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(Note: This is a reprint of the introductory issue of my newsletter, "Direct Marketing Tactics." I hope you enjoy it. - James)

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From:
Richmond, VA
Friday, 6:15 a.m.
January 7, 1994

Dear Friend and Subscriber:

Welcome to the first issue of "Direct Marketing Tactics." The purpose of this newsletter is to share with you the secrets and techniques of profiting from direct response marketing that I have learned over the past decade. But, before I start, I think a definition is needed:

What Is Direct Response Marketing?

The short definition of direct response marketing is marketing that requires a response from the prospect. Not necessarily an order but some indication that the prospect is interested in the offer. For lack of a better term, a "Yes Nod" as in "Yes, I am interested in your offer."

In the past, direct response marketing was simply mail order. You placed an ad in a newspaper or magazine, or sent out a direct mail letter to a list of prospects. Whether you received any orders or not, you were in the mail order business.

But, today there are many, many "vehicles" that you can use to get your message out to the masses. With the advent of 900 numbers, the internet, toll free wats lines, and the like, you can market a product by direct response marketing without using any form of mail order. You don't even have to use mail order to fulfill orders anymore. As a matter of fact, UPS is now the preferred way to ship orders. UPS is faster, cheaper, and more reliable than the postal service for all but a few products.

Anyway, when you read the term direct response marketing just understand that we are talking about marketing that is designed to obtain a response from the prospect. Either an order or a request for more information. And it doesn't make any difference how the prospect responds. It could be by calling a toll free number, a 900 number, or mailing in a coupon. It is all direct response

marketing.

Who Am I And Why Am I
Qualified To Publish This Newsletter!

Good question. My name is James Jones. I have been involved in the direct response marketing business for a little over ten years now. Involved? A better term would be submerged!

Back in 1981 I dropped out of college and decided that I wanted to own my own business. I had noticed the popularity of video games while attending college and decided to open an arcade in my home town.

So, I got together with a high school friend and we pooled our resources, begged and borrowed enough money to get started, opened up and...

Fell Flat On Our Faces!

A total failure. Within four months that little venture wiped out my entire savings and totally destroyed a good friendship.

Anyway, it was about that time that I started reading about mail order and direct response marketing. I ordered a book called "The Royal Road To Riches", by John Wright. I must have read that book twenty times. It was about selling information by mail.

Looking back, that book really wasn't very good. More hype than actual usable information. But, it planted a desire in me. The desire to get involved in the direct response (mail order) business.

After my business failure I went back to college. But, I continued to read everything that I could get my hands on about mail order and direct response marketing.

And eventually, I came up with my own direct response mail order product. It was a computer program that would calculate how much money you could save by paying your mortgage bi-weekly instead of monthly. I am sure that you have seen similar programs. It is a fairly well exploited concept now. But, back in '82 - '83 few people had heard of it.

Anyway, I promoted this bi-weekly program as a business opportunity. I placed a classified ad in a computer magazine and charged \$10.00 for the program. The ad read something like this:

Make Money With Your Computer!
Complete Program \$10.00!
James Jones, etc,etc...

I ran the ad for one year in one computer magazine. It brought in several thousand dollars! I never tested the ad in any other magazine. I never made any attempt to market a "back end" product to the people who bought the original. And after that one magazine

stopped pulling orders, I dropped the concept!

What An Idiot I Was!

I broke every rule of mail order! But, I still made money on the project. Sometimes you just get lucky.

In this issue we are going to talk about one step classified ad marketing. This is the vehicle that I used to promote my bi-weekly mortgage program. It is the simplest and most inexpensive form of direct response marketing. It involves placing small classified ads in magazines, newspapers, and tabloids. Ads that ask for money in return for the product. Two step ads, on the other hand, asks the prospect to reply with his name and address for more information.

Most one step ads are a dismal failure. Yet, my first adventure in direct marketing used the one step method. And it was a success. Granted, if I had used two step marketing I would probable have made more money. A lot more. But, if frogs could fly...

So, what I am saying is that in certain situations, one step marketing can work. Let me show you a couple of other examples of successful one step ads and then I'll tell you WHY it works in these isolated cases.

In his book, "Guerrilla Marketing", Jay Conrad Levinson tells how he has earned \$500.00 per month for several years with a one step classified ad. His product is a book that he wrote about successful free-lance writing. He sales it from classified ads in several writer oriented magazines for \$10.00.

