

Bill Myers

I want to say hello to everybody. I've spoken to many of you. It's really strange to come to a seminar where people walk up to you and say, "Hey, I know you." And that's the problem being on videotape. As Gary says, I got into guerilla video and it was two years ago this week that I first came to Key West to meet Gary Halbert, and I was an invited guest. I was invited to come down and videotape his seminar for him, which I did. And I met Karen there and it was a very life-changing experience.

I was able to come back about a month later and speak at his seminar, and the first thing I told people was that I was one of the laziest men you'll ever meet. And I'm more lazy today than I was then. Back then I didn't own a tie or socks. Now I own socks. And because I married Karen, last October, actually, a week from today. It's year's anniversary. I do own a tie now as a result of that wedding. I'm back in business.

I wanted to say a couple of things. First of all, I've been known as Guerilla Bill because of the video work we've done. And yes, we got involved in video and produced probably in the last two years sixty different videotapes and a couple of hundred TV commercials, but as many of you know, two months ago I got out of that business. And that's Gary North's fault. I sat down and we had a long talk and Gary North says, "Do something else." And I did and from Gary's first seminar, when I came and spoke to Gary, I thought I was doing real well. I was a single man. I own my house and a self-sufficient farm. Because of Gary North I believed the world was about to end, so I was living a long ways from nowhere and making \$2000-3,000 a month and felt real good.

Because of Gary Halbert I decided that I wasn't making enough. And because of Karen Redpath, she decided I was living in the wrong place and wrong kind of house. Anyway, it took me a year to go from \$5,000 a month to \$30,000 a month. And it took 60 days to go from \$30,000 a month to \$60,000 a month. And today I'm going to show you how to make \$30,000 a month starting next week. And then if we have time, I'm going to show you how to make \$80,000 in an hour.

[Applause]

But there's a few things you need to know. You need to know a magic word. There's a real big magic word in marketing that most people don't know and don't use. Especially men. Men have never been taught this word, women know it a lot better than men. And the magic word is no. Can everybody say it? Say no.

No.

So when somebody comes to you and says, "I've got this real challenging problem. I want you to help me sell this product." Your answer is?

No

When somebody comes to you and says, "I've got this product I want to sell. We're going to make ten dollars every time we sell one, we only have to sell a thousand to make \$10,000." Your answer is?

No.

When somebody says, “All I gotta do to get this thing on the road is to write the book, finish the tape, write the ad and what I want you to do is for you to fund it and we’ll split half the profits.” What do you say?

No.

Okay. No is a very important word. Another thing you don’t want in business is challenges. If you want challenges, get married and have kids. In business, don’t look for challenges. Karen and I, we have a lot of goals, but our number one goal is to not be in any business. Our society has trained you to think that you’re not worth anything unless you have a job. Well, unfortunately, that’s not the way it is. Your main goal, and everything you should be and doing as far as job-wise is to get out. To escape. To do what you want to do. That has been Karen and I’s goal. We moved into town, we live in a small town, and thanks to Karen, she elevated my expectations and now we have one of the largest houses in town.

We have a pool, a couple of Mercedes. And people say, “What about your country house?” We are buying a country house. It’s in New Zealand, it’s a different country. But people say, “Why are you doing it?” And we’re saying, “Why not?” You only live once. This is the only business that you can get into that we can live in New Zealand and do everything we do right now as well. It doesn’t matter. We have proven that we can live in the backwoods of Arkansas and we do extremely well. We can live in the backwoods of New Zealand and live extremely well.

We’re not going to move to New Zealand, it’s just nice to be able to do that kind of stuff. But the thing is, don’t think little. The biggest mistake that I made before Karen and Gary, was I wanted to be a little success. And boy, that’s what I was. A little success. If you think big, only two things are going to happen. You’re either going to be a big success or a big failure. In our case, if you only hit half your goals you’re a failure, right? Well, if your goal is to make a million dollars a year, and you only have half of that, well, you’re a failure because you only made \$500,000 a year. I can live with that.

Don’t get involved in challenges. Don’t look at problems. If somebody comes to you and says, “I’ve got this product, I want you to fix it to make me be able to sell it.” Say no, I don’t need it. Because every time you take on a product where there’s a problem or a challenge or has a low chance of success, you are giving up the chance to go after a product or an opportunity that has an extremely high chance of success.

