (co-op ads, sales copy, photos, imprint circulars, etc.)?
5. Have you tried selling ad space in your catalog to non-competitive but complementary firms?
6. Do you recycle your office supplies?
7. Do you clip the used stamps from your incoming mail and sell them to collectors or wholesalers? Or donate stamped envelopes to charitable organizations?
8. Do you plan to rent your mailing list?
9. Have you considered charging non-competitive firms to place their circulars in your outgoing packages?

### **Publicity**

1. Have you ever sent out a news release for and about your company?
2. Are you aware that you can get inquiries and make sales at very little cost through news releases?
3. Do you recognize what is newsworthy about your business? Do you have a unique business (selling ant farms or odd shoes for handicapped people) or an unusual catalog (for left-handed people) or a new product (a combination watch and lighter)?
4. Do you know that you can “market” your publicity to create more goodwill and gain new customers by reprinting your clippings of printed news releases and including them in your sales packages and direct mail envelopes?

### **Public Relations**

1. Are you familiar with the concept of public relations? What is your definition of it?
2. Are you aware that it’s easier to sell to a friend than to a stranger or an enemy?
3. Do you know that publicity (news releases, etc.) are only a small part of public relations? What are some other elements?
4. What tools of public relations are you using now?

### **Records**

1. Do you keep full and accurate records of your mail order operation?
2. Do you know what is costs you to get a customer on your list?
3. Do you know what the average value is of a customer on your list? How much is he (or she) worth to you in future sales?
4. Do you have a record of the results of your mailings and advertisements?
5. Do you know how much better January is for you than June in terms of ad, Internet, telephone and direct mail sales?
6. Have you learned the dozens of ways *MailMAXX* can help you keep and maintain your customer records? (Check out “How I Slashed My Work Day in Half” at <http://www.brooksowen.com>.)

### **Referrals**

1. Do you ask your customers to send in names of their family and friends who might like to try your product or receive your catalog? (People like to be helpful; just ask. People like to have their own judgment confirmed by having others join them in using a product or service.)
2. Do you suggest additional purchases to a buyer — for gifts, special occasions, etc.?

### **Refunds**

1. Have you established a policy on refunds? (The money back guarantee is the hallmark of mail order so you should be offering it, unless you have some very unusual circumstances. And that means that you are more likely than not to get some returns.)
2. Have you factored in an acceptable limit for returns?
3. Do you plan to make immediate refunds?
4. Will you use the occasion of a refund to learn how you can improve your business and strengthen the loyalty of your customer?
5. Are you aware that many firms promote further sales by sending a refund slip on returns and overpayments that allow the customer a greater value than the amount of the cash on his (or her) next purchase?

### **Shipping**

1. Do you have special shipping requirements for any product or products?

2. What will you need to set up your shipping room most efficiently?
3. How will you pay for your shipping costs? Will it be factored into your prices, specially marked for each product or averaged out for all customers?
4. How can you streamline your shipping operation?
5. Can you save on shipping costs by changing packaging materials so that the item drops into the next lower category?
6. Can you promote sales more efficiently by watching the weight of your inserts so that they travel free within the limits of each package?
7. Do you insure that each package is addressed correctly and with legible information?
8. As extra insurance for delivery do you have the customer's name and address and your own firm name and address inside the package?
9. Are you familiar with the different methods of shipping other than the post office? Are you acquainted with the United Parcel Service (UPS), trucking routes, etc.?

### **Suppliers**

1. How many suppliers are you now dealing with?
2. Are there suppliers nearby who might save you time and transportation costs?
3. How often do you review the prices and performances of your suppliers?
4. Will a supplier give you an exclusive for mail order sales?
5. Will a supplier dropship, make small deliveries and step up production, if you need it?
6. Can s/he provide sales aids — such as discounts for ads and catalog listings, sales copy, photos and imprint literature?
7. What guarantee of quality and performance (service and shipping) will your supplier give you?
8. What guarantees of product availability will the supplier give you so that you can advertise and list the product in your catalog with confidence that you'll have an appropriate supply?

