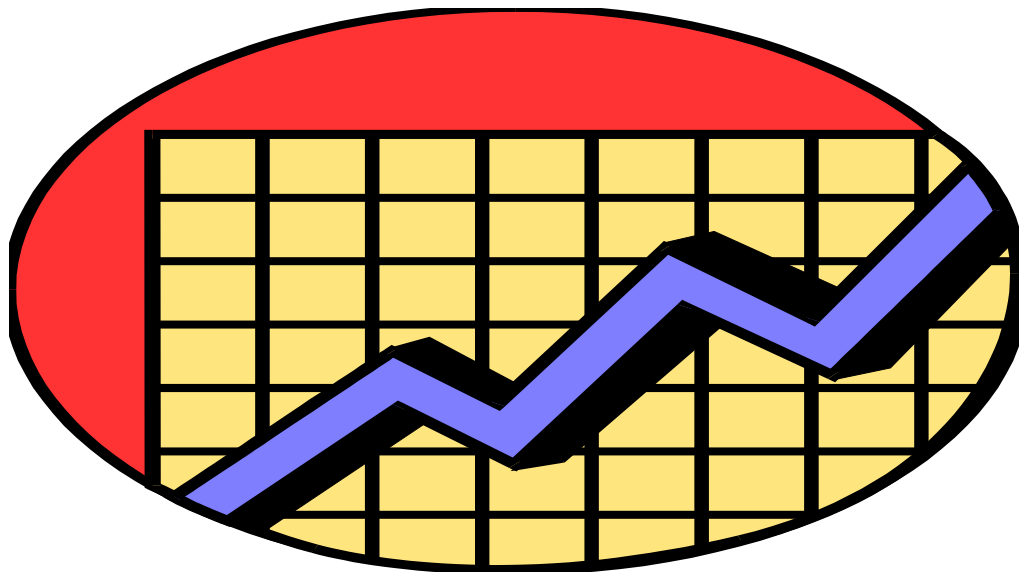


The Most Effective, Yet Most Overlooked Marketing Strategy In Existence



Apply this secret in your business, and you'll quickly and nearly effortlessly get more customers than you ever dreamed possible... and make yourself a fortune in the process!

DAVID PHAM

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The Most Effective, Yet Most Overlooked Marketing Strategy In Existence

Apply this secret in your business, and you'll quickly and nearly effortlessly get more customers than you ever dreamed possible... and make yourself a fortune in the process!

A recent newspaper article titled, "Everyone Wants To Be A Millionaire," discussed the obsession Americans have with becoming wealthy.

In fact, our fixation on becoming a "millionaire" has reached nearly pandemic proportions, according to one psychologist. Even though a \$1 million dollars isn't what it used to be.

For instance, if you had \$1 million in 1980, it would be the same as having more than \$2 million today. And in 1970, \$1 million was worth 4.4 times what it is now. Moreover, people who win a million or more through lotteries, casinos and the like, never take home the entire amount, thanks to state and federal taxes.

But that doesn't seem to matter to most people. "What we have is the dream of making it big," says Mark Alch, author of "How To Become A Millionaire: A Straightforward Approach To Accumulating Wealth." " Somehow, people still think a seven-digit figure is an extreme amount of money."

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And it is a lot of money to most people... there's no question about it. But how does one go about obtaining that kind of money? And what are the best, quickest, least risky ways to do it?

**What It Takes To Make
A Million Dollars**

In the same article, USA TODAY analyst Danny Sheridan calculated the odds against making \$1 million by these methods:

- Inheriting \$1 million 12 million to 1
- Winning the lottery 12 million to 1
- Paying the slots in a casino 6 million to 1
- Winning a game show 4 million to 1
- Saving \$800 a month for 30 years 1.5 million to 1
- Working for a dot-com that goes public 10,000 to 1
- Owning a small business 1,000 to 1

Clearly, according to Sheridan, the best way to make a significant amount of money is by investing in your own business.

Besides the obvious tax write-offs and deductions a business affords its owners, there are other highly-leverageable advantages, as well.