In Vietnam there was a pilot, his name was Ace Duke Cunningham. Have many people have heard of Duke Cunningham? Duke Cunningham has a record for number of planes shot during the Vietnam War. He shot down 27. One day he got 7, and he was being interviewed and they asked him, “How did you get so many planes? Everybody else they shoot two or three down and that’s it. How did you get so many?” And he said, “This is what I do. I always stay back and I look for the weak targets, the pilots who aren’t flying right, the pilots who are having problems, those are the ones I go after.” And they said, “That’s smart, but how did you get seven in one day?” He said, “They were all parked on the runway.”

That's what I want. I want targets that are parked on the runway, all I got to do is fly over and get out of the way. Because why go out and get killed?

In marketing, it is crazy. Thanks to Karen, we've been doing a lot of things. We've been doing research. We went to Lake Tahoe to research for a week and I'll show you what we found at Lake Tahoe. Lake Tahoe has a lot of gambling casinos and this is a little pocket poker game and if you go into a casino in Lake Tahoe and put quarters in, you're going to win money. But no one leaves with money. People walk in and say, "I've got a roll of quarters and what I'm going to do is I'm going to win \$300 and leave."

And you know what people do when they win \$300? They put it all back in the machine. And that's what a lot of people in business do. They make a lot of money but they feel guilty for having that money, they can't quit, they're going to put it all back in. And what happens is they'll do an easy win, and they'll say, "That's great, I'm going to take all my profits and go after something hard." And that's why you see a lot of people in this business who are well-known get in very difficult situations.

And that's why you'll also see, if you call me or Karen and ask us to get involved in a project if we don't think it has any chance of success we're going to tell you, "You have got the worst project I have ever heard of. You don't have any chance of success." I'm going to show you later on how you can figure out whether your chance of success is high, but the reality is unless you want to spend your life trying to figure out something that is going to work, and do that until you're 70, then there's no point in you picking hard projects.

There are a lot of people in this room who make a living trying to solve problems for people. And what Karen and I do, we try to not just get involved in problem situations. There are some people in this room that I'm going to identify as my personal heroes. Most of them have already spoken. Gary Halbert is one, Gary North is one. Ted Nicholas is one. Jerry Buchanan is in the back.

How many people here know Jerry Buchanan? Jerry Buchanan is the editor of the *Towers Club Newsletter* and he's probably opened the door – you work at a nine to five job all your life and then you get a copy of a small newsletter and somebody says, "There is an escape. You don't have to work fifty weeks a year just to get two weeks for yourself."

That's what it is when you have a job. You're working fifty weeks a year to get two weeks for yourself. Ted Nicklaus is one of my heroes, Ted Nicklaus sets a good example of what you can do that once you do get money you don't have to become insane and move to Key West. Another one of my heroes, and he doesn't know this, Vince DeMayo. Vince, would you stand up? He may need some help. Vince is 82. [Applause] Vince and Lillian – Lillian would you stand up? Lillian is probably more of my hero because she puts up with Vince. Vince and Lillian produced their own guerilla video two years ago, MTV commercials to market it. They are here today to show you that no matter who you are, you can be a success. There's a gentleman sitting right here who was a fireman during the LA riots. How many would like to have that job?

We have Ron Beeman operating the camera back here. How many people know Ron Beeman or have heard about Ron Beeman? Three years ago Christmas he got a call from his doctor who

said, "Ron, you've got five days to live. Go ahead and make arrangements. Call the funeral home, call your family, call your friends, you've got five days to live." Ron had lymphonic cancer, and they had been fighting it for months and months and months and months and it had got to the point where the doctor said, "You are not going to live through New Year's Day." And Ron told me he was laying in bed because he couldn't get up, thinking about riding a lawnmower, the first one he had ever bought, riding a lawnmower that he had sitting in his garage that he hadn't used, and it made him mad. Here he was, he'd spent all this money on this riding lawnmower and the doctors are telling him he's going to be dead in five days.

So he showed them. Ron didn't die. As a matter of fact, in three to six months he is completely cured of lymphonic cancer and today he just got back from a checkup Friday before we came up here, and he's 100% in remission. [Applause] But Ron has a problem, and I'm going to tell you what Ron's problem is. Ron can't make plans longer than two or three or four weeks in advance, because think about the impact on your life if somebody says, "You're not going to live another five days," and then you get five more days. Then you're going to say, "Well, maybe I've got another week."

But can you make plans three years in advance, or seven years in advance, or ten years in advance? So for the last year and a half Ron has been in our office and we've given him studio space in our office for him to run his business, and two months ago we kicked him out. We said, "Ron, you're on your own. It's time to be on your own." And in the last two months he's made more money on his own than he has in the last year working for somebody else, because he's realizing that he has a future.