### **Telephone**

1. Do you plan to use a telephone in your advertising? Are you prepared to answer the telephone 24 hours a day or at least during normal business hours?
2. Are you prepared to accept credit card orders?
3. If you're not going to use the telephone in your ads, do you at least have your telephone number on your letterhead and other literature so that you look business-like?
4. How is your telephone to be answered? Who will answer it?
5. Have you investigated a telephone answering service or the use of an "800" number?
6. Are you aware that the use of the telephone and credit cards increases the number and the average amount of your orders?

### **Testing**

1. The three most important factors for a successful ad campaign are a) the medium (list or magazine), b) the offer and c) the copy or sales literature. The best offer mailed to a wrong list or advertised in the wrong publication will not sell. Which area is weak in your test?
2. Is your offer worn out? The 200-mpg carburetor plans sold well in the late 70's, but without 200-mpg cars on the street and with falling gas prices sales have plummeted.
3. Are competitors offering the same product at lower prices and/or with more features?
4. Are you reaching the right audience? Woodworking tools won't sell well in *Cooking Light* magazine.
5. Did your offer run under the right classification or in the best section in the right publication?
6. Is your offer seasonal? Or would it sell better in a more appropriate and better timed setting, such as toys in a Christmas catalog in November rather than a set of golf clubs advertised in the *Alaska Herald* in January?



## Sample Letters

### NSF Letter:

#### Your Letterhead

DATE:

TO:

FROM:

SUBJECT: NSF Check #2373, \$144.00

Thank you for your recent order for our (name of product). Your order is sincerely appreciated.

However, we have now run into a very serious problem that must be taken care of immediately...

**your bank has returned your check to us "UNPAID!"**

This may simply be an oversight or a bank error. However, issuing NSF checks through the U.S. Postal Service is a serious concern that must be remedied right away. (Also, you have received a product via the U.S. Mail without payment.)

**You must now send us a bank or postal money-order in the amount of your NSF check mentioned above, plus \$5.00 in bank handling charges to cover this unpaid item.**

If I do not hear from you within the next 15 days, my company will have no choice but to follow our standard legal procedures for collection through official representatives in your state.

Accordingly, I will pend our records 15 days from this date for your money-order. Hopefully, it will not be necessary to take this issue further. Be sure to return this letter along with your remittance.

Thank you for your immediate cooperation.

Sincerely,

(Your Name)

P.S. You may also resolve this matter by *immediately* returning (name of product) you received, undamaged. **If you use (name of product), you could be found in violation of copyright and/or patent laws unless you have actually paid for it.**

cc: files

National Check Data Service (INTEL)

Office of Regional Post Office Chief Postal Inspector with Complaint Form USPO139/C and copy of NSF check

**Ad Insertion Letter:**

**Your Company  
12345 Main Street  
Anytown, Worldwide  
000-555-1212**

*Your Name, Proprietor*

**ADVERTISING PLACEMENT REQUEST**

**Date:**

**Product to be Advertised:**

**Publication:**

**Attn:**

<b>Start</b>	<b>Frequency</b>	<b>Heading</b>	<b>Key</b>
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**Display Copy Enclosed**

**Classified Ad Copy, As Follows:**

**Instructions:**

**Rate: \$**

**Less Frequency or Special Discount:**

**Less Agency Commission:**

**Less Cash Discount:**

**Net Amount This Order:**

**Check Enclosed**  **Send Statement upon Publication**

**Charge Visa #**

**Owen Publishing**

By: \_\_\_\_\_

**Permission-to-Publicize-Testimonial Letter:**

(Your Letterhead)

January 1, 2000

J. Customer  
12345 Main St.  
Anytown, USA 55555

Subject: (Your Product/Service)

Dear Mr./Ms. Customer,

Thanks for your positive comments about the (your product or service). If you'll give me the okay, I'd like to include your kind thoughts with my future marketing plans.

