

\$49.95

The Kennedy Magnetic Marketing Special Reports

**SPECIALIZED MAGNETIC MARKETING
INFORMATION**

Report #1:

How To Print As Much Money As You Want—Legally

Report #2:

How To Turn Mailing Lists Into Money

Report #5:

**How To (Rt Least) Double
The Results From
Yellow Pages Advertising**

It's Time For YOU To Profit From The Information Explosion

We're in an Information Explosion - and people are valuing information like never before. Every kind of information product and business is booming. In this Report, I'm going to show you how to Use information about your business, as a means of attracting qualified prospects and customers.

If you've studied Dan Kennedy's other materials, you already know that one of his favored approaches to new prospect/customer acquisition is LEAD GENERATION ADVERTISING. (Advertising that ONLY asks for names, Addresses, sometimes phone numbers of interested prospects but does not attempt to make an immediate sale.) To make LEAD GENERATION ADVERTISING work for your business, you need a LEAD GENERATION MAGNET.

**How To Print
As Much
MONEY
As You Want—
Legally!**

By
Lucinda Burke

How To Crank Up The Old Copy Machine and Print Up Some Money!

An LGM is the “widget” you offer as a free incentive for response. You can “manufacture” your LGM's out of paper and ink, at nominal cost the closest you'll ever get to printing as much money as you want, legally! *(Imagine being able to crank up the copy-machine and legally run off a few thousand dollars today - wouldn't that be great? Well, when you use that same copier to run off powerful LGMs, that attract eager new customers, you 're virtually doing the same thing.)*

The best LGMs are “FREE REPORTS”. The purpose of your Free Report is to position you and your company as reliable, knowledgeable experts in your field. Dan Kennedy advocates POSITIONING, not prospecting! PROSPECTING involves talking to people who usually don't want to talk to you - POSITIONING involves talking to highly qualified, interested prospects who are eager to talk to you....who would you prefer talking to? By letting your Free Report do the work of creating prospects' acceptance of you as an expert, you inject great efficiency into your marketing.

WHAT GOES INTO YOUR 'FREE REPORT'?

The 'Free Report' is, in one sense/nothing more or less than a fantastic, long-copy sales letter (but if you called it that, no one would want it.)

It helps to include legitimately valuable information. When you include such information, the prospect will see that you are a good source for answers to his

problems, needs and desires. A lot of people balk at giving away valuable information, but that's a huge mistake. You give to get. If you don't reveal anything of value in your Report, the prospect can assume there's no value in your products or services either.

EXAMPLES OF THE INFORMATION+SALES LETTER REPORT FORMAT

If I were a chiropractor, my Report would be "*5 Ways To Have A Pain-Free Back In 6 Weeks.*" Obviously, one of the 5 ways would involve coming into my office for an exam and, possibly, treatment. But the other 4 ways would be useful things a person can do on their own, to relieve back pain.

If I were in real estate, I'd title my Report: "*14 Little-Known Ways To Get Top Dollar For Your Home - Even In A 'Tight' Market.*" One of these ways would be to list the home with me - and in that section of the Report, I'd thoroughly describe all the benefits of listing with me. The other 13 ways would be information about inexpensively cleaning up the house and yard, showing a house, writing classified ads, and so on. Through those 13 ways, I'd show off my expertise and know-how AND convey the difficulty of doing everything without me.

If I were in multi-level marketing, recruiting, my Report might be titled: "*10 Best Ways To Create A 1/2-Million Dollar Retirement Nest Egg, Even If Starting Late, Even With Little Or No Money To Invest.*" The Report could include information on buying real estate with no money down; on tax-sheltered savings vehicles, like IRA's; on mutual funds; and one of the ten ways would be developing a network marketing business in your spare time.

WHERE TO GET INFORMATION FOR YOUR FREE REPORT

The library! You can easily do your own research on just about any topic, for free, at a main city public library. A librarian will instruct you in the use of their computer system so, by topic, you can find all the magazine and newspaper articles, books and other resources.

Or consider getting a free 'intern' or inexpensively hiring an advertising, marketing or journalism student from a nearby college to do the research for you.

Next you have to assemble the information you will include about your own products and services. You may want to use my method: write down each separate feature, benefit, claim, promise, reason to do business with you, and idea on a 3x5" file card. Then you can shuffle and re-shuffle the cards, to get things organized in priority order. Then, when you start to actually write copy, you're re-writing from the notecards. You should also "write to a Formula", as taught in Dan's book THE ULTIMATE SALES LETTER, and following examples shown in THE MAGNETIC MARKETING SYSTEM.

IMPORTANT WRITING TIPS

1.

Avoid “Me-Me-Me. We-We-We” Speak

Some Reports talk too much about the company - not enough about the prospect. He does not care about your company per se; he only cares about what wonderful things will happen to him as a result of doing business with your company. Translate every fact and feature to a benefit. Be YOU-oriented, not ME-oriented.

2.

Don’t Over-Educate

You want to inform and impress, but not tell everything you know. Tell people “what to do”, but not “how to do it” - let them take the next step to get the how-to’s.

3.

Don’t Forget The Call To Action

If you don’t have a call to action, you’ve wasted your time and money. To paraphrase Zig Ziglar, is your Free Report a “sales professional” or a “professional visitor”? Tell the prospect exactly what to do, when, why, and what will happen when he does. It’s helpful to offer an immediate-gratification incentive for that requested action, too.

THE BIGGEST SECRET TO “PRINTING MONEY” WITH FREE REPORTS: CREATE AND USE POWERFUL TITLES

The title is very important. Like a headline, it has to interest people enough to want the Report, then it has to motivate them to read it when they get it. Take the time to create a really powerful title.