Most people in here don't think you've got a future. Most people think this is a great weekend, we're all going to come down to Key West, we're going to have a good time, we're going to hear some good speakers. We're going to go back and get into the same old rut, and there's no way I'm going to be a success. It's fun trying to be a success, but I really don't want to be a success. That's the reality. In this room probably less than 5% are actually going to ever do anything. You're all going to say, "I'm going to do something, I'm going to do something" and then you're going to get home and you're going to turn the TV on. TV is nice. Watch the TV every night because that's in your comfort zone.

You're going to go work every morning because that's in your comfort zone. You're going to do things that are in your comfort zone, because it just feels good and you don't want to stretch out and do something. If you were real lazy and real selfish you'd say, "I want to go live on the Oregon coast on a house overlooking the beach and spend most of my time walking with my kids or exploring the antique stores and to do that it's going to cost me – oh, let's see, to live well, it'll cost me about \$10,000 a month. But I'd like to have a little bit extra so I can have a boat and a car." So let's figure \$30,000.

No really, \$30,000 a month is not a lot of money. \$30,000 a month can be sales of a product that makes you \$30 a piece. Or a hundred sales of a product that makes you \$300 a piece. A hundred sales is three sales a day, which is not much. We're going to get into that and talk about that right now. But I want you to start thinking that everything is possible. Here I am, a guy from the backwoods of Arkansas, married to someone from New Zealand. And think about the odds of

that. Karen is from New Zealand and I'm from the backwoods of Arkansas. I rarely go anywhere, Karen has spent years and years traveling Europe and all over the world.

She spent 11 months in a VW Bus. What was the name of your bus?

Karen: Lucille

Lucille. Traveling the back roads of America. And she didn't have a driver's license or insurance and she was an illegal alien.

And then spent two years living on a boat, and then by chance acquaintance Karen and I met. Things like that happen to you in your life if you let it happen. You've got to have your eyes open and things like that can happen to you.

We're going to go through how to make profits with low budgets and direct mail projects. The word direct mail really should be direct response, because in today's electronic age, mail is not really a good word for what we do. We rarely do anything in the mail, we do everything by telephone or UPS. As a matter of fact, mail has got a bad reputation. What I want you to do if you would, is just pull this section out right here please, and then put everything else in there. I'm not going to try to sell you anything. If I say things that you think I'm leading up to a big pitch, I'm not.

Okay. You see this? This is a product. It took me about an hour and a half to create this product. And you know why it took me an hour and a half to create it? Because I have the computer tools to do it. We live in a technological age and those of you who have the time and own a computer, if you will invest as much each evening learning to operate a computer as you do watching Andy of Mayberry or the Beverly Hillbillies, in a couple of weeks you'll have the skills to do this. To be able to turn out your own projects. To own the exclusive rights to a product, means that you can sell something for three hundred times what you've got in it. This was produced with Windows and Ventura.

We're going to go over this. You can see how nice it is, it looks like a real book, it's got the picture on the front of it and the inside front cover. It's got the copyright information. The reason I am giving you a book is because there is no way in 45 minutes that I can tell you everything and you can be expected to remember everything, but we're going to go over the very basics. And the very first thing you're going to have to do to make money is you have to have a way to accept money. How many people in this room can today right now process Visa, MasterCard and American Express? Okay. Those of you who just raised your hand are in business.

How many cannot today, do not have a merchant account to process Visa, MasterCard and American Express? Those of you who just raised your hand are not in business and will not be in any business until you acquire that ability. You may not think you need Visa, MasterCard and American Express. You may think you can run a small classified ad that says, "Report on how to make \$30,000 a year raising llamas. Send self-addressed stamped envelope." Or, "Send check." In our business 99.9% of all orders are called in and paid for by Visa and MasterCard. The .5% of orders that aren't paid by Visa and MasterCard they say, "Can we pay by check?" And we say, "Yes, the product will be on the way today, and UPS will pick up the check." That's how you do check.

But if you do not have a telephone, you're out of business. If you use a PO Box, you're killing yourself. Remember what we were talking about earlier, we're going to remove all the obstacles. We're going to shoot the planes on the ground, right? So for you to have a PO Box in your ad, you're already out of business. For you not to have a Visa or MasterCard merchant account you're already out of business. So, one, you have to have the ability to accept money. If you can't accept money you're not in business.

To accept money you will need a telephone, or somebody to answer the telephone for you, and you need to be able to accept the currency that your customers choose to use. If they say, "Can you take checks?" The answer is yes. Can you take Visa or MasterCard? The answer is yes. Can you take American Express. The answer is yes. Anything they want to pay you in, the answer is always yes.

