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DIRECT MARKETING

MISTAKES REPORT



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The 13 Most Costly Direct Marketing Mistakes How Many Are Killing Your Profits Right Now?

Without a doubt, the questions that my clients ask most frequently all center on how to get better results with their direct marketing. I'd say that at least 85% of the calls I take are from people who are disappointed with their results and frustrated with their attempts to correct this costly problem.

You're probably in the same boat. Because your mailings and ads are drawing minimal leads. Or making very few sales. And they're not generating the kind of profits you need to keep your business healthy.

Are you ready to turn that around completely? Are you ready to put an end to the costly mistakes that flatten your sales and profits? Great because I'm going to show you precisely how to do just that right now!

In this report, I'm going to show you which mistakes are killing your profits. And precisely what to do to correct them. Once you've completed this report, you'll have a powerful new set of weapons to make sure all of your direct marketing efforts are cash generators.

The 13 Most Costly Direct Marketing Mistakes - And What to Do to Make Sure You Conquer Them!

Mistake #1: Marketing To The Wrong Audience

If you go wrong here, your entire campaign is doomed. It doesn't *matter* how exceptional a product you have, how convincing your copy is, or what incredible price you're offering.

If you try to sell this amazing widget to the wrong people, I guarantee you that you'll flop.

On the other hand, if you offer an average product promoted by pedestrian copy and bearing a median price, but offered to precisely the right people, it will always pull in some orders. Not that this is your goal. I'm only mentioning this to show you the difference caused by properly defining your audience.

What can you do to make sure you've selected the right market? You have to start by defining



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precisely who your product appeals to. Your objective is to find the largest possible market who wants and can afford your product.

At the same time, you want to make sure that your focus is tight enough that you aren't trying to appeal to too broad a range of interests at once. If you do, your marketing can easily become so watered down, it won't really appeal to anyone. If you're fortunate enough to have a product that appeals to multiple markets, you'll need to develop distinct variations of your sales pieces for each specific market.

Here's how this works. I am going to change the details to protect this person. His product was a small container of tear gas that could be carried in a purse or glove compartment.

The first question I asked was who he was trying to market to. His answer was female college students who were concerned about the rising crime rate on our nation's campuses. His initial campaign pulled a dismal response.

What was wrong here? My client had made a fatal error. He had picked a market that had only a minor interest in his product and very little discretionary income.

Think about it. College students have very little money to spend, and what they do have goes toward clothes and entertainment. And despite the rise in crime, college students are at the age when they generally feel invincible. They don't believe that they will personally be affected by anything negative. You can't change this. And trying to market against these known facts is suicidal.

A little research would have revealed that my client's actual market was senior citizens. These folks are truly concerned about their personal safety and would be willing to spend \$20 or so to gain some peace of mind. He could then market to senior citizen groups, neighborhood watch program members, and other similar markets.

One more thing. If he did decide to pursue the colleges as a secondary market, a more accurate target audience would be the **parents of college students**. They are the ones who are truly concerned about the problems on campus. This campaign would make use of much of the same marketing information used to sell to seniors, but it would require focusing on those problems and benefits that distinctly appeal to this very different group.

Mistake #2: Assuming You Know What Products Your



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Customers Want The Most

This is one of the most costly errors you can possibly make. And one of the most common errors made by companies of all sizes. Although smaller companies and start-ups are more prone to this type of critical error, the big guys still make this mistake with regularity.

Look at the "New Coke" of a few years back. I doubt that little, if any, test marketing was done. It was more a reaction to the competition than a true desire in the marketplace. And the results were a swift, spectacular flop.

If you're going to be successful in direct marketing, it's absolutely essential that you have a product that your customers need. And it's even better if they need to replenish their supply regularly.

How do you come up with such a product?

There are two key ingredients. The first is to develop only those products that your market demands. This is so simple, you'd think it was obvious, but based on the problems my clients present me with on a daily basis, I can assure you there are very few market-driven products being developed today.