Model good book titles. Visit the bookstore and look at all the nonfiction book titles...which ones grab your attention? Why? Is there a ‘structure’ there you can use? You can also check past weekly bestseller lists in old issues of ‘Publishers Weekly’ at the library.

Model good headlines. The most effective, attention-getting headlines of all are in the supermarket tabloids, like the Enquirer, and on covers of magazines like Cosmopolitan, Readers Digest and Longevity. These headlines have to sell those magazines off the rack. Of course, the subject matter probably won’t fit your business, but the ‘structures’ will.

Here are a few effective ‘structure’ examples:

“How To _____ In Just Pays”
“ _____ Ways To _____ ”
“ _____ Secrets Of _____ ; _____ ”

A famous ‘old’ headline is now a frequently used structure; it was: “They Laughed When I Sat Down At The Piano Until I Started To Play.” To convert that to a ‘Structure’:

“They Laughed When I _____ Until I _____.”

You can improve the readership of your Report, by the way, by using lots of sub-heads that work this same way.

HOW TO DISTRIBUTE YOUR FREE REPORTS SO THAT THEY BRING YOU LOTS OF CUSTOMERS

In most cases, you'll use your Free Report as an LGM: Lead Generation Magnet; you'll advertise it, to attract prospects who must ask for it in order to get it. But there are other means of distribution that are sometimes effective also. If your Report introduces a new product or service, you might mail it unasked for to all your past customers. You might have another business give it away as a gift to their customers. Once you have a Report that has proven its effectiveness as a LGM, you can creatively find other opportunities to use it.

HOW POWERFUL IS THE SECRET OF THE 'LGM', ANYWAY?

National direct marketing giants, like NordicTrack, for example, understand the power and use of the LGM, and if you'll begin looking for it, you'll see the LGM used in a lot of advertising by such companies. It may be a free Report, Book, Audio Tape or Video Tape, but all the principles I've described here are the same.

However, very, very, very few small (local) business owners and very, very few sales professionals have noticed this technique or tried to apply it to their marketing circumstances. This means that the LGM can be an enormous competitive advantage for you. It really IS like printing your own money!

THE ULTIMATE LGM MAY BE YOUR OWN BOOK!

Why not write and publish your own book, about your subject or type of business? If you run a gardening service, why not "Don The Gardener's 101

Secrets To A Lush, Green, Flowering Garden"? You CAN do it!

A book is nothing more than an e-x-p-a-n-d-e-d Report....or a series of Reports; each Chapter is a Report. Dan Kennedy has used a book titled "99 Practice-Building Secrets" as a LGM for marketing his products and services to chiropractors a book "Success In Speaking" for marketing his services to speakers a book "11 Sure-Fire Ways To Fail With Infomercials" to market himself to that industry.....and his book "How To Solve All Your Advertising, Marketing And Sales Problems" as a LGM to general business and industry.

You can self-publish your book - and make it look like a "bookstore book" for about a dollar a copy, in quantities of as few as 500 copies!

THE ULTIMATE LGM MAY BE YOUR OWN VIDEO

The costs and complexities of producing good "promotional videos" are coming down, not going up! If you need assistance with this, let us know. Complete production budgets can be as low as \$15,000.00 to \$25,000.00. If you have a product or service that lends itself to Dramatic Demonstration, then a Video Brochure may be perfect for you.

THE ULTIMATE LGM MAY BE YOUR OWN AUDIO CASSETTE

Dan has developed effective Audio-Brochures for dozens of different types of businesses and professions, including various health care professions, travel businesses, business opportunities, consultants, insurance and financial planning, etc. The main virtue of the Audio-Brochure is your total control over the presentation -there's no "skimming". Again, if you need assistance, let us know.

Q&A WITH DAN KENNEDY

“I’M NOT A CREATIVE PERSON.....I’M NOT A GOOD WRITER....I CAN’T DO THESE FREE REPORTS.”

Nuts. The correct word is: “won’t.” Not “can’t.” Unless you also “can’t” sell yourself and your products’ or services’ benefits face-to-face, one-on-one. Because what we are doing here is: salesmanship in print. If you can talk, you can write. If you can sell, you can write.

HOW LONG SHOULD THE ‘REPORT’ BE? .

Long enough to do the job. Writing to a pre-determined length is just as bad of an idea as would be sending out a salesman with the instruction: whatever you do, don’t say more than 500 words. The only “sin” is being boring; not being lengthy.

WHAT ARE THE MOST IMPORTANT ELEMENTS OF THE REPORT?

1. Title.
2. Headlines and subheads.
3. Following a solid sales structure, and
4. A clear, irresistible offer, “next step.”

WHAT IS THE JOB OF THE ‘REPORT’?

First, as a Lead Generation Magnet: to elicit and enhance response to advertising. Second, to reinforce and strengthen the prospect’s unhappiness with the current circumstances and problems he has, that you are the solution to. Third, to establish, both your expertise and empathy. Fourth, positioning, so that the prospect is pre-disposed to accept your recommendations favorably. It is NOT to make a sale, but to set up the sale. This is a most important tool. I have one ‘student’ who serves as a good example: it took him over 100 hours, three rewrites and a little testing to get it right - but he has now been living off of it for three years.

A recent study (by Pitney-Bowes) revealed that 60% of small business owners do not use direct-mail; but, of the 40% who do, 90% say it is the most productive means of marketing they employ. This shows you how using direct-mail effectively gives you an instant, significant advantage over all your competitors.

The much-maligned USPS, deserving of much of its criticism, is still a bargain as a marketing-force.

LISTS are an integral part of direct-mail use. In fact, even pro copywriters like myself will admit the list accounts for more than half the success (or failure) of each campaign or project. This means that list selection is one of the most important things you can do. It deserves whatever time and attention is needed to get the job done right.

Most people fail at list selection and acquisition simply because they do not understand the basics and do not do their homework. This Report provides a crash-course in the vocabulary of the list business and the process of renting and using lists.