We traded probably \$15-20,000 worth of merchandise last year for our products. By the way, if anybody wants to buy an electronic face-lift machine I'll give you a tremendous deal on one, because we took a trade on electronic face-life machine for a set of our tapes. The answer is always yes. If somebody wants your product, your obligation is to make it available to them.

The other answer is most of you work 8-5, right? How many of you work 24 hours a day? Okay, that's good, remember that, because you're working too hard. How many of your customers are going to place orders from 8-5? So when do you want your phone lines opening and when do you want people to place orders? When they want to. When they want to. It's so important and there's so many people – how many times have you called to order a product, and you call the company, "Sorry, our offices are closed." And you are so hot to spend \$1000 or \$1500. Sorry, our offices are closed, if you'll call back tomorrow...." How many of you call back tomorrow? Or did you just jump to another time zone and find somebody who was open and order from them?

So it's important for you to keep your store open 24 hours a day. I'm going to solve that problem of how to keep your store open 24 hours a day, as well as how to process your Visa and MasterCard. We use a company called Mountain West Communications. Their phone number is on page 5. Mountain West Communications – this is located in Colorado, they have a phone bank of about 200 lines. They will, for a fee, assign you an 800 number. They will answer all your phone calls with very pleasant sounding people with not New York accents.

How many have you called somebody who has got a distinctly Bronx accent who sounded like you were intruding on their life and wanted to get you off the phone as quick as possible? And did you spend money with those people? No. We used Mountain West because we've tried a lot of people. How many of you have called my office? How many of you have spoken to sexy women when you called my office? Do any of you think that's an accident? It's the same way, when you call to place an order with a company, you want to feel like these guys want to talk to you. They are concerned about your life.

Because we are concerned. Our customers are the only reason that we can go to New Zealand or to go to Lake Tahoe or to go to some of the other places that we've been. Because our customers are our link and our people who answer the phone have got to be that link. So we use Mountain West for anything that we sell under \$200. If it's over \$200 they talk to us directly, but if it's

under \$200 we use Mountain West. That's a personal preference on our part. Mountain West, and there are other companies but Mountain West is the only one that I know of, and I can recommend, will assign you an 800 number. They will ask for a sample of your product and your direct mail piece. If it is in any way sleazy or adult-oriented, or in any way objectionable to them they will not do business with you. That's another reason we do business with them. They have morals. They say, "It is our personal opinion, and our personal belief, that we don't want to deal with products of certain natures." And I like that. So if you have sleazy products, don't do business with Mountain West, you really shouldn't be in this room if you have sleazy products.

But Mountain West will assign you a phone number, they will take your orders, and if you choose they will process the order payment to a credit card merchant account for you. They will additionally ship the product within 24 hours to the customer and cut you a check. And currently, right, now, last week they were charging 6% to process Visa, MasterCard or American Express, which is what most banks in this country raised the rate to last month. So I've just solved a problem for you. You now have a way to accept orders and accept currency. So if anybody in here is saying, "I'm going to get my business off the ground but I can't get a merchant account." Well, that excuse is gone now.

So, we've got a way to accept money. We've got a way for these people to contact us to process their orders. The next thing we got to do is decide, not a product but who do we want to sell things to? According to the latest United States census information, 50% of people under 30 live in poverty. 50% of people in this country under 30 live below poverty level. So how many people in this room want to sell to people under 30? How many people in this room have thought about it? So do we want to sell to the homeless? How many people have thought about it? Do we want to sell to people who are working at McDonald's right now? Now since we want this to be shooting the planes on the ground easy, who do we want to sell to?

People who have money. So that's our first thing. We are looking for people to have money. But more than having money what else do we want them to have? We want them to have the already determined behavior pattern of buying products like ours, whatever that product may be, through the mail or from classified ads. So we want to identify a group of people who have money and that already have the behavior pattern of buying products through the mail or from full-page ads.

How difficult would it be to train an adult new behavior patterns? You know how long it took industry to convince Americans to wear deodorant? 20 years. It took 20 years to create the behavior pattern of every American adult getting up in the morning and putting deodorant on. So if you've got 20 years, you could probably convince anybody to do anything if you've got enough budget. But since we don't have 20 years and since we don't want to spend the money, what we're going to do is find people who have already done what we want them to do.

How do we do that? Well, inside your little blue folder here, in the back of this side there is something called – it looks like – there's a page, it's actually from the SRDS, there's three pages I want you to pull up. I want you to pull the one that's got the big List World ad on it. How many have heard of the SRDS? How many have actually seen a page from the SRDS? This is what a page from SRDS is. And what that is, is a directory of mailing lists that are currently available in the United States. The directory comes out bi-monthly.