The next example is a one step classified ad that I have seen in the "do it yourself" type magazines. Magazines such as Popular Science and Mother Earth News. The product is a list of 5000 catalogs. "Sources for Everything" exclaims the ad. The price is four or five dollars for the list. This ad has been running continuously for the last fifteen years so it has to be successful.

Now, I have just given you three examples of one step classified ads that have made money. Yet, most marketing experts will tell you that one step ads do not work. In most cases I agree. There isn't enough room to get all of your sales arguments, benefits and features into a small display or classified ad. I would venture to guess that 90% of all one step ads that you see in the classified section of a magazine will not be repeated in the next issue of that same magazine. And that is a sure sign that the ad did not pull enough orders to pay for itself.

So, why did one step marketing work in the three examples above? They have one thing that most one step ads lack. They have...

A Starving Market!

Back when I ran the ad for my computer business opportunity, there was simply nobody else doing it. Here was an expanding market

of personal computer owners. And a great many of them wanted to learn ways to make money with their new toy. I didn't know it at the time, but, when I placed that small, inexpensive ad in the computer magazine I was actually tapping into a desire that already existed in the mind of the audience. All I had to do was say...

"I Have What You Want. Come And Get It!"

I didn't need to provide a lot of convincing sales arguments. My prospects had decided to buy my product long before they had seen my ad!

Jay Conrad Levinson's one step ad also taps into a "starving" market. His market is people who are interested in writing. People who want to make money with this skill. Most of the people that read his ads will never be free-lance writers. But, they have the desire. And that desire is the greatest sales motivator of all.

The ad for the catalog listing is, likewise, targeted at a "starving" market. How? If you will look at the magazines that are used, the answer should be obvious. The magazines are how to type publications such as Popular Science and Mother Earth News. People who read these magazines tend to be "knowledge junkies". It does not take much persuasion to convince these people to buy a list of 5000 sources. They already have a "position" in their mind for this product. When they see the ad, the position is filled.

Before I forget, let me recommend an excellent book about the concept of positioning a product in the mind of the prospect. The book is called Positioning: The Battle For Your Mind, by Al Ries and Jack Trout. It deals more with Institutional Advertising but the ideals are universal. Read this book! You won't be disappointed.

Anyway, don't let the so called experts convince you that one step marketing does not work. I have given you three examples of one step ads that have worked. I am sure that there are many other examples out there.

So, if you have an idea for a product go ahead and try a one step ad. Even if it does not work, you are not going to lose much money. Just the cost of the ad.

But, if it does fail, don't let that discourage you. Remember, most one step ads do not work. You can always rework the concept into a two step ad that will allow you to follow up with a hard hitting, benefit packed sales letter.

And who knows, if you do your homework you might get lucky! Like I did with my bi-weekly mortgage program.

The Three Components Of A One Step Ad.

One step ads have three components: the headline, the offer and the response mechanism.

The headline is the most important part of ANY advertisement. Without an effective headline, the prospect will not read your offer. Think of the headline as an ad for your ad. It entices the prospect to read the advertisement. Writing effective headlines is a subject unto itself and will be covered in depth in another issue of this newsletter. But, for now it is important to know that the most effective headlines contain a self interest appeal. Such as: "Make Money With Your Computer" or "How To Be A Successful Freelance Writer."

While the headline entices the prospect to read the ad, the offer attempts to interest him in the product. The offer should be very simple, especially in a one step ad. The offer I used in my example above was, "Complete Program, \$10.00!" In the 5000 catalog sources ad the offer was, "Sources For Everything! Only \$4.00!" Remember, the only way a one step ad will succeed is if you have hit upon a market with an unfulfilled desire for your product. The product has to already occupy a position in the prospect's mind! If that is not the case, longer and more complicated offers are not going to make a significant difference. Also, even though classified ads are one of the most inexpensive forms of marketing, each extra word costs money. Even one word too many can mean the difference between making a profit and losing money.

The last element of the one step ad is the response mechanism. This is simply an address to send the order to. Using a phone number for response is not effective with one step ads. The profit margin on a one step product is not sufficient to warrant setting up a telephone order desk and accepting credit cards. You could give a phone number for prospects to call for more information but then you are getting into two step advertising which is more elaborate and more expensive.

