



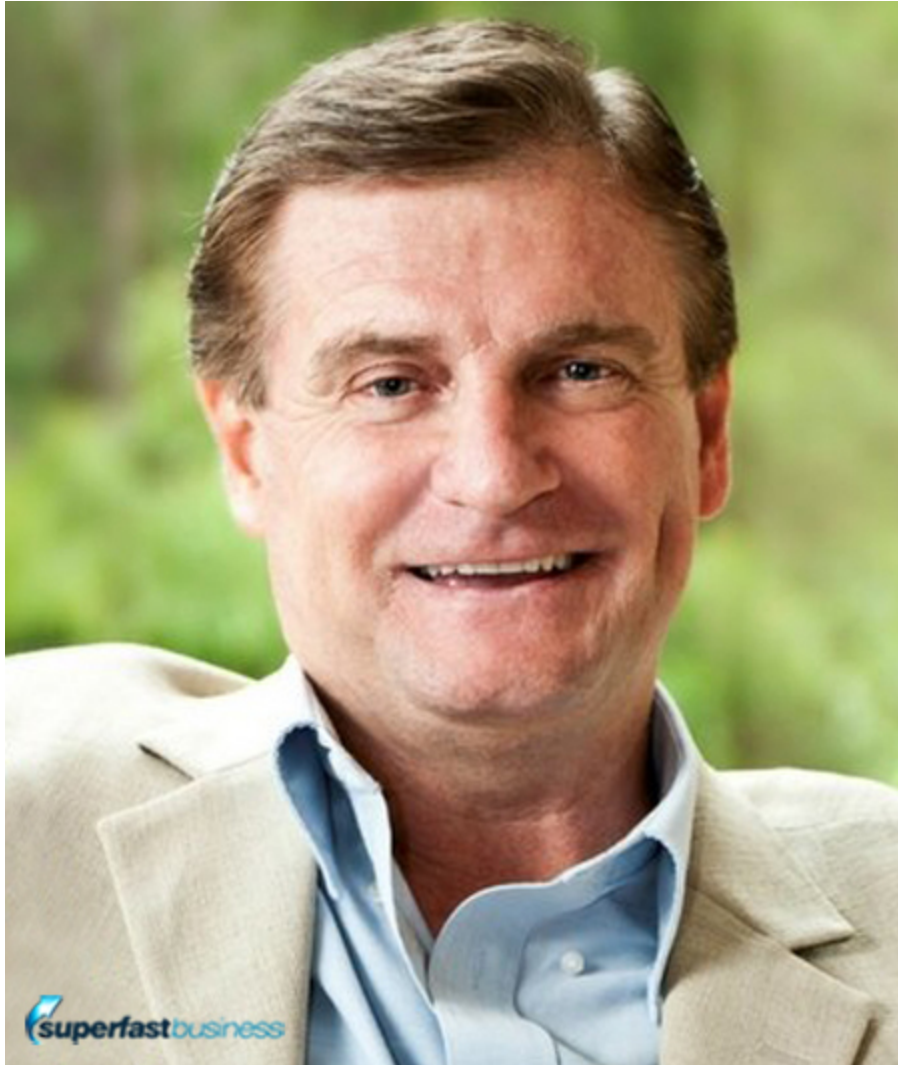
SuperFastBusiness presents

# New Ideas From Old Marketing With John Dwyer

Old marketing injects new life into businesses in the hands of a master marketer like John Dwyer.

# New Ideas From Old Marketing With John Dwyer

by SuperFastBusiness



**John Dwyer**

**James:** James Schramko here, welcome back to SuperFastBusiness.com. Today, we are going into the land of the conventional, but with a twist. And I've brought back a new friend of mine, John Dwyer. And I say new friend because

we got introduced through a mutual contact, **Greg Cassar**, who's been on this show plenty of times, and John and Greg are in cahoots in a business venture and I got to appear on their podcast. But when we spoke, it was like we'd been friends for a long time and I thought we must have a chat on this podcast to talk about conventional marketing and how it relates to your business, even if you have an online business. There's probably a few lessons we can learn from the more experienced out there, so welcome John.