MAILING LIST BASICS

The Mailing List is the most important part of a direct-mail program. Basically, there are three ways to get a list:

- 1) - Your own customer and prospect lists. Yes, you SHOULD compile a mailing list of your own customers. The small business owner with a list of all his past and active customers has a very important, valuable asset.
- 2) - Build a list through lead generation advertising. For example, let's say you own a pet store. You might run a classified ad, continually, in certain sections of your newspaper that reads something like this:

BEFORE YOU BUY A PET, GET THE FREE REPORT:
"21 MONEYSAVING TIPS FOR NEW PET OWNERS"
CALL 000-0000 OR WRITE: BOX 2, XYZ CITY, 00000

Everyone who responds goes on a mailing list of key, qualified prospects for your pet store.

- 3) - Rent a commercially available list or lists. This Supplement discusses the basics of renting lists.

**How to Use the US Postal
Service as your TEAM OF
PROSPECTING WORKERS AND
MARKETING MESSENGERS
TURNING
MAILING LISTS
INTO MONEY**

By
Dan Kennedy

First, understand you will be RENTING these lists for one-time use. The list owners will often want to see and approve the material you will be mailing. And the lists will be “seeded” with false names and addresses that deliver your mail to the list owners, so they can police the use of their lists.

Second, you’ll probably wind up working with a List Broker, hopefully located in your own city, but not necessarily. A good List Broker can be of great help to you and is paid by the list owners, not by you. You’ll find the List Brokers in your own area in your Yellow Pages, under MAILING LISTS and LIST BROKERS or similar categories.

Brokers are, unfortunately, reluctant to work with very small mailers, so you may have to talk with a number of them before finding one you can work with.

You can also deal with Brokers or List Managers/Owners anywhere in the country, by phone and FAX. You are NOT limited to Brokers who reside in your town.

Third, you will need to educate yourself about available lists, in order to clarify your ideas about what you want BEFORE meeting with or talking with List Brokers. You can start at your nearest major city, main public library, where you’ll find a current or one year old copy of a huge directory called “SRDS”, for ‘Standard Rate And Data Service.’ While at the library, you should also read some back issues of trade magazines like Direct Marketing, DM News, Target and Zip. In a couple hours, you can become conversant in

the terminology, the language of the list business, so you can ask smart questions and deal with List Brokers.

If you are a real “novice” in this area, I suggest getting a copy of the book: A SMALL BUSINESS GUIDE TO DIRECT MAIL by Lin Grensing, published by Self-Counsel Press, available in bookstores.

CONSIDERATIONS IN CHOOSING AND USING LISTS

Compiled Vs. Respondent

A Compiled List is, for example, New Residents, or Auto License Registrants, or Yellow Pages Advertisers. A plethora of these types of lists, all compiled from public information, is available. We sometimes use Yellow Pages Advertisers lists, for example, in marketing our products and seminars.

Usually, Respondent Lists are more valuable. These types of lists include subscribers, customers, buyers or inquirers. For example, if you have a computer supply store, you might be able to use lists of subscribers to computer-related magazines, people who’ve bought computers by mail from a catalog company, or people who’ve responded to Apple’s advertising, to get a free video tape about computers.

Choose Prospects That Match Your Customers

Generally speaking, if you can define who you want to reach, by their age, sex, income, magazines they read, credit cards they carry, other products they’ve bought, etc., you can get lists of people that match that description. (These characteristics are called “Demographics.” You may

have heard me refer to “Geo-Demographic Selection” during my seminar. That means a geographic area, by city, state, zip code, matched with certain demographic criteria.)

Deliverability

No list will be 100% deliverable. You should ask how often the list is “cleaned” and updated. You may want names of certain recency - magazines often offer “hotline names” of very recent subscribers, for example. Sometimes you can get a deliverability guarantee - ask.

Selections

Each list will have different “options” -you may be able to order only homeowners and exclude renters or vice versa, only men or women, only those of a certain age, etc. The information in SRDS will show you what “selects” are offered with each list.

There is also “merge/purge” possible with many lists. For example, the HOME REMODELING MAGAZINE subscribers from your state could be “merge/purged” against a list of credit cardholders. An interior decorator might want only those subscribers WITH credit cards. A furniture store owner offering his own financing, even for people with credit problems, might want only those subscribers WITHOUT credit cards.

Minimums

Most lists have 3,000 to 5,000 minimum orders. You can whine and cry and try and negotiate a smaller test, but more often than not, you’ll have to rent 3,000 to 5,000 names from a given list. Of course, that doesn’t

mean you have to mail them all. In fact, for local, small business purposes, a test of 500 names usually tells a lot.

Do Not Be Intimidated

DO take a little time “out of the shop” to learn about mailing lists. DO get into SRDS and open your eyes to all the possibilities and opportunities — I promise you’ll be amazed, fascinated and, undoubtedly, stimulated with new ideas for promoting your business. CONTACT both local and out-of-town Brokers, explain your objectives, discuss the characteristics of the people you want to reach, discuss lists you’ve identified that might work, ask for and consider their suggestions. DO NOT hesitate to ask “dumb questions” -- there really are no dumb questions except the unasked ones. There’s no reason to be intimidated by this process.

Why Not Direct All Your Resources At “Grade A” Prospects?

If I can motivate you to make this philosophical and practical shift; to choose to direct your resources at Grade-A prospects, I will have done you a great service!



