

Direct Response Millions

LESSON TWO

by

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How to work smarter not harder, to make BIG money!

Anyone can apply these proven techniques, simply and easily with start-up capital from as little as £50. Countless others are already millionaires from using these principles and now you can join them!

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Welcome and a huge ‘Thank You’ for purchasing ‘Lesson Two’ of the twelve part course, ‘Direct Response Millions’.

In the first lesson, I gave you ten hot topics to help you to choose a product or service for your direct response business. Because this is such an important decision you need all the help you can to get it right. So, here is some more invaluable information:

Some of Today’s Hottest Product Categories and Markets

Some of today's hottest product categories and markets include:

- Income opportunities.
- Fitness.
- Diet.
- Nutrition.
- Environment.
- Cosmetics.
- Software.
- Self-defence.

People want:

- Love.
- Sex.
- Material wealth.
- Security.
- Improved health.
- Personal recognition.
- Legacy after death.
- More leisure time.
- Advancement in business or social life.
- Improved appearance.
- Greater popularity.
- Pride of accomplishment.

That list just names a few of peoples wants. By providing these you are selling to people's desires. The more of these wants your product satisfies, the more desirable it will be and therefore the more money you can make from it.

The Seven Fields of Business

All of the above topics come under one or more of the following seven businesses that you can run:



One - Security

People want security for themselves and their loved ones, the world is a big, bad, dangerous place and people like to feel safe. Fire, flood, thieves, famine, accidents, earthquakes, disease all lurk outside our safe, warm houses. If you can't sell them protection against these, then you could tell them how to improve their own security. **We want ourselves and our families to be safe and secure.**

Two - Time

Time is the one thing you cannot have more of. Therefore people are very keen to purchase products that will save them precious time. So, consider books and courses on time management, overcoming procrastination, how to have effective organisation skills, rather than labour-saving devices such as dishwashers. There are many disorganised people out there who will happily pay you good money for simple and effective organisational techniques that you may know of. Try and have a new slant on this as you will be competing with other people in the market place.

Three - Comfort

People are interested in products and services that increase the level of comfort for themselves and their family, from survival upwards. This includes the food, clothing, shoe and furniture industries.

Four - Vanity

Everybody wants to look younger, be more attractive to the opposite sex, be fitter, stronger, with more hair (for the men) and less flab (for both sexes). Weight loss is a multi-billion pound industry, however, you would be wise to tread cautiously in this area because of the fierce competition that's out there, unless you have a really excellent, breakthrough weight loss procedure (i.e. one that actually works). Also such products have always attracted attention from the authorities.

Five - Sports, Fitness and Health

This is allied to vanity and is a huge business worldwide. Most of the money is spent by people seeking an excuse for not being fit themselves. Nearly all exercise products are 'faddy'. People buy them in order to pretend to themselves that they are going to exercise! Nutrition also comes under this section, with vitamin and herbal supplements also hot at the moment.

Six - Leisure and Recreation

Obviously linked to comfort, but also to status and self-pampering. The entire holiday industry sits firmly in this group, but so do most sports (golf, cycling, etc.) clubs, hobbies and interests. This is one of the largest market sectors because we all have more leisure time. For example, the entire business of gardening sits here, and that one segment is HUGE BUSINESS.



Seven - Wealth, Success, Prosperity, Money

This is probably the most important hook because it can buy most of the other things, e.g. comfort, time (employ people to do the jobs you don't want to do), security, vanity, leisure and recreation. It can't buy you health, but it does mean you can afford expensive herbal and nutrient supplements that have been found to enhance health. You could also afford a personal trainer and that would at least make getting fit more motivating and interesting, if you hate exercise. The entire field of business opportunities and money making sits here.

What Makes a Good Information Product?

One of the guides to a direct mail/Internet winner is to see how it measures up to one or more of these hooks, which allow you to say to the customer:

- Make money.
- Gain the respect of family and friends.
- Do something worthwhile with your life.

Other hooks are:

- Inside knowledge.
- Fulfil a personal dream.
- Escape (from a job you hate, etc).

The more of the above hooks your product has the more saleable it is. Having 3 or more hooks can enhance the saleability of your product. These hooks should be the things that people desire such as; love, sex, security, improved health, personal recognition, legacy after death, more leisure time, advancement in business or social life, improved appearance, greater popularity and pride of accomplishment.


Bear in mind though that **nearly everybody seeks to improve his or her financial status**, because money can buy many of the other things.

This is why 'business opportunity' products ("Make Money Fast!") are so enduringly popular.