It's true that businesses have expenses... operating expenses such as rent, utilities, telephones, business supplies, equipment and wages and commissions.

In addition, they may have expenses relating to production, manufacturing or product costs. And of course, there's the cost of promoting or marketing the products or services the business sells.

But of all the costs incurred by the business, the only one that truly is not a cost (other than perhaps, land or facility appreciation), is the costs incurred in marketing.

You see, marketing should not be viewed as a cost or an expense. It's really an investment. In fact...

Marketing Is The Most Profitable Business Investment You Can Make!

Let's suppose you invest in stocks, bonds or mutual funds. What kind of return can you reasonably expect to make? 5 %? 10%? 15%?

Maybe. And if you're really lucky... maybe 20 or 25%.

But along with those numbers, comes a certain amount of risk. You could very easily lose it all in the process.

But an effective marketing campaign could have the potential of generating up to 5,000% or more in profits.

If you spend, say, \$100 on an ad or a campaign and it returns \$1,000 in profits, you've just earned 10 times your ROI (Return On Investment). That's a 1,000% return. And if it were to return \$5,000 in profits... you'd have a 5,000% return.

But I can hear your questions now. "How realistic is it to invest \$100 and get a \$1,000 or a \$5,000 return? I mean, does it ever happen? And if it does, is it the exception rather than the rule?"

Good questions. All of them. And the answer is... Yes, it is realistic. Yes it does happen. And yes, it is the exception, rather than the rule.

Now, don't let my answer to that last question (the exception, rather than the rule) dissuade or discourage you. It doesn't have to be that way. The reason it is, is that...

Most business owners don't know how to construct an effective marketing campaign, ad or promotion that will product the optimum results.

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Hey, the newspaper, the magazine, the TV or radio station, or the mail carrier doesn't care what's on your ad or in your letter... they're going to deliver the message (whatever it is) to the intended recipient. And if you get one response, 100 responses or even 1,000 responses, the ad or letter costs are all the same.

It's not how much you spend on the ad that counts. It's not even which media you choose that solely determines your response rate (although choosing effective media is important).

More than anything, it's what you do or say in your ad or letter... the trust and credibility you build with the reader, and the offer you make, that will determine the response you get.

And if that's the case, why not make the very best offer to those who you've already developed a high level of trust and credibility with, so that you can maximize the return on your investment? I'm talking about your current and past customers, here. Those who have already experienced doing business with you, and are familiar with how you operate and have enjoyed the benefits the products and services you sold them provide.

All the research shows that...

**It Costs Six Times More To Get A Prospect
To Buy From You Than It Does To Resell
To An Existing Client!**

Acquiring new customers is costly, and in many cases, the money earned on the first sale doesn't even cover the acquisition costs.

In fact, many studies have shown that it costs six times more to get a new customer than it does to keep an existing one, and that it's 16 times easier to sell to an existing customer than to a new one.

That said, why would any astute business owner, manager, salesperson or entrepreneur even let the thought of spending a

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minute of time or a dime of their resources on attracting new customers before doing all they can to squeeze every last ounce of business out of their existing or past customers or clients?

The truth is, the real money – your profits – come from the additional sales of the products and services that you make to your customers on the “back end.”

If you happen to sell a limited number of products or services to your customers, or sell to them on an infrequent basis, or if what you sell can be duplicated by another product or service offered by a competitor, your business can only achieve a fraction of its potential.

And, as the economy gets more and more competitive, if you don’t have additional sources of income, your business could head into financial disaster.

**Why Should Your Customers And Prospects
Do Business With You, Rather Than
Your Competition?**

If you really want your business to be as successful as it can be, to thrive and not just survive, and to maximize the investment you’ve made in it, you’ve got to continually find ways to offer your customers unique advantages they can’t get anywhere else.

And when you do, you’ll gain your customers’ loyalty, motivate them to do more business with you, keep them as customers for a long time, and inspire them to tell their other business associates and friends about you.

In other words, if you can give your customers unique, compelling and profitable reasons to do business with you over and over again, they’ll not only keep you in business, they’ll make you incredibly wealthy and successful in the process.