VOCABULARY OF MAILING LISTS

Cold List	Not previously tested or used; the people on the list will be receiving your mail unsolicited: presumably they do not know you.
Compiled List	lists with geographic/demographic commonalities, usually compiled from public records.
Demographics	Socio-economic characteristics i.e. age, sex, income, ownership of property.
House Lists	Your own internal lists, such as your Customers, or Inquiries, or your own compiled prospects.
Inquiries	People who've responded to advertising, requested information, but have not made a purchase ("converted").
Buyer/Subscriber	Those who've made a purchase.
Expires	Subscribers who have not renewed.
Recency	How recently the buyer/inquiry is. Many lists offer a "hotline" select, of the most recent 90 days' actives.
List Broker	Middleman between the person renting lists and owners/managers of lists. A list broker works much like a real estate broker, serving two functions and two masters: he "lists" (signs up) lists/list owners he can represent, then he "sells" (rents) those lists to mailers.
List Manager	Computer service bureau that maintains lists.
List Cleaning	Removing or correcting names in a database.
Selects	The choices you can make within a list. You can specify, for example, males only or females only, recent (hotline) buyers, buyers by year, renewed subscribers, etc. Some lists offer dozens of selects.
Testing	Most lists have 5,000 minimums, and for many purposes, a good test will be "5,000 names, Nth-name select" meaning. every x-number name; if there are 50,000 names on the list (in the "universe"), a 10th name select would give you every 10th name in the list, covering all geography. A local marketer may rent 5,000 names, but then actually test only 500.
Roll-Out	After a test, you rent and use the entire list.
Merge/Purge	Taking several lists and eliminating the duplicates - or producing only the duplicates. This is easiest to arrange with multiple lists under control of the same manager and/or represented by the same broker.
SRDS	Standard Rate & Data Services, 5201 Old Orchard Road, Skokie, Illinois 60077. Available in most large city main libraries.

USEFUL CONTACTS*

1. For compiled lists: BEST MAILING LISTS 800-NYC-BEST AMERICAN LIST COUNSEL
201/874-4300 or 800/ALC-LIST
2. For all types of lists: ED BURNETT CONSULTANTS 201/871-1100 ALAN DREY CO. 312/346-7453
3. TRADE PUBLICATIONS (YOU SHOULD READ) Direct Marketing, Target, ZIP, DM News

*Being included on this list does not constitute endorsement by this Report's author or publisher.

RETAIL MARKETING

SPECIAL REPORT

Know Thy Customer

Retailers who build relationships are gaining the best competitive edge

BY MICHAEL HARTNETT

The combined effect of a disastrous recession and increased marketing sophistication is leading more retailers to realize their future lies in identifying their best customers and getting them to buy more. Enter database marketing.

Some retail chains are fine-tuning systems created ten years ago. Others are working to upgrade the capabilities of relatively new systems. Still others are just playing catch-up.

"Database marketing makes the retailers who use it better competitors. Those who aren't using it or who don't start using it won't be around much longer," predicts Francey Smith, operating vice president for retail marketing services for Bloomingdale's 14 stores.

Glimmers of an economic rebound seem to be galvanizing retailers to act. "Non-food retailers are finally looking at targeted marketing and realizing they can do more with their best customers and get off the promotional roller coaster," says Fred Newell, CEO of consultant Seklemian/Newell, in Coronado, Calif. "Within the past 90 days, nearly every major department store chain has sent out requests for proposals."

Smaller retailers also seem to be waking up. Retail Consumer Technology Inc., an East Windsor, Conn.-based consultancy, started up two years ago to build and manage the customer database enabling U.S. Shoe Corp. to send targeted mailings to the patrons at five of its specialty women's chains. These range from catalogs to personal letters from department managers.

RCT now wants to branch out to other retailers who lack the expertise or the inclination to manage their own database in house. Many of these companies applaud the concept of relationship marketing, says RCT president Thomas Nuechter. But fewer are ready to invest in the personnel to use the database RCT builds. Still, RCT is close to signing its next client.

Ms. Smith's experiences at Bloomingdale's confirm the cost efficiencies and sales benefits of database marketing. "In a program with a 350,000-piece mailing, you might have to mail only half that many once you work with the file and determine who is spending, say, \$500 a year in your stores. Your sales results either remain the same

or increase. The money you save can be applied to other programs.

"Instead of a 100,000-piece mailing, we might do ten mailings of 10,000 to micro-targets in the file," she says. These micro-targets could consist of customers with demonstrated preferences for designers, brand names or categories such as dresses, shoes and cosmetics.

"We are probably spending more money than in the past, but we are using it for many more programs. We used to do 35 solo mailing pieces, and now we do more than 200," says Ms. Smith.

"The challenge is to determine what is on the file that tells us who to send to for a store-wide sale versus a program for men's suits," she adds. "And even with a store-wide sale we can be more narrowly targeted. We don't have to send a 36-page catalog to people who have

not purchased in the past 12 months, or people who spend under \$50 a year."

Discount menswear retailer NBO, with 39 stores, now views its customer database as the foundation for all its marketing efforts.

"Our marketing goal is to increase the number of purchases, increase the number of times a customer purchases, and increase the number of customers. With database marketing we are able to do all three," says Claude Johnson, NBO's executive vice president and chief administrative officer. "And with the information we get from tracking and profiling our customers, we are able to build a profile of the NBO customer as well as potential customers in each of our store's market areas."

NBO's first venture into database marketing occurred in the fall of 1989.

"We had a very good feeling that it was

going to work for us, but it worked ten times better than we thought," he adds. "Our first sale event was for eight days, and four days into it we knew we wanted to do it again 30 days later—and the second event was even more successful. The first event made up for the \$50,000 cost of the file building and the programming."

In that first sale event, 242,894 pieces were mailed and \$1.4 million in incremental sales were tracked through coupon redemptions. Most significant, the average transaction size for respondents was \$243.14 compared to a typical \$101.72 for the period. Subsequent mailings have generated even better results as NBO learns how to more precisely fine-tune its messages to market segments.