The Ultimate Product

The perfect product would have the following attributes:

- Be precisely what the customer wants.
- Be unique to you so that it cannot be purchased anywhere else in that exact form (this doesn't mean the idea has to be totally original).
- Have a perceived value that is much higher than production costs so that you can make a very healthy profit. For example, a course or manual can have a mark-up of 500%-1,000%!!!

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- Be of exceptional quality and look and feel like it is so, this will ensure the customer is happy with it and is confident of its value. This will also reduce refunds.
 - Be Post Office deliverable i.e. does not require special delivery, and will not easily break or be damaged in the post, or Internet deliverable.

What Products Should You Avoid?

You must have something that is **legal and ethical**. If you're selling DVDs for example that you have not personally produced then you must acquire the rights to sell them on. Ethical considerations include not being involved in anything that may be considered illegal or in bad taste. **You do not want your business name to be tainted with any kind of legal or ethical misgivings.** The amount of hassle you will get from government bureaucrats is not worth it.

Products you should avoid are anything that is of poor quality. **People will demand refunds on poor quality products and refunds are costly and time consuming.** You will also be hard pushed to sell more expensive 'back end' products to them at a later date – and this is where the REAL money is.

Avoid fragile, bulky and difficult to package items. The last thing you want is complaints from customers who received broken goods or are grumbling about bits missing from their package because it was inadequately boxed. Bulky items are a nightmare to store and a pain to package.

Avoid heavy items, ideally your product should be as cheap to mail as possible and that's why information products are so great!

What Will Make Your Product a Success?

You're not going to be selling a *totally unique* product for reasons I've already mentioned. If it is not a unique product you will need to have a marketing angle such as better quality, or lower price or a title which is not available anywhere else. Ask yourself what is the ultimate benefit of your product or service? What is *different* about your product from your competitors?

No matter what your product is, you will need to have a Unique Selling Proposition - USP!

What is USP?

Your Unique Selling Proposition is what makes you stand out from the crowd. If you don't have one, then you don't have an exclusive marketing angle which will attract and keep customers. A USP is a short statement that conveys to the customer the benefit of your products and services to them, over and above anything offered by your competitors. It has to be *service*

driven, rather than *profit* driven and must communicate the biggest *benefits*, not features, of your product.

The benefits must be obvious and they must be benefits for the customer. The world's favourite radio station and one everybody is listening out for is WII FM - **What's In It For Me! People are interested in themselves morning, noon and evening.** Believe it! We are all utterly self-obsessed. This is a perfectly wonderful and agreeable fact of human nature. Here's a snappy little rhyme to help you remember this home truth:

“For Breakfast, lunch and tea, it's me, me, ME!”

To give you an idea of the difference between a feature-driven USP and a benefit-driven USP, take a look at the following:

Example of advertising the FEATURES of your product:

The Rhino Pizza Way

Our staff are trained to make pizzas quickly and efficiently using only the finest ingredients. Our ovens are computer controlled to give a constant 280F temperature. Try out quality, reliable and cost-effective service. We deliver.

Hardly exciting is it? And it certainly won't sell lots of pizzas.

That's because it only gives, feature, feature and feature. Who cares? **What's In It For Me?** Why should I buy from Rhino and not from a hundred other identical outfits? What do 'cost-effective', 'quality' and 'reliability' mean? *Everyone* says that stuff. It's meaningless garbage. Where's the Unique Selling Proposition?

Compare with this benefit-driven headline:

**The Rhino Pizza Promise
A Sizzling Hot, Tasty Fresh Pizza
Delivered To Your Door In Ten Minutes -
Or It's Free!**

Now THAT'S a benefit. When do I want a pizza? *Right now!* I'm hungry now, not in forty minutes. Ideally I would like my pizza shoved through my letterbox before I managed to put the telephone down. But Rhino seem to be offering the next best thing, so I'll buy from them.

Unique Selling Proposition - What You Get Out of It

One of the benefits to you of having an excellent USP is that you will avoid distracting side-markets. These other 'gold mines on distant hills' look tempting, but usually result in you making the same mistake as the farmer who sold his farm to go looking for diamonds in Africa. Years later when he was penniless and broken-spirited after wasting his life in this futile quest, he



discovered the farm he had sold contained a huge diamond field. **He had never thought of looking on his own farm.**

Another primary benefit to you for defining a USP is that it will keep you focused on your niche market. Having defined your niche allows you to milk it effectively.

An important point to remember when phrasing your USP is **not to sell on price only**, if you can possibly avoid it. Although customers are price-sensitive, having your USP as 'the cheapest' is ill-advised for two reasons: Firstly, people associate 'cheap' with 'poor quality' - something you do not want connected with either your products or your business. Secondly, it is all too easy for competitors to lower their prices and thus destroy your USP - **being the cheapest is not a marketing strategy, it is often a recipe for going bust.** A keen price is important, but a strong USP is more so.