Here's what you must do to make sure your products are of real value to your market. And, as a logical consequence, produce the kind of profits you really want. **You must connect with your typical customers and find out from them exactly what kind of problems plague them or what vital goals they're burning to achieve.**

There are many ways to do this. Call up some of the people you do business with on a regular basis. Go visit a few more, and get to know exactly what their needs are. Another excellent technique, and one I'm particularly partial to, is the short questionnaire.

Here's what you need to make sure your customer questionnaire succeeds in gathering the critical information you need. Create 5-8 simple questions. True/false or multiple choice where you provide specific choices are the most effective.

Mail this questionnaire out to a couple hundred of your customers. Offer them a special discount, free booklet, or some other incentive for responding.

Then listen to what your market has to say. Develop new products based on the common themes that



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are revealed by your customers' answers. Create products that solve their problems or help them achieve important goals. This is the critical first step to ensure that your products generate sizable sales.

The second key ingredient is to test carefully and prudently. I'll never cease to be amazed by how many companies bypass the testing phase and go straight to full-blown production. This makes no sense at all - and it can be dangerous to your financial health.

Once you've developed your product based on your market's most critical needs, the next step is to invest as little as possible in developing as few pieces as necessary to test market. Forget about the money that might be saved by producing in volume at this stage. You're testing your product's marketability. No amount of savings on 5000 units can possibly be justified if you only sell 100 of them.

Savvy direct marketers get rich by starting with small tests and increasing volume in stages. Here's a working rule of thumb:

Never increase your next stage quantity by more than 5 times.

This means if your starting quantity is 500, your next production run shouldn't exceed 2500 - - unless you have signed orders to support a larger quantity.

Mistake #3: Focusing Your Copy On You, Your Company, Or Your Product

This is a mistake that's made by companies of all sizes, but larger corporations are frequent offenders. Look, everyone likes to see their name in print. I'm sure that you're rightfully proud of your company and the products you sell. But I urge you to resist the temptation to stroke your ego in your marketing.

Here's why. Customers don't care. They don't care about you, your company, or your product. That may sound cruel, but it's a fact of business life.

Customers care about themselves, their problems, important goals they'd like to achieve, and the things that will make their lives easier or better. That's just human nature.

I'm sure that the last time you bought a book through the mail on reducing your taxes, you didn't think, "Oh boy, here's the perfect opportunity for me to give McGraw-Hill more money and to help Sally Author get on the best seller list!" Instead, you were thinking something along the lines of,



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"Alright! Here's something I can use to hang onto a few more of my hard-earned dollars!"

In order to get someone to dip into their wallet and part with their hard-earned currency, you're going to prove that what you have to offer is worth so much to them, that parting with the money is insignificant. And that, my friend, is a tall order. To accomplish this, you must talk directly to their needs, wants, desires, problems, and goals.

This means you've got to drop down and get personal. Use a lot of "you" language. Kill all of the technical babble. Get rid of anything that makes you sound like a pompous, marble encrusted institution.

What's that? You say you're selling securities, gemstones, or some other high-ticket, upper echelon item and you need to sound sophisticated? Sorry, but you're disillusioned - and you stand to compromise your potential profits. Even the upper-crust are people and respond (quite strongly, I'm happy to report) to being treated personally.

Successful marketers understand this. They consistently use it to build their fortunes.

Mistake #4: Assuming You Know What Benefits Your Customers Value The Most

Here's another presumptuous error that can cost you dearly. Too often, companies think that since they created a product, they are the ultimate authority on that product and its benefits. This gets them into trouble.

While your market may remain the same, its needs are volatile and prone to change during the life of a product.

When a product is new, its very newness may be the most appealing factor. As it becomes more common and other competitors enter the market, price, quality, and additional features take on more importance. Also, the problems that your market faces today may be solved tomorrow. Then you're faced with having to reposition your product to offer solutions to other problems.