Your existing or past clients or customers have already had at least one buying experience with you, so they are familiar with

you. And if you've done your job well, and made them feel special, the likelihood of them doing business with you again is greatly enhanced. Trust and credibility have already been established. Now all you need to do is make them an enticing offer.

On the other hand, new prospects... those who haven't had the same buying experience with you, require much more time, effort and money to bring them to the same point of trust as your current clients.

You first have to get your new prospect's attention. You do that with ads, sales letters, newsletters, postcards, telemarketing campaigns and a variety of other types of media. Then, you nurture them, hold their hand, and walk them step-by-step through the trust-building phase just to get them up to the beginning level of trust that your current customers were at when they began doing business with you.

You have to lead them up the Loyalty Ladder, from Suspect to Prospect, then on to Shopper, and eventually to Customer, Client, Advocate and finally, to Raging Fan. All this takes time and money. But you have to do it, because...

The Average Business Loses About 19% Of Its Client Base Each Year.

This Means That You Must Get 10% More New Clients Each Year Just To Stay Even!

This one simple fact... this single statement explains why so many businesses are struggling today. And why they spend so much time, effort and money trying to attract new clients to do business with them.

Now, most business owners are good technicians. That is, they know how to effectively produce or acquire the products they sell. And if they run their businesses fairly efficiently, they manage to get by. But they do it at a level far below where they could and should be operating.

**Getting New Business Is Not Something Most
Business Owners Are Proficient In**

The cold, hard fact is... most business owners... most professionals... most entrepreneurs... most managers... most salespeople... most people responsible for getting new customers for their business enterprise, simply don't know how to get those new customers on an effective or cost-efficient basis.

So, they depend on ad agencies or sales reps from the Yellow Pages, magazines, newspapers, radio and TV stations to design their business-getting tools for them. And the truth be known... most of those reps or sales people don't have a clue as to how to create marketing campaigns that produce measurable results on a cost-effective basis.

Getting new customers is important. In fact, it's critical. You simply have to do it. Especially, if your business is losing up to 19 percent to attrition each year.

But getting new customers through traditional means is only one of many ways to grow your business to the point where you're earning the kind of profits and income that you want. There are other things you can do that are not only more effective, but are more cost-efficient, as well.

Listen to this exciting statistic...

**For Every 5% Increase In Customer Retention, You
Can Generate A 30% - 40% Increase In
Profitability Over 12 – 16 Months!**

Think about that for a minute.

If your business is like most, and you lose 19 percent of your customers each year, that means that 81 percent stay with you and continue to do business with you.

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But if you were to increase that number to 86 percent, you could enjoy a 30 to 40 percent increase in profitability.

Remember, that it costs 6 times more to get a new customer than it does to keep an existing one, and it's 16 times easier to sell to an existing customer than to a new one.

So, when you compare the acquisition costs for getting new customers to like you, know you, trust you, and buy from you the first time, versus getting your existing customers to repurchase from you, the cost-to-sale difference is significantly different.

So, how do you increase your customer retention? How do you get them to buy from you again and again? How do you get your customers to continue doing business with you year after year, until they no longer have any need for your products or services?

And how do you get them to refer others to you so your acquisition costs come down below... way below the six times figure? What are the most efficient and most cost-effective ways to do those things?

Cater To Peoples' Differences, And You'll Win Customers For Life

People are all different. But they're really all the same.

How can that be? How can they be different, but still the same, at the same time, you ask?"

Here's what I mean...

People all want to be viewed as different, special, unique. They want to feel as though their needs are different than anyone else's. That the answers to their problems are different than their neighbor's. And that they require special attention and special solutions.

Dr. Murry Banks, the popular New York psychologist, says that all buying springs out of four basic motives or wants:

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1. To live longer and better
2. A feeling of importance – respect, power, prestige, admiration
3. To be appreciated
4. A desire for variety or change

Even though people all view themselves as different, they are really the same in that the four buying motives appeal to everyone.