So before you launch your business you will need to spend some time thinking up a USP that sizzles, otherwise you relegate yourself to the mass of near-identical businesses all scrabbling for the same tiny slice of the pie. **You cannot hope to be a successful marketer without having a USP.** To help you, think about **what is unique about your product and how this can most benefit your customers.**

The most popular and successful information products have one simple thing in common. They all offer benefit-driven advice – advice that will give the reader a rock-solid benefit; something that will make them richer, fitter, look younger, feel healthier, get a nicer house, and so on. The course you are reading is doing exactly that – taking you step by step through a method which could make you a fortune.

How Do You Define Your Market?


People you are looking to sell to must satisfy all three of the following criteria at least:

- They must have money.
- They must have already bought through the post/mail-order, Internet before.
- They must be aged over 20 and below 70.

Let me explain these points in more detail:

1. Money

Only selling to people who have money sounds obvious doesn't it? But you would be amazed at how easy it is to overlook this vital factor. No matter how great your product is, if the people you are looking to sell to can't afford to buy it then it will fail. **You have to be able to make a profit.**



Never, ever try and sell to people who are broke – that's a golden rule.

This is why you can't sell a manual with the title: “How To Get Out of Debt” no matter how good it is. Why? Because your target audience is *in debt* and cannot afford your manual! Here's an example of what not to try:

"More people are in debt because they do not know how to handle money than for any other reason. This £50 manual offers simple strategies and techniques on cost reduction, budgeting, agreeing to payment terms with creditors, debt counseling, etc."

First of all, before I go any further, let me ask:

“Would **you** want to read anything on cost reduction, budgeting and agreeing payment terms with creditors.”?

Only after you've finished reading every other book in the library, including “**A Handbook of Stressed Concrete Bonding Techniques for Prefabricated Storage Depots**” - twice.

That's all you need to know about this idea to dump it, sight unseen, but here are a few more pointers:

- Your target market is... people who are in debt. Guess what? They...don't...have...any... money!

Not exactly rocket science this, is it?

- “Get Out of Debt!” is not sexy **since the result is merely a *neutral position*** (neither poor nor wealthy). Contrast this with: “How to Make £30k a Month – In Just One Hour a Day!”
- People who are in debt have, in general, a 'head in sand' attitude. It is not really *their* fault that they are in debt – or so they believe. It is society, the government, their spouse or bad luck. So a manual won't help.

Here's another typical idea which people come up with, without thinking it through:



Success in Study

"Studying is largely a matter of technique, not brain-power. This manual outlines a number of strategies and techniques which have enabled people to pass exams and hold down a good job. These techniques include: diligence, motivation, memory systems, exam techniques, etc. The mail shot for this manual, priced at £50, will be targeted at parents of the middle and upper classes."



2. People who have already bought through the post or on the internet before

People are creatures of habit; it's a cliché because it's true! It would therefore be a futile waste of time and money to attempt to sell to people who have never bought through the post or on the Internet before.

People either buy via mail-order or on the Internet, or they don't.

No offer, no incentive, no discount, will ever persuade the latter to buy from you.

Please read that again.

It's a point of near religious fervour to them that they *never*, ever, ever (and a few more evers) buy through mail order or 'risk' on-line shopping. They made up their minds a *long* time ago that mail-order is a rip-off, a scam, a cheat or whatever and the Internet is crawling with crooks waiting to clone their credit card. Usually this is based on one bad experience or that of a friend, or reading something in the media. Fortunately, there are thousands of other people out there who love purchasing through the post. You find these people by going to a list broker who holds names and addresses of people in categories that are mail-order responsive. (E.g. gardening products buyers, business opportunity seekers and so on. More later.)

Your target market should be people who have frequently purchased through the post as this means they're hot. You also want them to have purchased similar products to your own.

There are people who are so hot about a particular subject; they buy everything they can find related to it. Marketing guru Gary Halbert has described them as being 'in heat'. This can be a highly lucrative market if you can find out what they are 'in heat' for and then offer them a similar product. And by doing so you will be providing them with a valuable service, whilst making lots of money for yourself.

3. People Aged Over 70 and Below 20

I don't want to be 'age-ist' but these are the facts. Of course there are some people outside this age band who will happily purchase via mail-order.

Most people under 20 are pretty broke and your product will have to be very special to make them part with their limited money. People over 70 can also be poor and are less likely to purchase items through the post. For example, 70% of pensioners in the UK do not earn enough to pay tax! That's an awesome (and depressing) statistic. They also tend not to own DVD players or PCs (although this is gradually changing), which discounts them from buying videos or shopping on line and these can be good formats for your products.



fish would probably be okay, so long as you researched your market first to ensure there are plenty of other eager tropical fish fanciers out there.