By breaking its customer files into tenths, NBO determined that 30% of its customers generated 68% of sales. However, a big surprise was uncovered upon further scrutiny. A full 11% of purchases are made by only 1.5% of the customers—dubbed the "3300 Club" internally. "I want to nurture these guys," Mr. Johnson says.

This fall, NBO will put these customers into an official "VIP" club, offering a flat 10% discount on all purchases and extras such as free alterations. Even more important, NBO plans to notify the "next tier" customers that they too can enjoy these benefits if they spend a specific amount at NBO.

continued on next page

Retail programs that generate the strongest response often provide valuable information to customers with special needs, such as large-size or petite women.

At the Women's Specialty Retail Group, customers who live outside a convenient drive-by radius of its stores appreciate knowing that there's a reason to make the trip, says Greg Lechner, director of marketing. The group includes Casual Corner, August Max, Caren Charles and Petite Sophisticates stores. Each store has a unique database, assembled by matching customer telephone numbers to addresses.

Customers receive tailored mailings based on their actual purchase history. This is also the case for the 5.8 million readers who now make up the Waldenbooks' "Preferred Reader" program.

The 1,200-store chain launched its reader club in 1990 as a way to get the names of its customers for direct marketing efforts. One thing Waldenbooks learned is that people will pay for the benefit of regular discounts. Annual membership fee is now \$10—twice the original sign-up cost.

Margaret Amodio, senior manager for the program, says Waldenbooks now informs readers when new titles arrive that match their book preferences. The card that announces the new book is actually a coupon offering a small discount.

The chain's program of mailing \$5 coupons to Preferred Reader customers who purchase \$100 in books, has proven to be a successful customer retention mechanism. The bookseller tracks program participation by scanning the customer's Preferred Reader card and individual book numbers at the time of purchase. The chain's MIS department is then able to generate a monthly list of all customers who

spent \$100.

Waldenbooks plans to test several new programs this year. With a large database at its disposal, Ms. Amodio says a major emphasis is on new systems that will produce more specific information about customers' reading preferences and the profitability of the club incentives.

"We have a control group for every program we run," she explains. "If we get a 40% response from a test group for a Tom Clancy book, we have to check the control group purchases to measure the actual benefit." This is especially true of science fiction and romance novels. "The people who buy these books are such avid readers that they anticipate sequels and would most likely buy them whether we market to them or not."

Most database programs are a recognition of the 80/20 axiom that 20% of a retailer's customers account for 80% of all sales. But some retailers, like Dayton Hudson Department Stores, are putting the emphasis on customers who have stopped shopping in its stores.

"We want to know who our loyal customers are, but we are targeting our inactive customer base with our database programs," says direct marketing supervisor Stacy Fure. "It's the customers who are fickle that we want to capture."

Although these programs are still in the development stage, Ms. Fure says Dayton Hudson would court these customers with the same type of price promotions that are offered to its active customers, and perhaps increase the incentive by offering an additional service, such as free gift wrapping.

Most Dayton Hudson direct mail programs, however, are not price promotions. The department store chain has 63 stores and uses

Over the past two years, the Women's Specialty Retail Group of U.S. Shoe Corp. has established customer databases for five chains. Customers receive mail ranging from store catalogs like these to postcards to personal letters. Every communication ties back to the customer's purchase patterns.



about 250 different types of mailings, everything from a 140-page catalog to a postcard announcement of new merchandise to a personal letter from the cosmetics buyer. The list is based on the store's credit card, but James Dirlam, vice president of credit card services, says the retailer is looking for a way to blend in third-party cards.

Many retailers with active database programs plug their suppliers into the loop, which often means a closer relationship and more effective use of co-op dollars.

At Dayton Hudson, for example, many of the mailings that deal with specific brands are produced by vendors who simply put the retailer's name on the mail pieces. Similarly, Waldenbooks promotions of specific titles are paid for by the book's publisher.

For maximum efficiency in communications between Waldenbooks and its customers, the bookseller has created a telemarketing program—an 800 number for ordering books and renewing memberships.

Taking this added dimension in database communication one step further, NBO sometimes uses store personnel to telephone its best customers in support of a mailing. As part of its February and March mailings, for example, NBO provided each store with a list of its 400 top customers.

"Response was unbelievable," says Mr. Johnson. "One salesman called customers and said, 'Come see me.' There were a lot of guys who went to the store and asked for that salesman by name."

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WHY YOU CANNOT LISTEN TO THE YELLOW PAGES REPS OR “COPYCAT” AND ACHIEVE EXCEPTIONAL RESULTS

First of all, the Rep’s job is to get as much money out of you as possible and there is no guarantee that his/her objective matches up with yours: best return-on-investment possible. Second, everything he/she knows is about traditional advertising, NOT direct-response advertising. And, since direct-response type ads very rarely appear in this media, the Reps do not understand them

and assume they are “bad ads” insisted upon by misguided advertisers. Instead, the Reps will tend to direct you into “copycatting” what most other YP advertisers do....even though this is a guaranteed path to mediocrity, to “average” results.

SIZE

Unlike any other advertising media, all advertisers are limited to the same maximum size; no matter how much bigger or richer your biggest competitor is, the biggest ad he can buy is a full-page. So there is a restricted, relatively fair playing field here. This means, if you choose to go with a big ad, you can automatically appear as “big” as any other advertiser to your prospects. Look at two big ads in your YP - can you tell by looking which is the bigger, more successful company? No. One could be the largest international conglomerate in the category, the other could be a one man shop, and you can’t tell which is which. This, plus favorable position, are the two most often advanced arguments for buying a big/biggest ad, and they have validity.

And, there’s sufficient statistical and case study evidence to satisfy me that, in general, when you double the size of a Yellow Pages ad, you do not just double the response; you triple or quadruple it. (The chart on the following page illustrates this disproportionate gain.)