In here you can look specifically for people with money. There's a listing, rich people. But we don't want just rich people, we want people who have a pre-determined habit of what we want to sell them. I've specifically copied this page and this is from the May 14, 1991, under opportunity-seekers. Opportunity-seekers is one of the largest markets in the United States. Thanks to the current political situation, it's one of the fastest growing markets in the United States. People who are successful are still in this market.

The opportunity-seekers market, which everybody in this room is part of, is a real good market. Especially, and what we're finding, 70% of our customers for our products are doctors first. Dentists. Psychiatrists, psychologists, and professional people. People who are intelligent, educated. Who have got a job. Who are making lots of money. And are sick to death of having to be there every day.

Karen and I went to Branson, Missouri last week. We had the opportunity to spend a couple of hours with some of the performers. One of the individuals we spoke to, he makes \$26,000 a day. He nets \$26,000 a day. And he is a prisoner of what he does. He does two shows a day, seven days a week, 365 days a year. He's a prisoner of what he does. He's a happy guy, but he can't leave. He can't leave town because he does two shows a day. He can't go out tonight, because if he gets sick it's going to cost him \$26,000 tomorrow. He introduced us to another individual who makes \$82,000 a day. He has a 3,000 seat auditorium, he sells tickets for \$15 apiece. He fills that auditorium twice a day. He also sells approximately \$15,000 worth of popcorn and peanuts and hotdogs during his show.

This individual speaks 500 words of English. And performs twice a day. His name is Shoji Tubuchi. Many of you probably have heard of him. He is also a prisoner. He's done it for 12 years. And you think, "What is he going to do with that money?" Not much, he doesn't have the time to do anything with that money. Basically he spends his time in traffic coming back and forth to shows. Branson is a good place to go look for target markets. You have 100,000 people there a day spending \$15 apiece for tickets. They are driving big American cars, they are mostly all retired. They all have large incomes. McDonalds is not a place to be looking for target markets.

No kidding, if you go out to lunch today, while you're sitting at dinner, look around and say, "Who in this room would I like to have as a customer to mail a product to?" Look around you and think, "Well, that person probably doesn't have a Visa or MasterCard. That person probably doesn't have a telephone. This person probably can't read. Who in this room would I want to sell this product to?" This is the choice market in there. Anyway, this is the SRDS. If you look through here you'll notice that there are tremendous different things you can – if you look at the second column over opportunity-seekers. Here is a list of opportunity-seekers, individuals interested in personal improvement. The list source. There's a quantity and [rental rates? 0:28:23].

You'll notice that this is broken out by ethnic group. This is broken out by religions. This is going to be broken out – also available by state. And it's going to be available by several other things, they can't say sex but it's also available by sex. It's not a very good list, but it shows you the individualized list that you can get. SRDS, everybody in here should own one copy. Don't get the monthly subscription because you can't afford it. Get one copy. If you can't afford a

single copy, go to your local library, they throw theirs away every other month when the new one come in.

In there, the SRDS, the current issue is over 1,000 pages long. Every page is just like this. There's over 100,000 lists.

[Discusses how to get list with audience member]

You can buy single copies too. You don't have to buy a subscription. You can buy them directly from them. The list doesn't change that often. This copy here is a year old. We buy a copy once a year and that's plenty. That's a good question. Everybody in here should invest in a copy of the SRDS, it will open your minds. This is where we find products. From lists. We looked through here and it tells you what they bought.

There's another page in your book that's going to be a little bit more specific than that. And you see that the top page says American Coinage Collectors Series. You see that one. What we did here was we requested specific information from a list broker about a list that we saw in the SRDS. And you see how specific this information is? It tells me there were 68,000 buyers. I could buy for \$70 for a thousand, that's pretty cheap.

They are 65% male and I can select either male or female. The average unit of sale was from \$44 to \$179. I don't like that. I want my average unit of sale to be higher. But at least it tells me what the average unit of sale is. There's selections here. I can get state or other different codes. The source is 100% direct mail, which is good, because it shows that these people have direct mail buying experience. I can get them available on Cheshire labels which are you standard pressure-sensitive labels or mag tape.

Below it there's another one. Worldwide collectibles buyers and catalog requests. See how specific these are? There are 100,000 lists that are this specific. As a matter of fact, I know that Drew Kaplan's latest list is a list of people, the 561,000 people who bought the Little Baker. How many people bought the home bakery unit from Drew Kaplan? How many people have used that bakery? As you used it have you ever thought, "Wouldn't it be nice if I had something to go with that?" How many people have a juicer? Those of you who have juicers and bakers, what do you do with the pulp from your juicer when you use it? Do you throw it away?