However, narrowing down to one particular *type* of tropical fish *could* confine your niche too narrowly and restrict the number of people who would be interested.

How Do You Source a Good Product?

Below are the very best sources for finding good products:

1. Books

Look at Amazon.com on the Internet to see what their top 100 bestsellers are at the moment as these are the kinds of products that people want to buy. Of course a lot of these books will be fiction, but many will be non-fiction. Hot topics at the moment are **diet, sex, health and self-improvement**.

If you want to get into 'paper and ink' mail order (selling books, courses etc.) then here's a great tip: Buy all the books that are in the top 100 sellers about the topic that interests you the most (e.g. diet), read them all, and then write a book or course that is on the same subject but encompasses only the best ideas of all the books.

Never copy any of the actual paragraphs as this is illegal and you could end up getting sued) a few words are fine, even whole sentences. Any more and you should give a credit, e.g. "As Fred Jones says in Internet Profits".... The ideas within the books though are not copyrightable. Yes, finding a product to sell really is that simple!

2. Adverts in the Press or Mailshots

Another way of discovering what is selling well at the moment is to buy every newspaper and look at the small adverts, or look in Exchange & Mart, which is available from all good newsagents, to see what is being advertised in there. Adverts that appear week after week are probably working; i.e. what they are selling is what people want to buy.

Also, save all your direct mail and use that as an inspiration. Source a product that is similar to one of these products, but has a new twist to it - you want to ensure it stands out from all the rest.

3. Manufacturers

Get hold of every wholesale catalogue you can find and look to see if there are any hot selling products in them. If you do find one, contact the manufacturer and ask for an evaluation sample. Do not go through middlemen like distributors or wholesalers, as you won't get the best prices. Tell the manufacturer that you are considering selling their product through direct marketing - manufacturers are always eager to sell additional merchandise.



4. Liquidators

Occasionally great products can be found through liquidators. These are companies specialising in selling off stock from bankrupt businesses, overstocked commodities, old stock or slow selling items - often at rock bottom prices.

5. Video Producers

You can obtain some great products from video producers. You might be able to find tapes of seminars or speeches that may be of interest to you. Often they have libraries full of tapes that have been aired only once and can be put on DVD.

6. Public Domain

If you manage to find a suitable product out of all the hundreds of thousands of books, reports, videotapes and films that are in the public domain then you could be onto a winner. You will be able to use them freely with no royalty restrictions or copyright restrictions.

7. Yourself

The best products of all are those that are unique to you, because your customers won't be able to buy them from anywhere else. Hence no competition. You don't have to reinvent the wheel, but if you can come up with a new slant on something then it will pay back your time and effort many times over. For example, James Dyson didn't reinvent a means for cleaning floors when he originated the Dual Cyclone vacuum cleaner, what he did was to revolutionise the sucking, and thus cleaning efficiency, of this household appliance.

8. Your Passion

Above all, have a good hard think about what you are PASSIONATE about, and try to create/source a product around that. If you have a passionate interest in something, chances are others will too. When you have passion, your enthusiasm will come across to your customers, plus you will be making fantastic money doing something that you love. There are few things in this world better than that.

Without passion, you're unmotivated, wishy-washy and bland. Passion is what gets you out of bed in the morning and makes you desperate to start work; you can't wait to get your product out into the world. This is not only possible, but typical of people who love their work. Ask yourself two things. **What am I passionate about? How can I make money out of this passion?** Forget everything else. **Get thinking about your passions in life.**



How to Generate Great Ideas

The human brain is composed of over 5 billion brain cells and is a million times more advanced than the fastest super computer. So why do we all complain of not being able to come up with fresh ideas for new products? Experts say we use between 1% and 10% of our mental capacity. Unbelievable!

So even a genius like Stephen Hawkins is only scratching the surface of his brain's potential.

The truth is that very little is known about the enormous capabilities of the human brain.

Ted Nicholas used to speak to Mensa groups for fun about Objectivism, the Philosophy of Ayn Rand. As you are undoubtedly aware, you need a very high IQ in order to become a member of Mensa. At first he was surprised at how relatively few members had accomplished much in their lives, until he realised that it's not the size of your IQ that counts most in life. It is what you do with what you have that is far more important.

He is convinced that certain actions help to trigger great ideas and believes the key is to create conditions that help stimulate the subconscious mind. Below are 20 of his favourite ways for triggering breakthrough ideas. Some actions he suggests you will really enjoy, others may make you somewhat uncomfortable; why not give both kinds a try?