With regard to motive number two, Dr. Banks cites the example of a little boy at the pool who shouts to his mom, “Watch me, mom, watch me!”

And while grown-ups don’t act in the same manner as the little boy, they do the same thing with their big cars, furniture, homes, jewelry, etc. There’s really not much difference between children and adults... just in the methods.

So, understanding human nature is critical if you’re in business. Once you understand what your customers’ wants are, you can become a “Want Creator,” rather than a “Needs Satisfier.”

And when you become the one Want Creator with the only logical and viable solution to your prospects’ and customers’ wants, you’ve just set yourself up for unlimited success, and have effectively eliminated your competition and are on the road to becoming the dominating force in your marketplace.

Knowing, And Then Selling To A Prospect’s Or Customer’s Needs Is A Sure Way To Success

Let’s take a look at your business enterprise. When someone does business with you the first time, what happens during the transaction?

Do you just sell them the product or service they came to buy?

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Or do you find out more about them? What their business is. How they intend on using the item they purchased. What other related products or services they might need or be interested in. How many family members, employees or associates they may have that might enjoy the same benefits those products or services provides.

What about any other important or pertinent information that you can use later on to help create additional purchases from them, or referrals of their associates?

The more complete and comprehensive the information in your customer database is, the more you can target their individual needs according to the four basic motives, and the more closely you can tailor your correspondence to them and their feeling of being “different” than anyone else.

A good place to begin, if you don’t already have a system in place, is by looking over the “MacKay 66,” found in Harvey MacKay’s great book, *Swim With The Sharks Without Being Eaten Alive*.

You don’t have to go to the extent that MacKay went to, and use all 66 questions, but his list will at least give you a starting point to develop your own list of critical questions.

Once you have this information and have entered it into your database, you’ve got to do something with it. It’s not enough just to have it. You must use it.

**“Love ‘em and Leave ‘em”
An All Too Familiar Scenario**

It’s a fact. Not a pretty one, but a fact, just as well. It’s happened to me. It’s happened to you. It’s happened to my customers. And it’s happened to yours.

In fact... it's happened to everyone who has ever made a purchase from someone else, or from some company, whether they be big or small.

What I'm referring to, is the old, "Love 'em and leave 'em" scenario. You know how it goes... companies spend tons of money advertising to Suspects with the hopes of finding a few Prospects... people who might be a candidate for what the company is offering.

Eventually, some of those Prospects become Shoppers, and order a free report or stop by the business to inquire further. Then, a few of those Shoppers hopefully end up as Customers... someone who buys from the company.

Then an amazing thing happens. The customer leaves with his or her purchase, and the company goes about trying to attract more Suspects, and begin the process all over again.

You see, the business "Loved 'em" enough to get them to purchase one time, then "Left 'em"... never to contact that customer again. And if they did happen to contact them, it was most likely a lame, weak and ineffective attempt to sell them what the company wanted to sell... not what the customer might want.

FOLLOW UP!
The Most Underused and Overlooked Marketing Tool

Now, let me tell you... the most effective... the most cost-efficient... the most profitable thing you can do in your business, is to create a database of your current and past customers and follow up with them.

It doesn't have to be an elaborate system, plan or strategy. It doesn't have to be costly. It's doesn't have to break the bank. But it does have to be well thought-out, planned and tailored to the

unique wants of your customers, if you want it to be overwhelmingly successful.

Believe me when I say this... this one strategy is the most overlooked, yet most effective marketing tool you have in your arsenal for getting your customers to buy from you more often, extending their buying lifetime with you and getting them to refer others to you. In short...

**This one strategy can do more for building your business than just about anything else you can do...
And it can do it in record time!**

And if you fail to do this? It'll cost you thousands and thousands of dollars in lost business and profits!

An effective follow-up strategy is concerned with three sources of customers...

1. Existing Customers
2. Past Customers
3. Potential Customers or Prospects

**Existing Customers...
The Most Powerful Source Of Profits
Any Business Has**

All things being equal, people will do business with people they like, they know and they trust. All things being unequal, people will still do business with people they like, they know and they trust.