You think we could come up in this room with a book of recipes to make bread from that pulp? And then who would we want to sell that to? Drew Kaplan's list. How much would that recipe book cost us? Fifty cents. You know what the number one best-selling book on the New York Times non-fiction list is this month? It's written by the juiceman. It's a recipe book on juicing. Now think about that. A recipe for juicing? You just throw stuff in there, right? That's what we do. Just whatever you've got in the refrigerator you throw it in there and it turns into juice.

But that's how simple it is to come up with a product once you have the list. If we were sitting down trying to come up with a product first, it would be almost impossible, because who are we going to sell it to? Here, we find the market first. If we know those guys have spent \$180 for a bakery, and they've spent \$250 for a juicer, we are not going to go to the trouble to offend them by trying to sell them something for \$20, are we? Obviously not. We don't want to hurt their feelings. We want to give them something in the price range they're already used to paying.

We're going to show them how to supercharge their juicer and get more out of their bread maker by providing them a recipe book along with two or three other things, which we haven't come up with, but that's easy, coming up with this stuff.

The point is finding the market first, and it's easy to sell stuff. If I said let's come up with a product right now, we'd come up with a billion products. But if I said let's come up with a product that we can sell him. And we'd get him up on the stage and we'd ask him some things about his background and his life and what things he likes and how much money can you spend, how much money do you have left on your Visa or MasterCard credit limit. We'd ask you things like that, and we could come up with a product that we could sell him, couldn't we?

It's the same way with direct mail. Don't waste your time coming up with products first. Come up with a market. Like I say, Karen and I are lazy, and we really didn't want to make 1,000 sales a month so what we do is we come up with a market of people who can afford what we want to sell them. In most cases we want to sell them something in the price range of \$395-9,000. It sounds funny, but in the last two months since we began doing this, most of our sales are in the \$2,000-9,000 range. Everything we've done on our satellite TV show. You know what the best-selling product was? The most expensive product.

In our catalog, which you all have a copy of. You know what the best-selling product is? The most expensive product. In our direct mail piece we give them an option. They can either buy the low-end unit or the deluxe unit. What is the best-seller, always? The deluxe unit. Because once people make their mind up to buy, price is no obstacle. Look at Lexuses. How many people in this county can really afford a \$55,000 Lexus? But how many people in this room would like to have one?

Once your mind is made up to buy, then you're going to figure out a way to get it. And we try to do the same thing. We qualify our audience first, we make sure that people out there can afford what we're going to do. Let's get back to our little report here. You notice the little bullets here? It says "Failure to choose to sell to a right market is a sure way to cripple your project before you start"? This is on page 6. It says, "It is always best to find a ripe target market first." Here's the SRDS phone number by the way, on page 6. I thought we put that in there.

This is who we sell products to. You may not choose to want to sell to this particular market, but first of all we want to sell to people with money to spend. You may not choose to sell to that market that's okay. Because you won't sell to that market. But we want to choose consumers who have money to spend. Then we want to choose consumers who are already in the habit of buying products through the mail. We don't want to teach them any new behavior patterns. Then we want consumers who have specific interests in specific products. That means I want to be able to identify what these people are interested in now. What have they purchased in the last sixty days that would give me an idea of what they want to buy right now.

And then consumers who have spent an identifiable amount. I want to know exactly what they paid for a product in the last 30-60 days. Because it'll be within their comfort zone. How many people in this room would be hesitant to pay \$2,000 for three video tapes? That's good, but if those three video tapes made you \$50,000 in the next six weeks, how many in this room after

you purchased those would be comfortable paying \$2,000 for another three video tapes? That's right.

You don't want to be the first person selling them these three tapes do you? You want to be the second person, or the third or fourth – once they have an identified behavior pattern, you want to jump in there. Okay. The next big bold mark, let's all tread that aloud. Are you ready? "Failure to choose to sell to a ripe market is a sure way to cripple your project before you ever start." How many people want to sell to people who live below poverty level? Anybody want to sell to people who live below poverty level in this room? They probably don't have telephones, they probably don't have Visa, MasterCard, and probably half of you, whether you know it or not, are selling to that particular market. MTV sells to the poverty level group and we don't advertise on MTV. As a matter of fact we're very happy that TV targets people under 30. Because we don't have any competition with TV. No one on TV expect for the rototillers guys are selling products to people over 30.