Remember what is at stake here. The really big bucks go to those who *create* not to those who *copy*. Creation is everything. The good news is, **you are creative**, whether or not you realise it.

1. Start Your Day Differently

The most vulnerable time emotionally for all of us is immediately upon waking up. The feelings you have then tend to set the tone for the whole day. Negative feelings of foreboding, fear, and lack of confidence are commonly experienced. These come from the incredible number of negative messages we 'self-talk' into our subconscious.

Messages of helplessness and despair are also fed to us daily by the media. Well-meaning friends and family contribute to our negative messages in many cases. Research has shown that we can, at will create a positive emotional state simply by changing our self-talk. We can manipulate our mind. One way to create positive feelings is through affirmations. Here are a few of Ted's that will work for you as well because they are absolutely true. Try this; say them out loud as soon as you awaken first thing in the morning. After each one, say YES!

- I'm a creative marvel.

- 
- Nothing great or worthwhile ever comes easy, and I'm willing to do whatever is necessary.
 - Because I'm unique in all the world, no one can be like me.
 - I have the capacity to do anything I really want.
 - Individuals have always made a difference in this world, and I can too.

Remember, great people who made a difference were all single individuals. They worked against great odds. They were ridiculed and often risked their lives, fortunes and 'sacred honour'.

2. Take a Walk, Jog, Ride a Bike or Swim a Few Laps

Physical activity in solitude stimulates your brain in a special way and increases your energy levels. New ideas seem to come out of the blue.

3. Start Keeping a Journal

If a life is worth living, it is worth recording. Answer just two questions each day: What do I want? What do I feel?

You'll be astonished at the material provided by your subconscious. This activity is my favourite idea stimulator and invaluable psychologically. It helps keep me on track emotionally. Otherwise, I can easily slip into a downward state.

4. Model Success

Study the work of successful business and creative people, past and present. Learn from them. Model them, but don't copy them, which can be illegal. Instead, **see if you can identify the essence of their success.** If you have the opportunity to talk to them do so, ask them questions about their own self-talk and how they take knocks and failures. Then work on doing what they've done, differently or better.

5. Subscribe to Readers Digest and Read Tabloid Newspapers!

Woah! What??? You wouldn't read this trash? Reading these often maligned publications is one of today's best methods of spotting new trends.

6. Subscribe to as Many Newsletters as Your Budget Allows

The most independent and clear thinking available in written form is found in well-written newsletters. Plus, you'll get what's missing in most newspapers and magazines: a point of view. Study topics that are motivational and those on health, investing, privacy and travel as a minimum.



7. Attend a Seminar

A workshop given by a master in his/her field will really get the creative juices flowing. Being in a room full of creative people all with their own success stories can be one of the most powerful ways to help think up new ideas.

8. Listen to People 'Bitch'

The best definition I know of an entrepreneur is 'problem solver'. Listen to complaints carefully. Think through possible solutions. Solve the problems people complain about and create a great product or service that will make you very wealthy.

9. Watch an Emotional Film

Watching a good film at the cinema can stir those emotions which provide a great environment for new ideas. Don't be embarrassed about crying; all the best copywriters cry easily. Your copy needs to be emotional for it to be successful.

10. Have a Conversation with Anyone Under 8 Years Old

Young children are often phenomenally creative because they are free and uninhibited. Sadly, by about age 9 or so they begin to lose these beautiful qualities and by the time they are adults, their creativity is often completely stifled. I feel it's mostly because nearly everyone becomes discouraged, unchallenged and bored with today's education; spending hours at a time stuck at a desk would numb even the dullest of minds. Plus the accumulative effect of all the discouraging messages.

11. Buy the Following Books to Read

- i)** A biography of either Winston Churchill, G. Washington Carver, Milton Hershey, F. W. Woolworth, Thomas Edison, Andrew Carnegie, or Sam Walton.
- ii)** 'Atlas Shrugged' by Ayn Rand
- iii)** 'The Fountainhead' by Ayn Rand
- iv)** 'Ordinary Children, Extraordinary Teachers' by Marva Collins
- v)** 'How I Found Freedom In An Unfree World' by Harry Browne
- vi)** 'The Precious Present' by Spencer Johnson
- vii)** 'Using Your Brain For A Change' by Richard Bandler
- viii)** 'I Could Do Anything If Only I Knew What It Was' by Barbara Sher

12. Go to a Restaurant and Eavesdrop on Conversations

It's amazing what great ideas you will get listening to what things preoccupy others.



13. Hire a Masseur or Masseuse for a Deep Body Massage

In case you haven't been massaged professionally for a long time, if ever, you'll find it a lot of fun, healthy, and stimulating in dozens of ways.