However, here’s the caveat: bigger/biggest size only works to your greatest advantage if/when you have a strong sales message to fill the space. If everything you have to say about your business fits on a business card, just enlarging that to a full page is a lousy investment.

And, tied to this idea, you do NOT need the biggest ad to win big. Message IS more important than size.

**How to (at least)
Double the Results
from
YELLOW PAGES
ADVERTISING**

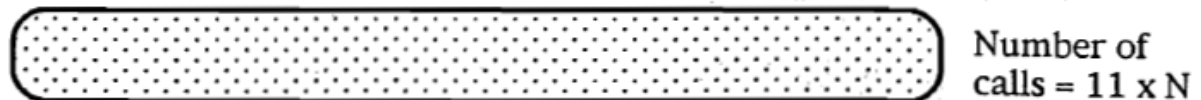
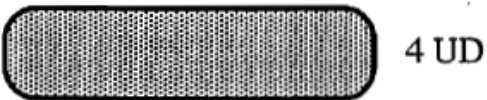
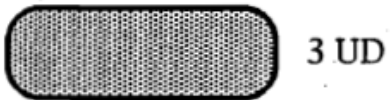
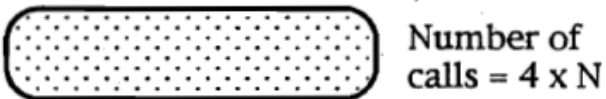
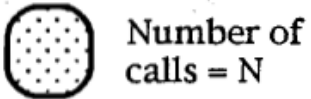
by
Dan Kennedy

The 1-4-7-11 Formula

“UD” refers to the Yellow Pages ad size.

“1 UD” is a 1 unit display ad.

“2 UD” is a 2 unit display ad.



THE MOST IMPORTANT THING YOU NEED TO KNOW ABOUT CRAFTING YOUR ADVERTISING MESSAGE

Your logo, your company name, those things recognized readily by your customers are of minimal importance in Yellow Pages advertising. Using your business name as the ad's headline, for example, is a complete, utter and ignorant waste of space. Here's why: .

FACT #1: 60% of those who consult a category in the YP have NO company in mind. They are NOT looking for a name they already know. They are completely open-minded. They are there to be sold.

FACT #2: Of the 40% who do know a business in that category, 1/3rd are willing to be swayed from the one they know about to a different one. In total, 6 out of 10 are Fair Game for you. (See Illustration, next page.)

FACT #3: You will NOT attract/convince these 6 out of 10 with your name, logo, a cute slogan.

WARNING: Some experts, including some YP reps will advise you against mentioning service, guarantees, warranties, etc. and will advise sticking just to 'basic facts' (the same ones everybody else provides), such as location, hours, phone number, etc. This is very, very bad advice. They are creating an oversized business card; you are supposed to be creating an ad.

Talk to the 6 out of 10 "in search of someone to trust and tell them why they should choose you versus all the other advertisers.

THE MOST POWERFUL "SECRET WEAPON" OF THE YP ADVERTISER WHO GETS EXTRAORDINARY RESULTS

In all other types of advertising, most pros acknowledge that 70% of the battle is won or lost with the headline. Yet, incredibly, unbelievably, 99% of all YP ads do NOT have a headline. (They replace it with the business name, a cross-street location, or nothing at all.) When you put a benefit-driven, attention-getting headline on a YP ad you instantly gain a profound competitive edge over most, maybe all other advertisers in your category.

Listen carefully to everything said about Headlines in my MAGNETIC MARKETING SYSTEM and apply it all to writing a powerful Headline for your Yellow Pages ad.

60% of Yellow Pages Prospects Have NO Company In Mind

Are They Waiting To Be
“WON”...BY YOU?



And of the 40% Who Have A Company
In Mind...

ONE THIRD are ready to be swayed to
another company....YOURS?



THE OTHER MISSING INGREDIENT

Most YP ads also lack another key, mandatory component of a direct-response ad: an offer or offers. Refer to everything said about “Secondary Reason For Response” and “Widgets” in the MAGNETIC MARKETING SYSTEM.

ACTUAL YP ADS WITH COMMENTS

The last pages in this Report are copies of actual Yellow Pages advertisements. Here are my comments about the major points they illustrate:

1. PHOENIX SERVICE CENTER

This is an outstanding full-page ad in the appliance repair category- It has a big, bold headline with one of the most powerful words of all: FREE. It has “credibility builders” in several places, like “Family Owned & Operated Since 1974” and “Best Tech Awards” and “17 Years Same Management.”

2. DESIGN-BUILD ASSOCIATES

Here’s a strong headline and a strong promise: “we get it done on target, on time, on budget.” Unfortunately, there’s little follow-through. This ad desperately needs an Offer.

3. PREACH BUILDING

Sin #1: Using the company name in place of a Headline. This squanders a wonderful opportunity because of top right positioning. The ad itself says very little. There’s a routine list of items they carry. Where is there ANY reason to call them instead of anybody else/everybody else in their category? They’ve paid for a size advantage, then wasted the opportunity.

4. CLASSY CLOSETS

The best Headline in the whole category: “Double Your Closet Space” could be stronger - for e.g.: “Double Your Closet Space At An Incredibly Low Cost, Almost Overnight! - Satisfaction Guaranteed! Too much space given to their name; too little to the Headline.

5. UUCS

Here is an “advertorial” type of ad, which you rarely see in the Yellow Pages - and which can be very effective. This ad also has an Offer. Unfortunately, the freebie sounds difficult to get. The copy is too jargon-laden, not benefit-laden. But overall, effective.

6. SOLID GOLD SOUND

Here’s one of the most powerful YP ads I’ve seen this year. In this case, the business’ name works as a headline. The graphics help the ad. Note two free Offers right up top. Note: testimonials. On a 1-10, this is a ‘10.’