We've covered two steps. One, acquiring a way to accept currency of your customers and process orders, and the second thing was finding out who we want to identify as customers. Step three, finding out what the selected market wants to buy. Karen, would you bring me a water please. Most people go to their market with a product and they say, "This is what I have for sale, who wants to buy it?" And you know it's pretty touch doing that, you have to knock on a lot of doors when you say, "This is what I have for sale, who wants to buy it?"

What you want to do is say, "You've been looking for this for months, and here's your chance, and probably your only chance to get it." You want to have a product. You want to already identify people who have been looking for this thing for months and months and months and months, and for them to say, "This is the product you have been looking for and here is your chance to get it."

I'm going to show an example of a product like that. I would get that at least 20 people in this room will be able to identify this product before I pull it out of the box. I'll give you a hint, it's from Drew. That's right. How many people have purchased this product? How many people know that this is? In my hands I have the names, addresses and phone number of every person in this country who has a telephone. And names, addresses and phone number of every business in this country that has a telephone. You know how long I've been looking for this?

Drew Kaplan sells this on three CD discs for \$129. And Drew got it because it's public domain information, it's from all the phone books. This is the names, addresses, phone numbers of everybody in the country. Drew sent me a letter saying, "I know you've been looking for this. Here is your chance to get it. And it's probably your only chance because the company that markets this is no longer doing it because of consumer reaction to privacy information." And Drew is probably going to go out of business, so this is your last chance to get this."

Drew sells this for \$129. You know how much it costs to make this? Nine bucks. So there's a pretty good margin on that. By the way, this is Gary's. Because when I called Gary, I said, "Gary, I know you've been looking for it and I found it." And he said, "Get one for me." And I got one from him, but really this is the kind of product you want. Do you think Drew has to

spend much time getting people to buy this? Do you think that he has many other products that he makes that kind of margin on? Invest \$9, sells it for \$129 and won't get any back?

That's the kind of product you want. You want something – you want to identify people who already want it, and say, "Here it is, come get it." Now the way you do that is with your SRDS. We looked in the SRDS and you saw there were some coin buyers there, right? You know these guys have bought coins, American Coinage Collectors series. We know they bought coins, right? So what do we sell them? We could sell them coins but they already bought coins. Why would we do that? Why don't we sell them a letter that said, "Dear Mr. Smith, I know that you recently bought coins and you're storing them in your house. And I know that there are other burglars and con artists in this town that know the same thing. Would you like to know how I found out and would you like to find out a way that you can store those coins so that no one else will ever know that you've got them?"

This guy has just bought coins, right? He values those coins. And then he gets a letter two weeks later from somebody who says, "I know you got coins in your house." Would that be a hard sell? What have we used?

Audience: Fear

We've used inside information. Legal, inside information. We bought the mailing list of guys who bought the coins. What we've done – is David in here? David Deutsch? At our seminar we developed a direct mail product and David wrote the direct mail piece for it. And that's in this letter right here. If you'll look this up, I don't want you to read the whole thing, I just want you to look, this is how we send a direct mail letter out.

You see the headline? Test Gold Like A Jeweler. We could have used several headlines for this particular list. We could say, "Is That Gold That You Just Bought Real?" Here's the only way you're going to find out. And what this is, this is a direct mail piece for a gold tester, but it's not just a gold tester, it is some other things. I'm going to tell you in a minute why we did these other things. If you look at the small little order form, the one that's got the handy little drawing that we created in our computer? You'll see that you get the pocket-sized gold tester with accessory pack including rechargeable batteries, installed. Recharger and deluxe carrying case. You also get the *Art of Buying Gold* videotape. Hey, they call me Guerilla Bill, I make video tapes, but I don't sell the tapes, I give them away as part of the product.

The *Golden Rule Reference Guide*, what it does, it shows you what gold is worth per ounce based on the current spot price of gold. And *The Golden Fleeces Report* plus two gold rings, one is real and one is fake. Plus if you'll place your order by phone you'll receive a free pocket magnifier. And all this is for \$389. We know that the guy has just bought gold coins, the gold coins cost more than \$389 apiece, this is a way to get him involved.

I'm going to show you one thing about this product. I want you to put it all back in your envelope because we're going to talk about this later, I want you to read this letter later and when you think about if you ever need a copywriter David Deutsch was the genius behind this letter. The gold tester sells for \$389.

I'm going to tell you some embarrassing things here. The tape costs me \$1.75 to reproduce. The book costs me twenty cents. The card cost me less than a penny apiece because we get eight cards on a sheet of paper. The two gold rings is the second most expensive thing in the package, they cost me \$15 because they are real gold. We went to a jeweler and had them cast up a hundred gold rings for us. The gold tester, which we sell for \$389 costs me \$66. So we net over \$300 per sale. How many sales a month do I need to make \$30,000? One hundred sales. That's three a day. That's right. And how many of those sales do we take in our office? On this particular product, none. When we do mail this product, and we are not mailing it right now for a particular reason, Mountain West will do the handling of it.