14. Take a Holiday Different From Your Past Experience

Experience completely new things. For example, if you've never done so, travel by bicycle, go hiking, ballooning, snorkelling, take a safari or cruise. Go to a golf or tennis camp. Visit a nudist camp or beach. Try something you've never before experienced.

15. Study a Subject at a College, University or Evening Class

Sign up for a subject that interests you. Learning new things and meeting new people stimulates ideas in special ways.

16. Start a Hobby You've Always Yearned to Pursue but Haven't

You'll have a great time and surprise yourself with how interesting the new people really are.

17. Study Old Advertising

Adverts which ran 30-50 years ago are often better than those you see today. You'll get great ideas to use in your marketing, too - human emotions never change.

18. Discover What Products are Selling in Other Countries


You can easily replicate the success in your market area. If a product is successful in one country, there is a good chance it will succeed in other countries. This is the lowest risk method of generating new product ideas we've ever seen.

19. Walk on a Beach

Listen to the sea and daydream. Stare at the sky.

20. Spend a Day Not Knowing the Time

As simple as it may sound, this can be incredibly difficult the first time. It's so easy for all of us to be a slave to time, rather than its master.



Try as many of these tips as your comfort level allows. And you can stop worrying about generating great ideas. They will come - you can count on it! Have fun.

Other Ways of Finding a Good Product

There are thousands of hot products already out there, just waiting for you to exploit. All you have to do is follow the strategy below and you can acquire the direct marketing rights to these products. They have proven their sales appeal and could be winners for you too so long as you market them correctly. This workable strategy was developed by Ted Nicholas and has consistently worked for him and his clients.

Define Goals that Assure Success

- Find a product or service that is successful or you think could be successful, but is currently under-marketed.
- Acquire the rights to the product or your suggested improved version of the product.
- Use a superior marketing plan we have outlined below to sell it profitably.

You are probably thinking that it must be difficult to find a product that has direct mail and/or Internet potential, successfully negotiate the rights to sell it and then make money from it for yourself. However, the strategy that I am about to reveal will demonstrate that all of the above is possible and much easier than you would think. But first we must find a hot product.

The best places to find a hot product are:

Catalogues

Get on as many catalogue mailing lists as you can and study the products being offered. Products would not be repeated unless there was a proven market. TIP: Those at the front of the catalogue are the best sellers.


Mail and Internet offers

Products sold through the mail or on websites on a repeat basis are excellent lead sources for products.

Newspaper Adverts and the Internet

Products repeatedly sold over and over in this way in newspapers and magazines are usually winners.

Best Seller Lists



Go to a good library and look up the non-fiction best seller lists for the past two years. You'll not only find books but many other ideas for non-book products. **What best seller lists tell you is what people want.**



Book Shops

Hang out in a good book shop. Make friends with the owner/manager. Ask about what subjects people are particularly interested in. This can be excellent market research, regardless of what business you are in now. You really get 'hands on' insight as to what consumers are asking for. If you listen with a 'marketer's ear', you'll be able to spot hot categories.

Book shops often look upon books more like 'fashion statements' with as little as a three-month life. Often you can pick up hot products no longer featured which a huge number of people still want!

Listen carefully to what people are griping about. The solution can often fill pent-up want and demand for a product. For years, Ted Nicholas listened to entrepreneurs gripe about getting 'ripped off' by lawyers for routine work forms, etc. So he created a multimillion-dollar publishing company based largely on do-it-yourself legal books. It all began with 'How to Form Your Own Corporation Without a Lawyer for Under \$50', a book which is still selling thousands of copies each month.

Products to Look For

The best products to look for are those that fill human desires and will sell year after year. **Avoid fads as they can be financially very risky.** Fads are anything like Beanie Babies, Cyber Pets, etc. If these sound old to you now, then that demonstrates how quickly fads become out of date and disappear. Compare this to something like Lego (seeing as we're on the topic of children's toys) that has been around for decades and you will see how much more profitable an original idea can be compared with a fad.

How to Negotiate Direct Marketing Rights

I'm now going to reveal exactly how to acquire the rights to virtually any product using Ted Nicholas' tried and tested formula. For simplicity I will use the example of a book, although the principle will work for all products.

You want to approach getting marketing rights with a win/win outcome for all concerned. The author-publisher, customer and of course you must all get something out of this deal for it to be a success.

Your negotiating goal is twofold:

- Buy the product at favourable cost.
- Get as much exclusivity as possible.

However, total exclusivity is not as important as you might think. Your successful marketing plan and the sales copy which you create is the most important asset you have in selling any product.