Here's the way I'll run your testimonial. If it expresses your feelings, and you approve its use, please sign below and return this letter in the stamped envelope provided. If you want to make changes, please feel free to do so. I certainly want it to accurately reflect your opinion.

(Testimonial Written Here)

Again, thanks for your testimonial. All comments, positive and negative, are always welcome. Both kinds of feedback help me to improve and give my customers the (whatever) they seek.

Sincerely,

(Your Name)

[ ] YES, you may use my comments in future promotions for your (product/service).

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Product Return Note:**

(Your Letterhead)

Dear Mr./Ms. Customer,

Thanks for returning the (whatever) in good condition. I really appreciate you trying out the (whatever).

I'm sorry you didn't find the (whatever) as useful as you'd like.

So as my way of saying “thanks” for your time and trouble, I want to give you the attached **10% Discount Coupon**. You can use it for any product in my catalog — anytime within the next 15 days.

Best Wishes,  
(Your Name)

# How One Powerful, Small Ad Can Make You a Fortune

**Want to double or triple the power of your small ad? Here's a Risk-Free offer from Brooks Owen**

I write small ads for clients all the time. And boy, oh boy, do they ever work like crazy!

For example, I once wrote an ad for a book publisher. He'd been running a rather expensive 1/6 page ad that was pulling in only about 300 new customers a month. Pretty puny.

Then he placed a short, to-the-point ad I created for him. Results?

Overall, that modest classified ad out-pulled his 1/6 pager! Now here's the best part... the rock-bottom cost of placing that little ad let him advertise in 26 national magazines for the price of *one* insertion of his old ad. Each classified ad brings in about 50 to 150 new customers. For a total of 2,300 eager prospects each month.

Now how's *that* for smart, dirt-cheap, frugal advertising?

Anyway, would you like to know why some people who do business by mail and Internet make \$100,000, \$250,000, \$500,00 (and a whole lot more) while others struggle just to get by? The answer's surprisingly simple.

In a nutshell, you must "get the word out." The best way to do it is with a little ad. Your ad must grab your prospects by the throat and compel them to act... and do it NOW! If not, your business won't grow.

Point is, to increase your income you can now have...

## **Your Own Personal PowrAd™**

Yes, to help you begin taking cash-in-advance orders by mail and Internet I'll create one of my famous PowrAds™ just for you.

Since 1979 I've created hundreds of little powerhouse ads that have pulled in money beyond belief. Not one ad. Not two... but *hundreds!*

Here's the thing. If you need foot surgery, you wouldn't trust an amateur... you'd hire a specialist. If you want to form a corporation, you wouldn't leave anything to chance... you'd hire a specialist.

And if your businesses depended on getting a mob of new paying customers... *you'd hire an experienced specialist*. Indeed, there are a lot of copywriters. BUT, there are precious few who have made their living (and a darn good one) for nearly a quarter century with small ads... fewer still who are true *specialists*... and only *one* who is called "America's Small-Ad Specialist." (Hint: me!)

## Clients Say Thanks

“Thank you for the two 1-inch ads... doubled my response.”

“I loved the ad. Thanks a million!”

“It’s true... one powerful ad *can* make a fortune! Your ad is pulling like crazy.”

“Wish I’d had you write me an ad years ago instead of trying ‘hit and miss’ on my own.”

“I’m cashing-in with your classified ad. Many, many thanks!”

“Building my online business faster thanks to the ad you wrote for me.”

“Now I can spend time *building* my business... not worrying how to *get* business.”

“Don’t know if I should laugh or cry... I’m swamped!”

“I don’t want to get all mushy, so I’ll simply say ‘thanks for the ad.’”

Yes, small ads are my specialty. Classified ads... one-inch and two-inch display ads. I’m good at it. I’ve done it for years. And I love writing them.

You’ve likely seen my powerful ads in nation-wide magazines for years. They include such companies as: a publicist, a computer cleaning company, a surface repair firm, publishers, mail order companies, and on and on.