How To Identify Successful One Step Classified Ads

As I stated before, most one step ads do not work. So, how do you find the few that are successful? Actually, it is very easy. Go to the library and look through the back issues of any magazine with a large classified ad section. Here are a few of the best ones: Popular Science, Home Mechanix, Afield, Outdoor Life, Mother Earth News, Entrepreneur, Success Magazine and National Enquirer. There are many others that I could mention. As a general rule of thumb, the larger the classified section the more responsive the readers are to classified offers.

Now, go back a year and note any classified ads that appears to be one step ads - ads that asks for money in return for the product. Write these ads down and go the next month issue of the same magazine. Note how many consecutive months the same ads are repeated in the same magazines. Any ad that is repeated for 6 consecutive months, or more, in the same magazine is a potential winner. Nobody is going to run an ad for longer than 6 months if it is not making a profit.

Now that you have identified the successful one step ads, you

need to order the products that are offered in the ads. Why? Two reasons:

First, some of the ads could be promoting loss leaders. A loss leader is a product that is advertised at a break even (or less!) price in order to sell additional (but profitable!) items. You will know if this is the case when you order the product. Because you will almost immediately be offered another, similar product at a higher price. That is known as a back-end product.

So, what is wrong with that? Not a thing. It is another form of two step marketing. But, it is also a more expensive type of marketing. And, in this issue I want to show you the easiest and most inexpensive way to get started in the direct response marketing business. Which is one step classified ads.

Anyway, if you order a product from a one step ad and are immediately offered a "back end" product, you can be pretty sure that the one step ad is a loss leader ad. Because of this, it is not a good prospect for a one step campaign.

Now, the second reason that you should order the products (that you have picked from the potentially successful ads) is so you can copy the concept. Note, I said copy the CONCEPT! Not the PRODUCT!

There is nothing wrong with taking an idea and coming up with your own product centered around that idea. But, don't copy someone's product. Not only is it immoral, unethical and unscrupulous, it is also illegal!

Ideas For One Step Products

Here are some simple products that could be promoted with one step classified ads. I have never tested these ideas but I believe they meet the qualification of having an existing market with an unfulfilled desire:

- 1) List of low cost advertising sources.
- 2) Monthly bulletin of government surplus sales.
- 3) Quarterly newsletter of close out merchandise for sale.
- 4) How To - just about anything that matches the prospect with a desire. For example: How To Get Paid To Play Golf At Major Courses In The US - advertised in golf magazines.

That's it for this issue. Next month I'll reveal a little known method of marketing that I call the automatic two step. It is a little more complicated than the one step method but the costs are about the same. And, the best part is that with the right concept, you could make a ton of money with it!

Happy New Year!

James

P.S. If you decide to try the one step method detailed in this issue, keep the product price low. It has been my experience that 10 dollars is pretty much the limit that most people will spend for a product advertised in this manner.

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* Direct marketing video library - complete video tape collection      *
* from Gary Halbert Marketing Seminar. Hundreds sold for over        *
* $1000. Now only $87. But there is a catch...                          *
*
* 17 of the greatest marketing minds on the planet will show you how  *
* they became successful using direct response marketing. And how     *
* you can do the same.                                                 *
*
* Here are just a few of the highlight of this exciting video         *
* collection:
*
*
* "Guerrilla" Bill Myers shows you how to make $30,000 an hour!      *
* No joke. This is my favorite. Easily worth 10 times what           *
* you'll pay for the entire collection. If you haven't seen Bill in   *
* action, you are definitely in for a treat.                          *
*
* Ted Nicholas explains the Seven Secrets To Successful Space        *
* Advertising. You have probably seen Ted's advertisements a hundred  *
* times. He wrote the best seller, "How To Form A Corporation Without  *
* A Lawyer For Under $75" and has sold more than 200 million dollars  *
* of products by mail. Absolute genius.                                *
*
* Carl Galetti, copywriter and information entrepreneur, shows        *
* you how to turn simply, inexpensive information products into pure   *
* gold.
*
* Plus business guru Dan Kennedy, mailing list expert Eric Weinstein, *
* radio talk show wizard Joe Sabah (Joe will show you how to promote  *
* your product for free on radio talk shows - he even does a live show *
* during the seminar), newsletter publishers Brad and Alan Antin, etc, *
* etc, etc.
*
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* Listen, I don't have space here to list everything but email me     *
* and I'll send you a free report that gives you all the details and an *
* outline of each speakers session. Send Email to address above.      *
*
* But you must hurry. I only have 33 sets available. And at $87 per  *
* set (over 22 hours of marketing secrets) they are sure to go fast.  *
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