Now, where you may ask, do you get all of this crucial marketing data? You go to the source: your customers. You must constantly poll your customers to find out what their most critical needs, aspirations, problems, and objectives are. Once you've found out, you seize the opportunity and adjust the benefits in your copy accordingly.



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Mistake #5: You Think That Your Ad Or Your Product Are Important

Well maybe they are, but not to your customers. It's important to you, your family, your friends, and your employees. But that's as far as it goes.

Customers don't care. They don't wait eagerly to get your sales pitch in the mail. Chances are they'll pass right by your ad in a newspaper or magazine. They might have a mild interest in your product, but you'd better be able to seize their attention, to reach out and grab them by the throat in order to make your case.

You accomplish this by featuring a benefit in your headline that is so potent, it can't be passed over.

This benefit headline should be as subtle as a jackhammer. Look, you have only a few seconds to stop someone and pull them into the detail of your ad or sales letter. If you can't grab them here and now, you've lost them forever. The page gets turned or your letter hits the trash.

To avoid this, you've got to roll out your biggest, loudest gun right away. Feature it as prominently as you can. Make it so irresistible that only an idiot would pass it by.

This is a radically different approach than most ads take. They focus on a clever, catchy headline or eye-popping visuals. To the detriment of the people who use them, these techniques don't work. They're pure window dressing.

If you want to win more leads and sales, forget about your ad and its fancy layout. Forget about being clever or creative.

Concentrate instead on hitting your customers right between the eyes with the most potent benefit you have to offer.

Mistake #6: Blindly Accepting That Your Mail Will Actually Reach Its Destination

There's bad news on the mail front. Studies by both the Direct Marketing Association and the United States Postal Service reveal that huge quantities of mail are being dumped in trash bins instead of being delivered. Estimates run as high as 30 percent of all third class mail in some regions of the country.



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But that isn't the only place you can take a direct hit to the pocketbook. There are some lazy and unscrupulous employees working in mailing houses. Even in the best of them, and that could easily include the mailing house you're using right now. These people are dumping your precious mailings and include false receipts from the post office. That's right, from the same folks who are already dumping your mail.

All right, so we both agree that the picture is bleak. But you don't have to be a victim of these sleazy, fraudulent practices. Here's what you do to protect your investment.

First off; you stop mailing third class. The studies that were conducted revealed that the object of the vast majority of this fraud is third class *mail*. Nearly all *first class mail was delivered*. Of the first class mail that didn't get delivered, much of that was due to incorrect addressing by its mailers.

You can't afford to risk having your mail dumped in the trash in exchange for the savings that third class offers. It isn't a justifiable risk. Instead, do everything you can to cut creative and production costs. But don't mail third class.

As for the mailing houses, the answer is simple. Don't let them deliver your mail to the post office. Deliver it yourself And examine every tray or bag for accurate counts before you leave the mailing house. This is the only way you can be sure that you get a full count and your mail gets to the post office.

One more thing. If you're mailing 5000 or more pieces, it's a good idea to drop your mail at 2 or 3 different post offices. This helps reduce the odds of your mail getting dumped, even for first class.

Remember, if your mail doesn't reach its destination, you can't sell your products!

Mistake #7: Blindly Accepting That Your Mail Will Get Opened Once It's Been Delivered

If you think this way, once again you're a victim of your own ego. Don't get me wrong, I'm not saying that you're a raging egomaniac with no interests other than yourself. But I am saying that your pride is distorting your view of reality. You falsely believe that your customers are wildly enthusiastic about hearing from you.

To prove my point, I'm going to use a very important person as my example. You. Think about how



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you open your mail. You sort it into piles. Personal letters in this pile, bills in that pile, some junk mail to review in another pile, and the rest of the junk mail straight to the trash! That's reality, folks.

So what words of wisdom can I offer you to make sure that your mail gets opened even though it may not seem to be of much interest to your customer? Precisely this:

Make sure that your mail gets put in a pile that isn't predestined to the trash.