## Now You Can Use Me to Bring a “Mountain of Mail” to Your Mailbox or Web-Site

Ready to turn your mailbox into an overstuffed *cashbox*... turn your dot-com into actual *dot-commerce*... increase your income quickly and dramatically, no matter what business you’re in?

Here’s how.

I’ll write a PowrAd™ *exclusively for you*. No one else will have this small ad... it will be created for your personal use only. Listen, not long ago I was turning down much of the work offered to me. Truth is, I really didn’t have the time. But now that I’ve “semi-retired,” here’s your opportunity to take advantage of my know-how with a little ad that pushes all the right hot-buttons. One that gets you plenty of action.

You relax, and I’ll do all the work. And I GUARANTEE I’ll create a sizzling ad that’ll bring you terrific results. How much? Well, forget about creative fees of \$500... \$750... \$1,000... even higher. You can have a winning ad copy for...

**Only \$117** for a Classified Ad!

**Only \$157** for One-Inch Ad Copy!

**Only \$197** for Two-Inch Ad Copy!

Think about this. With these small fees it will actually *pay you* to have me create your ad. Why? Because it’ll save you loads of time and money by eliminating trial and error.

What’s more, depending on the price of your product or service... your ad should pay for itself in just a few sales. Then you’re home-free to relax and profit for years to come. It just makes good business sense.

What's more, your ad is *guaranteed* to increase your cash-flow OR YOUR MONEY BACK. I'll immediately refund your small fee. Or, if you prefer, I'll write you a new ad... FREE.

### **Three Easy Steps to Making More Money**

Step #1: Give me the details of your product, service, or whatever and what you want the ad to accomplish. Send the information, along with your check, money order or credit card info, and the size ad you want to:

Brooks Owen  
Drawer 10  
Battle Ground, WA 98604-0010

Step #2: I'll go to work and create a powerful ad just for you exclusively.

Step #3: Within a few days you'll get your ad copy. Place it... and start making more money!

(If you want to discuss it more first, you can e-mail me at <mailto:Brooks@BrooksOwen.com> to ask a question about this unique service.)

Want more business... more action... more income... gain the upper-hand over your competition? You'll be money ahead when you take advantage of a little PowrAd right now.

My methods really do work. So go ahead with confidence. Contact me *today* for your own powerful, exclusive ad that can help *you* build a fortune.

This is a Risk-Free offer. Which means you have nothing to lose... and a booming business to gain.

**P.S.** Want to boost your cash-flow even higher? It's easy. Simply send me your sales package, along with only \$75, and I'll pour over it with a fine-tooth comb. Then I'll rush it all back to you with my written critique, suggestions and recommendations on how to punch it up for even greater profits. (Wouldn't you like some peace of mind, knowing that your sales literature is the very best it can be?)

## A Final Note...

Every effort has been made to ensure the accuracy of the materials presented in *Secrets from the Million-Dollar Mailbox*. However, should you find an error that escaped my attention, an invalid link, or company no longer operating, I'd appreciate hearing from you so I can correct it immediately.

If there's additional information or a specific subject that you believe should be included in this Course, please let me know.

Also, I'd love your opinion of "Secrets." What do you think? Helpful? Not helpful? E-mail me your critique, good or bad. Anytime. It'll help me create a more useful product which, in turn, will better help you make more money by mail and Internet. Thanks.

Need an answer or a bit of extra help in getting your Mail Order business started? You may e-mail a succinct question to me at <mailto:Brooks@BrooksOwen.com>. Or, send an L/SASE to:

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Owen Publications  
Drawer 10  
Battle Ground, WA 98604-0010

I'll give it my best shot. No charge. It's FREE.

## Mail Order Toolbox

(Additional information about Owen Publication's products at: <http://brooksowen.com>)

### Actual Products You Can Use to Start Your Business... Right Now!

Now you can become an Instant Author and cash-in on the booming information market... without ever having to write one single word yourself.

You already know that the demand for information is huge and still growing by leaps and bounds. Imagine having your own Info-Product that you offer to millions of prospects, then **keep all the profits for yourself**. 100%. No royalties. No fees... ever.