Let's assume you've found a product you'd like to acquire the rights to and sell. The next step is to find the manufacturer or owner of the product. That's usually quite simple. It's printed on the product itself or on the sales literature. Now you are ready to telephone the product owner.

When you call you need to establish rapport. Then you create a 'yes momentum.' Once the person gets used to saying "yes" to you, it's much easier to conclude a successful negotiation.

Here is an example of a typical conversation between you and a mythical publisher named ABC Publications:

You: "Hello ABC. This is Bob Smith calling. I'd like to speak with the person who handles rights to your non-fiction business books."

ABC: "That's Dave Jones. I'll connect you."

You: "Hello Dave. This is Bob Smith. I understand you handle rights negotiation to non-fiction business books, is that true?"

ABC: "Yes."

You: "I may be interested in direct marketing rights for one of your titles, 'Kill All the Lawyers', by Frank Shakespeare. You do publish that book, don't you, Dave?"

ABC: "Yes. We sure do!"

You: "Great! Well I'm a direct marketer. We sell throughout the UK through mail order and newspaper ads. Our methods can move a tremendous amount of product. I'm sure you would like to dramatically increase sales of that book, wouldn't you Dave?"

ABC: "Yes, I'd love to do that."

You: "I can't make any promises, but here is how we operate. We'll do a marketing test entirely at our expense. If it's successful, we'll then go forward on a national campaign. And here is the best part for you Dave. We'll generate sales beyond what is now being done. For each sale by direct response, studies show two people go into a bookstore (or retail store) to get the product. You just keep doing what you're doing and our efforts will enhance your sales. Doesn't that sound good to you, Dave?"

ABC: "Yes, it sure does. But how would the deal work?"

You: "We'd like exclusive direct mail rights. We will buy the book in a similar way as a book club. Basically at manufacturing cost, plus a royalty* on all income we receive to compensate the author and/or publisher."

(* Usually this figure is from 5% to 15% of revenue. If the book is used as a premium or bonus, a fixed amount, such as 75p up to £3 is not unusual.)

"If the test is successful, we then will continue buying in much bigger quantities or print our own edition of the book as called for in the agreement I'll send you. Dave, are you with me so far?"



ABC: "Yes. I see now what you have in mind. Sounds like we have everything to gain, nothing to lose.

You: "If the book moves in a big way, your royalties will be substantial indeed!"

ABC: "Can you give me an estimate of sales?"

You: "I could, but it would really be guesswork at this stage. After the marketing test, and at first we'll just buy enough books for the test on a sale or return basis, I'll be in a much better position to give you some projections. I can tell you this. Some of our books sell in hundreds of thousands of copies. One more thing I'm sure you'll like. To show good faith, we will send you an advance against royalties of \$250*. But remember, it's only an advance. The important factor is getting the product successfully direct marketed."

ABC: "Sounds terrific. I'll look forward to getting the agreement and getting it signed real fast."

*(This has proven successful many times with advances of \$250, even for 'best sellers'. In no one case has he paid more than \$1,000 (about £660).

This dialogue is typical of such a negotiation. You capture the direct mail rights to a proven product without a big investment of time or money. You can also give the product away as a premium to induce sales of other products. Use successful products as free bonuses and premiums freely in marketing, because if people have already heard of the book they will be more motivated to order your product, and your sales will thus greatly increase as a result.

How to Make a Killing from Books

There is a small problem with selling books that you have negotiated the rights to sell through the post. Most books in bookshops are sold at **too low a price to make a good profit in direct mail**. However, if you change the cover of the book and make it a hardback book then it has a higher perceived value, for a few pence extra cost to you, **you can therefore charge a much higher price**.

Interestingly, Ted Nicholas sold the exact same book (he merely changed the cover) in bookshops and via mail order. The one in bookshops retailed at \$12, the one sold through the post at \$37! If asked he would merely say that there was a mail order version of the book and a bookshop copy. Nobody queried this. And you can do this too.

You can use this same approach for non-fiction books that were best sellers but are now out of print. Contact the publishers, as they still own the rights to the book. Unless you are using the book primarily as part of your offer and not as a back end product then you would be wise to change the format. Books are difficult to make a healthy profit from through direct marketing, so reproduce the book as either a 10-12 part course or a manual, depending on its length.

Make sure you have permission from the publisher to do this before you sign any agreement.



You can negotiate the rights to books that you think could be best sellers but the jacket or more importantly, the title is a dead loss. If this is the case, come up with a superb title and change the format of the book as above. As a case study, I changed the title of Dan Pena's book *Build Your Own Guthrie* to the far more exciting title *Your First 100 Million* and then successfully sold the book for \$500 a copy!