And since it costs up to six times more to get a new customer to like you, know you and trust you enough to buy from you, it just makes sense to spend most of your time, effort and money strengthening the relationships you already have with your existing customers.

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Here are a few things to consider when developing a system for following up with your existing customers or clients...

1. Determine the number of times you want to contact your clients, and over what period of time. You want them to know that you're thinking of them, and that you have something of value to say to them. But the last thing you want to do is bug them to death. You might, for instance, decide that you want to contact them six times in the next 12 months.
2. Determine the frequency of contacts. In the example in step one, you decided on six contacts over a 12-month period. Now, you want to determine how often you'll contact them. Will it be every other month for the entire year? Or will it be once a month for the first three months, then once every three months thereafter? Or, if your customers have a product that expires or renews, such as an insurance policy, will you increase the number of contacts you make just prior to their renewal?
3. Determine the method of contact. There are a couple of considerations here. First, what is the method of contact that has the greatest chance of attracting their attention? Next, what method is the most cost-effective? And third, what method of contact would provide the greatest likelihood of them responding? Are postcards the best? What about letters, faxes, newsletters or email? What if you were to send an audio or video cassette, or make telephone calls or in-person visits? Each of these methods of contact has inherent costs and response-predictors, and should be weighed very carefully before cranking out any new contact campaign.
4. Determine the purpose of the contact. Why are you contacting them? Is it to thank them for buying from you? Is it to make them an offer on new merchandise or other services they may have a need for? Is it to ask for referrals? Remember, you should know each of your customers and

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what their dominant buying motives are. You should know what they've purchased in the past and what they're likely to respond to in the future. No sense wasting your time trying to sell someone something they have no need for, don't want or can't use.

- 5. Determine the offer you'll make them. The offer you'll make depends a lot on who you're contacting and why you're contacting them. If you have a new product or service, or have another product or service that your customer might be interested in, you'll want to make your offer such that it will be difficult for them to refuse. Now, that doesn't always mean that your prices will be lower than anyone else's. It could very well mean that this product or service will do more to help them solve or prevent a particular problem or situation better than any other alternative.
- 6. Determine how you'll reduce or eliminate any risk on the part of the customer. Whenever any product or service is sold or purchased, someone is being asked to assume part of the risk. Either the customer or the business owner. It stands to reason, that if your customer is asked to bear the bulk of the risk, that that could have a negative impact on the chances of making a sale. On the other hand, if you, the business owner, are taking the lion's share of the risk, your chances of making a sale can be greatly enhanced. Determine what works out the best for the kind of product or service you're offering.
- 7. Determine what (if any) backend products or services you can offer once a purchase is made. You should always have a backend product. If what you sell is a one-time purchase and you don't have anything else you can sell your customers, then arrange with other companies who have products that are complimentary, but are non-competing with yours. The build a joint-venture arrangement with them to offer their products to your customers, and you can split the profits.

There are many other things you can do to make the selling of additional products or services to your customers more effective. And they're not difficult. It just takes a little planning... a little thought... and a little creativity. Then, more than anything, it takes action. You've got to act on the plans you create.

**Your Past Customers...
A Hidden, Forgotten And Untapped
Source Of Profits!**

These are your past customers... those who have done business with you in the past, but are no longer considered "active." That is, they haven't purchased from you recently.

Something happened. They've quit coming back. Maybe they've outgrown their need for your products or services. Maybe they've gone to another competitor. Maybe they moved out of your marketing area. Whatever the reason, they're no longer doing business with you.

Remember, these former customers at one time liked and trusted you enough to purchase from you. It may have been a certain sale or offer that you ran. It may be that they did business with you because you were conveniently located to them.

Or it may be that they were referred to you by a friend, a family member, a neighbor or a relative. Whatever the case, they, at one time, did indeed, buy from you.

Now, just because they haven't purchased from you again recently, doesn't mean all is lost.