What's more, *your name is on the books as author!*

To get you started I've created a variety of the very best Booklets you can use to generate cash-in-advance every day. Month after month. All year long. Each Booklet is complete and professionally written (no, not puny little 1-page, out-of-date "reports"... the full-length and current Manuscripts are about 10 tightly-written pages in length and are ready-to-go — right now — ready to reprint and boost your cash-flow.) Take a look at these popular titles that contain terrific advice...

- 10 Easy Ways to Grow Healthier, Happier, Better Looking House Plants



- 10 Easy Ways to Raise Healthier, Happier Pets
- 10 Easy Ways to Inspect a Used Home Before You Buy
- 10 Easy Ways to Tell if Your Kid is On Drugs... and, if so, What to Do
- Secrets of a Successful Consignment Shop Owner
- Cover Story (Unique Electronic Accessory)
- How to Turn Brass into Cash

There's something for everyone... health, wealth, gardening, service, business, crafts. Don't you know that you can make a top income with these fast-selling titles. What's more, you can be in business the very same day they arrive... which makes this a truly instant, "turn-key" mail order moneymaker.

And remember... *you're* the author!

The Manuscripts come on a handy CD, along with a *License Certificate of Authorship*. My advice is to get these Info-Products right now. Today.

U.S. \$17 plus \$2 S/H

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## **Your Own E-Book...**

### **The Million-Dollar Secret**

*Produced by Owen Publications*

You... a millionaire publisher? It can happen when you create your own popular e-book and take cash-in-advance orders day after day, year after year. Truth is, it's easier than you think.

Shrewd mail order operators are now profiting like crazy from e-books. How? Well, with e-books, there's no printing or postage costs to eat up your profits. What's more, by using *no-cost* marketing strategies, automated payment systems and fast online delivery it's like owning your own Las Vegas slot machine.

So that you can seize your share of the e-book cash you'll need the powerful presentation program called *Writer's Dream*<sup>™</sup>. With the easy-to-use *Writer's Dream* you can instantly produce professional books, catalogs and other info-products. Take a look at a few of the things you can do...

- Display images from 2 to over 16 million colors
- Create as many as 1,000 chapters per book
- Select background pictures
- Play .WAV sounds (and .MID with Windows95)
- Make your entire book — pictures, sounds and all — into one single, secure tamper-resistant .EXE file
- Control whether end user has clipboard, printer support
- And more

System requirements: PC with Windows 3.x, Windows 95-98, Windows NT, or higher, along with just 4 MB RAM and 2 MB of hard disk space. (By the way, similar programs cost as much as

\$200. *Writer's Dream* is only \$29!)

Armed with *Writer's Dream* you can now join the insiders who are enjoying cash-by-mail and Internet every day. Order now... profit tomorrow.

TIP: To become an Instant Publisher, simply take any of the free Info-Products described in *A Lifetime of Financial Security* or any of the Reproduction Booklets I've written for you, load them into *Writer's Dream* and... presto... you're ready to start making money with e-books!

U.S. \$29 plus \$3 S/H

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## **A Lifetime of Financial Security**

by Brooks Owen

Did you know you can create a large — and immediate — cash flow for yourself at home (even build a personal fortune) with Self-Help and How-To info-products that you can get FREE? It's true! My encyclopedia-like manual reveals how to profit as a self-publisher *instantly* by freely reproducing copyright-free and royalty-free books, booklets, manuals, reports and directories.

There are over 100,000 titles available to freely duplicate for your own personal profit. All these publications are written for you, ready to go... with the thanks of the authors who actually *want* you to reproduce them! Also, you'll learn how to set up a small army of dealers to sell for you.

The big 8½ x 11-inch manual details exactly how to market by mail, and where to get thousands of publications covering hundreds of current subjects (just for the asking!) that you can duplicate and use to build a **lifetime income**. Lots of examples, samples and how-to make it all so easy.