Here's how you achieve *this most* desirable of goals. Remember, you just proved that the mail you value the most is (1) personal mail; and (2) bills. Then, if it piques your interest, you may look at some of your junk mail.

Your path, then, is clear. To make sure your mail gets opened, make it look as much like personal mail or a bill as possible.

To make it look like personal mail, follow these steps:

1. Avoid mailing labels.
2. Always use a first class stamp - avoid postage meters.
3. No teaser copy.
4. Use your first initial, last name, and address for the return address not a company name or logo.

To make your letter look like a bill:

1. Use a window envelope.
2. Use a stamp or postage meter.
3. Use just a return address without company name or logo.
4. Make it look as official as possible.

The third - and riskiest - way of striving to get your mail opened is to offer a power-packed benefit on the envelope, which is called a teaser. "New Fall Catalog Inside" doesn't cut it. You must be able to



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offer an extremely powerful benefit. A benefit that nobody in their right mind would pass up. Something like, "Here's 3 Simple Ways to Save \$246 On Your Heating Bills This Winter". If you can't offer a powerful, hit-them-between-the-eyes benefit, don't even think about using teaser copy.

Mistake #8: Assuming You Have Your Prospect's Undivided Attention

The truth is you have very little, if any, of your prospect's attention. You must remember that people are bombarded by hundreds, even thousands of ads daily. Ads in their mail, on radio, on TV, on billboards, in movie theatres, in magazines, in newspapers, being hauled across the sky, on benches, on the back of buses and taxicabs, on shopping carts, even in restroom stalls. All of this is your competition.

Don't kid yourself. You aren't just competing against other companies within your market. You're competing against everything that vies for your prospect's attention - including non-advertising interests like work, family, and hobbies.

You must be clear about this going in. Only then can you hone your sights and get serious about the job you really have to do. The job of creating hard-hitting marketing that will succeed in winning your prospect's precious time.

To do this, you have to create the kind of marketing pieces I've already emphasized. Hard-driving, persuasive pieces packed with so many benefits, your customer can't help but be interested.

Mistake #9: Lying, Being Deceitful, Or "Standing Too Close To The Shade"

I sincerely hope this mistake doesn't include you in its ranks. Unfortunately, some marketers get swept away by their own greed and wind up stretching the truth beyond its natural range of flexibility.

Lying and being deceitful are not only immoral, they're bad business. You can't build a long lasting, profitable business by cheating people. Successful business depends on repeat customers. If you start cheating people, they won't continue to do business with you. And if there's any justice, you'll go to prison.

Now let's talk about "standing too close to the shade". A person I know told me this story when he took a real estate investment class a few years ago. At a certain point in the class, this person told me the instructor winked and announced that he was now going to teach some very creative ways of getting



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people to sign their property over to you. He went on to declare that these methods weren't necessarily shady, but from where you stood you could definitely see the shade.

I can't give you any hard and fast rule on this kind of approach to advertising. All I can do is make a heartfelt recommendation. If you feel like what you're selling or how you're selling it is getting too close to the shade, I urge you to reconsider.

I just don't believe that it's right. I can also assure you that if you get caught, it can ruin your business. There's far more consistent money to be made by solving your customers' problems, helping them achieve vital goals, and delivering more than you promised.

And, as an added benefit, you'll sleep well at night!

Mistake #10: Failing To Track Your Results And Use What You've Learned To Compound Your Profits

If you really want to cash in on direct response, this is one mistake you should correct as soon as possible. One of the greatest advantages of direct marketing is that it's completely measurable. By keying your ads and sales letters (with a unique department number, suite number, person's name, or other identifier), you track precisely what kind of response you get from every ad, list, or advertising medium you use.

Being able to track your results gives you a strategic benefit:

CONTROL. Your results tell you what's working and what isn't. And exactly how well things are working. This lets you know which marketing efforts to stick with and which to modify or abandon. It also tells you which product lines are effective, what geographical areas to hit harder, and which media and lists outperform others.