One of the biggest mistakes businesses make is that they fail to keep in touch with this group of customers. If you've run your business properly, they'll remember the way you did things, how you treated them, and the quality of products and services you sold them. And it won't take much to get them back to do business with you again.

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But what if you didn't do things the best way? Perhaps they had a bad experience with your business or a certain person that worked for you.

Well, an apology or an explanation of the circumstances and what you've done to correct the situation can do nothing but help re-solidify an old relationship.

You can use the same planning and contacting sequence that is listed above when determining how best to contact this group of customers. Whatever you do, don't let this valuable resource fall through the cracks.

If these customers left your business to go with a competitor, it won't be long before they have some type of negative experience with that competitor, believe me. It's just so rare that you find... in any type of business, industry or profession... a business that is on top of all things all the time.

And most often, you'll find that nearly every business is product-oriented, and not customer-focused.

Once you "get your act together," and begin delivering more than the benefits that the products or services you sell provide, you'll find that this group of customers can turn out to be a real profit center for you.

**Your Potential Customers Or Prospects...
Knowing Who They Are Can Make All The
Difference In The World**

Here's one of the most critical questions I can ask... Do you know who your best prospects are? I mean, *really* know?

Do you know who they are? Where they are? How to contact them? What kinds of needs or wants they have? What kinds of offers they respond to? What would prompt them to buy from you? What kinds of buying habits they have? And who they hang around with?

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If you don't know the answers to these critical questions... you're basically just shooting in the dark. The more clearly you can focus in on a tight target market, the more success you'll have.

Think about it for a minute. What is the difference between a Suspect... just a name, and a Prospect... someone who may be in the market for your product or service, and has the financial capacity to buy? The answer, of course, is all the difference in the world.

Why would you want to spend any time, effort or money trying to convince people who have no need, no want, no capacity to buy... to buy from you?

The real truth is, if you're trying to sell to everyone, you're really selling to no one. But when you focus on a tightly identified niche, you can more effectively address the needs of that market and make offers that they are predisposed to take advantage of.

It's the old, "Rifle vs. Shotgun" approach. If you can single out a certain market segment who is more likely to buy from you, you're way better off directing your ads and marketing efforts to them than you are the general public.

An Action Plan For Success

Now, here's what you can do. Once you've set up your database of your existing customers, take a good, analytical look at them.

- Determine what their buying habits are.
- See where they live or work.
- Look at what types of products or services they buy.
- What their repeat purchase patterns are.
- What types of ads they respond to.

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- Look at all the information that may be pertinent to your business.
- Does their age, family characteristics, type of home they live in or cars they drive have anything to do with how or what they buy from you? And how about the kind of work they do, or the profession they work in?

Once you've carefully analyzed your existing customers and categorized them into like groups according to buying patterns, habits or interests, then look in your marketplace for other, similar groups of people or businesses.

The sources for locating these groups are numerous, and can range from compiled lists to directories to list brokers, and a number of other resources.

Now that you've identified who your best prospects are, use the same steps outlined above for following up with your existing customers, to contact them.

Follow up. Stay with it. Don't let this slip. And always be testing different offers, different guarantees, different headlines.

Be on the lookout for anything that increases your response rate. And be open to using and testing different methods of contacting them.

This group of contacts has the potential of driving your business right through the roof, if you approach them properly.

Your clients... your customers... current and existing... past... and potential... are the greatest assets you have in your business.

You've got to treat them with love and respect. You've got to let them know that you care about them... both as customers and as people.

And you've got to constantly keep in touch with them, always offering them a "better deal," (which doesn't always mean "lower

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price,” by the way), a better value, increased ways to further enhance the advantage, benefit, use or enjoyment they get from using your products and services, and from doing business with you.

Follow up with them. Don’t harass or bug them. Develop a plan... an easy-to-administer system for systematically and continuously following up, always offering your help, expertise, and the value you bring to your relationship with them beyond what the actual products or services you sell offer.

If you’ll do these things, you’ll be putting into motion...

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And if you’ll apply this secret in your business, you’ll quickly and nearly effortlessly get more customers than you ever dreamed possible... and make yourself a fortune in the process!