U.S. \$12 plus \$3 S/H

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## **Beat the Post Office... Sell with Postcards!**

**(How to Ignite Explosive Sales While Cutting Postage)**

by Brooks Owen

This classic manual is actually "three books in one"... *How to Sell with Simple Commercial Postcards, How to Slash Selling Costs with Unique Card Decks, How to Use Postcards as Alternative Media*. Explains precisely how to develop powerful postcards that will bring you more customers at low cost. Hundreds of examples and samples. World's smartest marketers use postcards... you should too.

U.S. \$25 plus \$4 S/H

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## MailMAXX™

### Mail Order Operations Software

If you do business by mail order, direct marketing, catalogs, retailing, wholesaling, Internet, networking, whatever... you'll appreciate MailMAXX™. It's the dependable "instant work crusher" software that handles your customer database with the ease of a TV remote and the power of a Pentium on steroids.

MailMAXX is the simple, yet powerful mail order software for firms on a limited budget. Look at these nine ways it makes your business life easier.

1. **Easier** to Use... instant at-a-glance customer information
2. **Faster** than other similar programs... you'll track customer activity immediately
3. **Powerful**... all customer functions are right at your fingertips
4. **Simple** to Learn... quick, non-technical instructions
5. A Real **Time-Saver**... there's no clutter or quirky menus-within-menus to wade through. Just an on-screen snapshot of customer activity.
6. **Enjoyable**... truly user-friendly
7. An honest-to-goodness **Money Saver**... compare to others costing \$1,000 and more!
8. **Reliable**... works like it's supposed to
9. **Guaranteed**... money-back if you're not satisfied. No quibbling. No hassles. Period.

The menu-driven Instructions are user-friendly and especially designed for entrepreneurs so you won't have to wade through a cumbersome manual. And if you have specific questions, you won't wait for hours on the phone listening to elevator music to get fast answers. Instead, simply contact the **special hotline e-mail address** that comes with the program and your questions will be answered promptly.

What kind of computer system do you need? Anything from an old "486" PC to the latest and greatest. Minimum RAM is only 8MB with at least 10MB hard-disk space and a CD drive. That's all. Set up in any Windows program as well as DOS. So you see how truly simple it is.

Listen, each week I get hundreds of inquiries and orders. If I didn't have a dependable way to easily, quickly automate and manage this client list, I wouldn't have time to do the most important thing... properly build my business.

So that's why I personally use MailMAXX™ every day. I truly don't know what I'd do without it. And I highly recommend you use this friendly Operations Software like I do. (For more information, please go to <http://www.brooksowen.com> and click on "How I Slashed My Workday in Half.")

*U.S. \$29 plus \$3 S/H*

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### Cash from Classifieds

*by Brooks Owen*

Learn the real secrets of making monster profits from dirt-cheap, tiny ads. One of the most

cost-effective ways to advertise any business — traditional, or online — is by using powerful classified and small space ads. I've been writing profitable small ads for over 21 years that have sold all kinds of things. And have put every secret, formula and technique I've perfected into an undated guide, "Cash from Classifieds."

In it you'll discover...

- my 14 "must do" rules of effective small ads
- 68 ways to begin your ad
- how to write a powerful small ad that make you money
- secrets of saying more with fewer words
- the 6 most power-packed advertising words
- 96 high-energy words that add *punch* to your ad
- 30 ways to prompt speedy action
- how to pick the right publications in which to place your ad
- how to make your ad stand out from the crowd
- how to test your small ad before you "roll out"
- what to do if your ad fails
- how to multiply your response
- the secret of compounding
- the surprising story of why Frank failed and why Mary succeeded
- 9 tips for a more forceful Internet classified ad
- a roster of 82 dynamic classified ads that made fortunes
- and more

**Cash from Classifieds** is kept at the fingertips of savvy advertisers worldwide. Now it's updated, expanded and available on a handy CD. And it can help you put magic into *your* small ads.

Believe me, it's the cheapest ad "success insurance" you'll find. Anywhere.

*U.S. \$10 plus \$2 S/H*

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## **Secrets from the Million-Dollar Mailbox**

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"the Mail Order Professor"

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