Why are we not mailing this product right now? A couple of reasons. We just finished August, which is the worst month for direct mail. The second thing is we're coming up on a period of turmoil which is called the election, and if gold prices are to move when are they going to move? And if you're selling something relating to gold, when do you want to sell it? When people are talking about gold.

So there's a good thing about this product is just because you have it done, you don't have to mail it today, you can mail it when the timing is right. If I mail it when the timing is right my response rate -- by the way, if I get a 2% response rate on this for every 5,000 letters I mail, I'll make \$38,000. That's a 2% response rate. But I'm not going to do that. Because I'm going to wait, I'm not in any hurry. I'd rather wait and do it when I have a 7% response rate.

Back to where we were. That was a little off the subject, back to where we were. When I started how many people here thought you could make \$30,000 a month with direct mail. How many people think there's a possibility you might be able to do it now with just a little bit of stuff I've shown you? Okay. That gold tester has to do with finding out what your market really wants, right? And we do that by first identifying the market before we come up with a product, finding out more about what they like, what they bought, how much they've spent, how much limit they have on their credit card.

There's another thing here, let's read this one out loud. This is on page 7. You ready? "A pro will never forget that the purpose of his adventures in direct mail is not to sell a specific product, but is instead to sell what the customer wants to buy." It's a lot easier if you tell me you want a car for me to try to sell you car. If you said, "I want a boat." And I say, "But I've got this car for sale." You're going to spend a lot of your time and waste a lot of your money trying to sell somebody a boat who wants a car.

How many people think they have a product that their customer needs? How many people in here have a product that your customer needs? All of you should get out of business. Need is a dirty word. People do not buy what they need. You can go to Harvey's Resort in Lake Tahoe and watch the people at the slot machines and they are not buying what they need. They're buying what they want.

How many people in here own Porches. I know there's a couple of people. How many need Porches? How many people -- no, I'm not going to say it. People buy what they want. And if somebody says, "I got this great product that everybody needs" what's the magic word we tell them? No. And if you say, "This is something that everyone needs" the answer is no.

And if anybody gives you a product description – by the way, you should be able to explain what you're selling in twenty words or less. If that twenty words includes the word "need" the answer is no. We don't sell what people need. You cannot make money selling what people need. You will go broke. I think there was a cartoon in Calvin and Hobbes recently. And Calvin was sitting by a lemonade stand and it says, "A Kick in the Butt \$1" and Hobbes comes up and says, "How is business" and Calvin's says, "It's really bad, I haven't got anybody to come buy anything." And he says, "I can't understand it, I've got what everybody needs."

While everybody might need a kick in the butt, very few people will pay for it. There's another dirty word that I want you to remember. Need is a dirty word. Prevention is a dirty word. People don't buy prevention, they buy cure. People don't buy prevention, they buy cure. How many people go to the dentist just to see if there's anything wrong? But how many people go to the dentist when they think something is wrong? Everybody does. People don't buy prevention, they buy cure. So if you're going to sell – right now, and I don't want to talk about this too much, there are more people interested in a cure for AIDS than there are a prevention for AIDS. Politically, the emphasis on the cure for AIDS and not on the prevention of AIDS and that has a lot to do with the way people in our society think.

No one is concerned about AIDS until you catch it. How many people really care about AIDS but if you had it how many would care? It's like Ron Beeman and cancer. How many people in this room really care about cancer? But if you got it tomorrow how much research would you be doing and how many reports would you be buying and how many books would you be buying? It's the same thing, no one buys prevention, everybody buys cure. So that has to do with coming up with a product. And that's our next thing, is developing a product idea. So we've got to market to people.

Let's say we're going to sell to the income-opportunity market, right? So for the purposes of our little exercise here, we're going to sell to the income-opportunity market. We're not going to sell to guys who work at gas stations who are trying to get a better job or start their own business. We're not going to sell to guys who are waxing surfboards in Hawaii and looking for a second stream of income. What we're going to do is we're going to come up with a project that we can sell to people who are intelligent, motivated, over thirty. Usually a male, but a lot of time female. Who've got two or three thousand, maybe more, to invest, but really are looking for success but don't know if they can get it. That's the type of people we want. And those people are really easy to identify in the SRDS list. You can find people who have bought projects and tapes, those people are very easy to identify.

So that's the market we want. What do those people want? Let's develop a product in this room? What do those people want? They want the magic bean.