Short Cut Secrets

Five Red Hot and Fast Products

There are all kinds of different information products that you can sell but I want to concentrate on five areas in particular. You can sell these products for anything from 10 to 30 times your actual cost to produce them!

The customers get excellent value, that's important because we're talking about giving customers so much value they'll want to come back again and also keeping refunds low.

Here are five hot product areas you can exploit...

Red Hot and Fast Product 1 – Books and Manuals

These really are incredible money spinners. You're reading just such a manual right now.

If you don't want to write them yourself, I've used ghost-writers that have done dozens of different books for me. I simply give them the research materials, or they go out and get their own research materials.

They do all the work (and as you'll discover they consider it a privilege and want to do the work). I put my name on it. I sell it. I keep all the profits – you can do this too!

Also, once you start to create some materials you can use the *same* chapters in some of your existing manuals and find *new* ways to use them in other manuals. It's something for you to think about. Rewriting. You can rewrite the material a little bit, recycle it and use it again and again.

If you have certain chapters that would apply for other publications, you can build a manual or book very easily by simply using past information.

However ...

The customer must get good value - that's the secret!



Red Hot and Fast Product 5 – Multi-Author Products

I have put together so many products with other people, where the work that I've had to do is minimal. If you get together with a group of experts (in any field) and spend a couple of days recording eight 45-minute sessions, you are able to produce a 150-170 page manual. Plus, you have eight 45 minute CDs. There's a product that can and does easily sell for £97 to £297.

I have raked in a fortune just sitting at the dining room table and recording with other authors and experts. This is how simple it is to produce an information product. **You literally can become a millionaire doing very little work.**

So, remember this...

Get other people to do the work for you!

There are *so* many people out there with good products. There's no reason not to get them to joint-venture with you not just for recorded interviews, but also for books, manuals and newsletters. **Use other people's talent and brains to create a product.** It's so simple. You ask questions and simply record (in your chosen format) the questions and answers.

Instant Information Product for Instant Cash Flow

Here's the absolute shortest of shortcuts...

I used to work for a magazine in the advertising section. Every day people would call and ask how much it cost to run an advert. The cost was high and many people would explain they couldn't afford it. So to help them out I would suggest they try to get **free publicity**. I would explain how they could do that.

When I left that job because my self-publishing efforts were making me so much money, I wrote all the advice on how to get free publicity into a small booklet.

It sold like hot cakes! £24.95 for information that saves readers thousands in advertising costs.

That's a great information product!

Well, one day I got a call from one of my American readers of this booklet. And he said, "You say, find a product, write a news release, send it out, get publicity." And he went on to say that he didn't have a product, so how could he get started?

Here's what he did after I told him what to do. And this is an amazing instant information product idea that you could use to get started in self-publishing today.



This one idea is worth what you paid for this program.

He went to all the bookstores in his town and told them he was interested in working at home. Most of those ‘work at home’ things are just a joke, but he found a book called ‘The Work at Home Source Book’ by Lynn Arden. It had been written up in *Parenting Magazine* and it was in the book clubs and had good reviews.

It was one of the few real books that could list genuine ways that mothers, or whoever, could work at home. Rather than spend months writing his own book, he decided just to buy this book wholesale at 60% or more discount, then he wrote a news release, bought stamps, and mailed the releases out to newspapers and magazines.

He was written up in magazines and newspapers all over – FREE ADVERTISING!

Notably he got a terrific write-up in *Working Mother*. This was interesting because the book had previously been reviewed in *Parenting* so you may wonder why he bothered sending it to *Working Mother* – a very similar publication?

The answer is that it proves the book is of interest to parents but somehow this magazine missed the original launch of the book, were full, or decided not to run with it just at that time. This time though, they ran it.

When he talked to the author later she said, “Gee, we sent a press release and book to each of those magazines and *Parenting* ran it, but *Working Mother* didn’t and so we never bothered to send it again to them.”

So this proves that’s it is important to try again.

He wrote his release to mirror closely the story that was in *Parenting* and *Working Mother* picked it up. **The result was he pulled in \$27,000 for this book!** He just bought them from the wholesaler, just like all the bookstores do.

I hope you’re getting the important point I’m making here...

The book was *already* written, it was *already* in print, it was *already* available wholesale. He didn’t even have to buy the rights to it or any stock. It was already available to anybody who wanted to buy it wholesale.

All he did was write to the publisher whose name was in the front of the book, and tell them he was in the mail order business. He requested they send him their discount rate schedule. They sent him a sheet showing when you buy 1 to 10 copies it costs this much, when you buy 50 you’ll get this discount, when you buy 100 you’ll get this discount and so on.