7. RESUME EXPERTS

A powerful ad damaged by a total black reverse, making everything too difficult to read. A very strong Headline, though, and good ‘bullet points.’ Fitting in a block of copy defining “everything” would be very helpful.

8. ROBINETT ROOFING

Here’s a wonderful example of a silly waste of headline space. The only reason anybody is in this category is that they have a roof problem, but they’ve wasted the most valuable 15% of their ad space on this. Everything in the ad is “me-too” with every other advertiser. The opportunity to stand out is with their Guarantee, but they dropped that ball, too.

9. PADDOCK POOLS

A great, stand-out Headline, incorporating a Meaningful Specific. This makes the phone ring.



FREE! SERVICE CALL

When We Repair
Exact Written Quotes

"Family Owned & Operated Since 1974"

APPLIANCE REPAIR SAME DAY SERVICE

Let Bev Point You In the Right Direction

REFRIGERATOR - WASHER - DRYER
STOVE - DISHWASHER
REPAIRS ON ALL MAKES & MODELS

- Amana
- Maytag
- Tappan
- Hotpoint
- Speed Queen
- Westinghouse
- Sears Kenmore
- General Electric
- Frigidaire
- Whirlpool
- Thermador
- KitchenAid

Service with a woman's touch

PHOENIX - N. PHOENIX **265-4040** GLENDALE - SUN CITY - GOODYEAR **973-7740** SCOTTSDALE - PARADISE VALLEY **941-3737** TEMPE - MESA - CHANDLER **967-6363**

PHOENIX, SCOTTSDALE, GLENDALE, GILBERT, MESA, SUN CITY, GOODYEAR, TEMPE, AHWAZUKEE, FOUNTAIN HILLS, APACHE JUNCTION, PEORIA, MOON VALLEY, PARADISE VALLEY, DEER VALLEY, SUNNYSLOPE, CHANDLER
MONDAY THRU SATURDAY UNTIL 8PM
NEVER AN OVERTIME CHARGE
Phoenix Service Center

COPYRIGHT 1989 © All related with Same Day

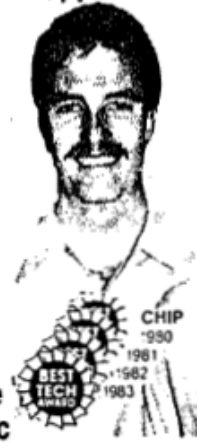
SAME DAY APPLIANCE

FREE SERVICE CALL*

* When We Repair Appliance

Specialists on:

- Amana
- Maytag
- Tappan
- Hotpoint
- Frigidaire
- Whirlpool
- Thermador
- KitchenAid
- Speed Queen
- Westinghouse
- Sears Kenmore
- General Electric



SAME DAY APPLIANCE SERVICE

269-1000

MONDAY - SATURDAY 8AM - 8PM
No Extra Charge After 5 pm
LOCAL CHECKS ACCEPTED

COPYRIGHT 1989 © All related with Phoenix Service Center
Phoenix, Chandler, Scottsdale, Gilbert, Mesa, Tempe, Sun City, Goodyear, Sunnyslope, Glendale, Paradise Valley

CONTROL YOUR CONSTRUCTION COSTS

We handle every detail of your project from blueprints to landscaping . . . and we get it done on target, on time, on budget.

- *AIA Professionals on Staff*
- *Pre-Engineered Systems*
- *Conventional Buildings*
- *Tenant Improvements*
- *Turnkey Construction*
- *30 Years Experience*

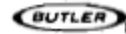


DESIGN-BUILD ASSOCIATES

3770 N. 7 St., Phoenix
266-0199

LICENSED
ARIZONA
CALIFORNIA
NEW MEXICO
UTAH
NEVADA

ARIZONA CONTRACTORS
LIC 064830-004



Preach Building & Masonry Supply

masonry supplies for the journeyman or do-it-yourself...

**SINCE
1972**



BLOCK - BRICK - PREMIX - BARBEQUE INSERTS • REBAR
 COLORED STUCCO - SAND-CEMENT • GLASS BLOCK
 MEXICAN TILE • TILE INSTALLATION SUPPLIES • FOAM SHEETING
 COMPLETE LINE OF HAND TOOLS • STEPPING STONES
 FIREPLACES • CIRCULATORS • DIAMOND BLADES






WE DELIVER

**MIXERS
SALES • PARTS**

944-4594

OPEN MON. - SAT.
1601 W. HATCHER RD. PHOENIX



Double Your Closet Space

- Garage Storage • Pantry/Linen • Desk Units • Wall Beds
- Laundry/Utility • Drawers/Hampers • Office Storage • Wall Units

Serving America's Closet and Storage Needs since 1964

ANY storage need of any size

For **FREE** in-home design & estimate, call

Finest Quality at Affordable Prices

CLASSY CLOSETS™

Creative Storage Solutions Since 1964

967-2200
435-2200

SHOWROOM:  
2001 W. Alameda Drive
Tempe, AZ 85282

Important competitive advantages are being achieved through information technology.

by KENNETH E. WHARTON

When it comes to business transaction software (accounting, distribution, manufacturing), one thing matters. Will it improve your bottom line by giving you a competitive advantage now, as well as in the future. Recent breakthroughs in information technology are making this possible like never before. This new technology, developed by FourGen Software, is called Modifiability-By-Design (MBD).

MBD is the fusion of established open systems software standards, ease of use and customization (adaptability), and the ability to install future upgrades without compromising those customizations. Before MBD, it was not possible to install new releases (with all of their new features and bug fixes), once customizations had been performed, without losing all of the changes. You were locked out at that point!