With all of the advantages to be gained from proper tracking, you'd think that everyone would do it routinely. Not so. Just watch your mail for the next week. When you see how many of the letters you get aren't keyed, and therefore not traceable, you'll be shocked.

Here's my own personal rule on this critical issue:

Every marketing piece you create should be keyed for tracking.



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Everything. All ads, all sales letters, all news releases. You name it, it should be keyed. If not, you're unnecessarily limiting your income.

Mistake #11: You Don't Have A Profitably Planned Follow-up Campaign

This is a crucial point to consider. Why? Because when run properly, an effective follow-up campaign can double or triple your profits.

The fact is that it's much easier and less costly to sell to someone who's already bought from you than it is to bring in new business. This means that the greatest rewards can be gained from working your house list.

But think about it. When was the last time you bought something and then received a follow-up offering from that same company? I'd wager that you can't even recall the last time.

The companies that are consistently making big profits in direct response have well-oiled follow-up programs in place. Get your name on the mailing lists of American Express and the American Management Association. These companies run follow-up programs as well as any I've ever seen.

Here are a couple of hints on how to get the most out of your follow-up program. Always include a follow-up offer with every order you send out. Offer a discount on 3 or 4 recommended items. Strike while the iron is hot. It's the best and easiest time to make another sale.

Send follow-up mailings at least every quarter. Every other month is even better. Keep your products in the forefront of your customers' awareness. The more you sell to someone, the more trust they build in you. And the more inclined they'll be to buy again. It's a wonderfully perpetuating cycle.

Mistake #12: You're Trying To Sell Unrelated Products

This is closely related to the previous point. You can't follow-up effectively with unrelated products.

Direct response is very different than general retail marketing. Unless you are Sears or WalMart, it's virtually impossible to offer a wide selection of products that aren't related. Smart marketers realize that the big money is made by offering closely related products.



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For example: a catalog that specializes in computer books is more likely to be successful than a catalog that offers computer books, cookbooks, general fiction, and diet books. By specializing, you eventually become known as an expert, reliable source in your market area. People place their trust in you because they know you'll deliver what they need. And trust generates sales.

Also, if you focus on and carry a wide variety of computer books, you know precisely who your audience is and what to feature in your follow-ups. So you can concentrate your efforts on marketing to a single, large audience rather than spreading yourself thin over a variety of markets.

To cash in on direct response, pick an area to specialize in and offer the best group of related products that you can.

Mistake #13: Changing Your Marketing Out Of Boredom

Eventually, you're going to get tired of any marketing piece you use. Either you'll get bored with it, your family or friends will, or your employees will get sick of seeing the same old thing. And you'll want to change it - to give it a fresh new look or perspective.

I have one word of advice for you.

Don't!

Don't change any of your marketing because you're sick of seeing it. Don't change any marketing piece to give it a fresh new look or a little more pizzazz.

The only time you should ever change a marketing piece is when it starts to lose its effectiveness. Then you should carefully test alternatives and see if they up your response. If you can increase your response and profits, then by all means, change your marketing.

But if the market continues to respond to your promotions, you'd be a fool to change. I don't care how sick you, your friends, your family, or your employees are of seeing the same old marketing. Don't change it!

The only person who should ever dictate a change in your marketing is your bookkeeper. When your bookkeeper tells you that sales are starting to drop off then you have a valid reason to change your marketing.



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Conclusion

You've just taken a giant step toward getting the most out of your direct marketing. You've seen which mistakes can have the most disastrous effects on your marketing. And you now know precisely what to do to keep these mistakes from killing your hard-earned profits.

But just knowing what to do isn't enough. You have to take action to remedy the errors that are hurting you. If you don't, you'll continue to put your business at risk.

Fortunately, none of these mistakes are particularly difficult to correct. All it takes is a little diligence to make sure you carry out these solutions. And there's good reason to. Once you rid yourself of these debilitating mistakes, your sales and profits can grow like crazy!