MBD allows your information system to conform to your business practices. As your business practices change, your information system can be adapted to those changes. FourGen business transaction software is available in the Phoenix area through UUCS inc. UUCS is also making available free copies of *Downsizing to Client/Server Architecture* by Gary Gagliardi, President of FourGen. This "White Paper" is a business manager's guide to new computer technologies. Call Mike Davis at UUCS and reserve a copy today.

UUCS inc. • 20823 N. 19th Ave. • Suite 4
Phoenix, AZ 85027 • Phone: (602) 982-0462
"Open Systems Business Solutions Experts"

A SOLID GOLD SOUND

CALL FOR FREE BROCHURE AND DEMO VIDEO
Sent Free to your home or work



AFTER YOU RESERVE A DJ YOU'LL RECEIVE OUR EVENT PLANNING VIDEO FREE

Looking For a Good Affordable D.J.?

To play the music you want, handle announcements & get everybody dancing?

Experienced Service - You can trust our DJ's - they've pleased over 8 million guests at over 41,200 events in the last 10 years.

Convenient Service - Our **PLANNING FOLDER** we send you will guide you step by step, quickly & easily to plan your entire event for success from start to finish.

Professional Service - Your DJ will be professional, on time, will play your requests & have your friends up and DANCING

- You can choose your favorites from our songlist
- A VARIETY of Oldies, Top 40, Rock, Country, Motown, Jazz, Etc.
- Adult Tuxedo DJ's who arrive on time & play requests
- Member of Arizona Mobile Disc Jockey Association

"3 months later my friends are still saying what fun they had at my reception" - Debbie Schultz

"Great music, great price, the DJ was super & they made it so easy with a demo video" - Mary Rousch

DISC JOCKEYS & VIDEO TAPING
Specializing in Receptions & Parties

MESA/TEMPE **820-1985**

SCOTTSDALE **998-1966**

PHOENIX

863-1981

92% SUCCESS RATE

"OUR CLIENTS GET INTERVIEWS"

"WE DO EVERYTHING FOR YOU"
Rush, Evening & Saturday Appointments Available

- INDIVIDUALIZED & CUSTOMIZED RESUME WRITING
- AGGRESSIVE COVER LETTERS
- COMPUTER / LASER LAYOUT & DESIGN
- LIFETIME & NATIONWIDE UPDATING

ARIZONA
Resume Experts

- STUDENT & MILITARY DISCOUNTS
- SF171s, FEDERAL & STATE APPLICATIONS
- INNOVATIVE & AGGRESSIVE MARKETING TIPS
- ARIZONA OWNED & OPERATED SINCE 1979

*Excellent Industry Reputation for Unique Writing Style & Contributions to Arizona Community
*Free Seminars on Resume Writing & Career Search Available

PHOENIX

METRO CENTER

10640 N. 28TH DR. C-205
NORTH OF PEORIA ON 28TH DR.

866-7454

GLENDALE

MESA

SCOTTSDALE

941-2998

TEMPE

CHANDLER

1223 EAST BROADWAY STE. 1
BETWEEN RURAL & McCLINTOCK

966-5548

WE ARE NOT RECOGNIZED AS THE BIGGEST, JUST THE BEST - COMPARE OUR QUALITY, SERVICE & PRICES TO ANY OTHER SERVICE IN TOWN

CALL FOR EXACT QUOTE & APPOINTMENT

ROOF PROBLEMS?

Call an experienced company you can trust

Ask About Our

GUARANTEED LEAKPROOF PROTECTION



A trusted name since 1974

- Free Estimate
- All Roofing Systems
- Statewide Service • Financing Available
- Specialists in Insurance Claims

252-7474

Corporate Offices: 1925 West Adobe, Phoenix

Licensed • Bonded • Insured

BRONN Foam & Coating System



Lic #s B-082049 (R) B-082050 (C)

Swim in Only 18 Days!

100% Financing • No Money Down

Paddock has the highest quality swimming pools at competitive prices. Our custom pool designers and staff consultants will help you every step of the way! Be sure to visit the World's Largest Pool Display at our Scottsdale Headquarters, 6525 E. Thomas Road. We're Open Everyday!

Call for a free consultation and estimate.

Paddock 947-7261

Call for the location nearest you!

6525 E. Thomas Road



THE SECRET REASON WHY “YELLOW PAGES ADVERTISING” (OR OTHER ADVERTISING) DOESN'T WORK

Here's what I discovered when I was doing a lot of consulting work in the chiropractic profession. The phone rings; it is a prospective patient calling because of the Yellow Pages ad. The C.A. (Chiropractic Assistant) and/or receptionist answers the phone. Problems:

1. THE CALL IS AN INTERRUPTION

She has a lot of other things cooking! Patients waiting in the waiting room. Another call on hold. The Doctor calling for her to help out in therapy. So, she's holding a hot pack on with one hand, stuffing envelopes with the other. Can she focus and concentrate on this call? Maybe - if it is made her #1 priority. Otherwise, no.

2. THE CALL IS MISUNDERSTOOD

The C.A. views this as an appointment scheduling call - and her job is to get the person booked and get off the phone as quickly and efficiently as possible. But this is actually a sales situation. The prospect has gotten as far as calling; she is NOT yet committed to keeping an appointment; thus, a high percentage of “I'll think it over and call you back” and a high percentage of “no shows” per appointments scheduled. Also: the C.A. has had no training in tele-selling.

3. THE CALLER'S NAME AND ADDRESS ARE NOT CAPTURED. Follow-up is not possible.

Now the Dr. comes up on Friday and asks ‘How many calls did we get from the Yellow Pages?’ The CA can say: “14, but I could only schedule 4 of them, and 3 of those were no shows” OR she can say “Two, I scheduled one, and that was Mrs. Johnson who you saw yesterday.” Which answer makes HER look better? Worse? Which will she prefer: having the doc mad at the Yellow Pages or at her?

A comparable situation exists in MOST businesses. How about yours?