**John:** Thanks James. Glad to be here, mate.

## Say what you do

**James:** Now you've got a website called **TheInstituteofWow.com**, represented intergalactically and all over the world as well. It kind of says what it is on the tin, doesn't it?

**John:** It sort of does, mate. I must say that when I'm holding events like you do, and you get the odd question from the audience, I get the question from time to time when people are starting a business, what will they call their business? And I said, not Smith and Jones. Call your business Toys R Us, because then people know what the hell you do. And so in my instance, I guess I'm practicing what I preach. The Institute of Wow, you know that it's not an accountancy practice.

**James:** Right. If it was an accountancy practice, it would definitely be taking a unique angle on the market.

**John:** Yes, I think so.

## Is traditional marketing still relevant?

**James:** So we might as well dive into that topic. But before I do, I want to just ask you, in your world, which I guess I would call direct response, you're in that traditional marketing field that existed before the Internet. Is it still relevant to people who have an online business?

**John:** Yeah, absolutely. In fact, more than ever, James, because I'm probably going to defriend any Gen Y listeners to this presentation because what I'm

about to say is a bit of a sledge, but most of the social media people out there that big businesses are even employing are still using Proactiv skin care cream.

And so therefore what is happening is that a lot of these businesses are putting their social media communications in the hands of a 25-year-old. And I'm not saying for a moment that there aren't exceptions to this, but my view is, if you were going to get a heart transplant or heart surgery I think you'd probably want someone who's been around the block a few times rather than the kid that just got to medical school.

And I see these social media so-called experts telling everyone that they've got to get their name out there, and it's got nothing at all to do with that if you're a small to medium business, you're never going to be able to match up with the big boys in terms of building your brand. So what I maintain is that instead of getting your name out there, you should be concentrating firstly on getting their name in here. And that is a certain skill whereby you should be using Facebook and Instagram and all those social media platforms to drive them to a landing page to invite them to give you their details in return for something free. So it's all about getting their name in here, not getting your name out there. Don't get me wrong – you still should get your name out there, but you shouldn't just do that.

**James:** That's such a huge point and I don't think I've ever heard anyone articulate it like that, "getting their name in here."

## Versus Dan Kennedy

And then on the other side of it, we've heard about guys like Dan Kennedy in the direct response field. They're very popular with a lot of my American customers and friends. What would you say you do differently to the traditional Dan Kennedy style of direct response?

**John:** I don't think I'm as angry as Dan.

**James:** How's your beard?

**John:** I do use sarcasm quite a bit, so at my events when we do hot seats I bring people up and we put their website up on the big screen and then I'd do a sketch on the whiteboard of what their website home page should have

looked like. And so therefore I get them to agree that they don't have any feelings, because I'm about to hurt them. But I don't think I'm quite as angry as Dan.

But look, I've got to take my hat off to Dan, he's a genius. There's no question about that in the direct response world. However, I'd like to think that I might be a little different in that my concern is that if Dan or Bill Glazer or any one of those traditional direct response experts from days gone by got a five, six-star hotel like the Palazzo Versace on the Gold Coast in Australia which is a six-star hotel, that the sort of direct response tactics that they might use could possibly turn that hotel's brand into Motel 6 very quickly. It's a very delicate line.

And please, don't think for a moment I'm being critical in an overall sense of Dan or Bill Glazer – I think they're very good at what they do, but in my instance, if I was consulting to the Palazzo Versace six-star hotel, I would say, OK, during the winter months when you're trying to bring people from the South, Sydney and Melbourne, up to the Gold Coast, I would suggest that you pick them up from the airport in one of your gold Rolls Royces. I would give them a butler service for the whole weekend, which means you'd probably just have two or three butlers in the hotel for that weekend. And I'd give them tickets to theme parks or maybe to a show at the casino.

## Brand protection

And I would maintain the high six-star rating of that hotel, but still use direct response, and do it in such a way that it's going to protect, if not build, the brand. Whereas a lot of the Dan Kennedy stuff that I've seen tends to be one-size-fits-all and doesn't matter what the brand is, just basically do this, this and this. I think that I'm different in that respect. I always am very conscious of protecting the brand.

**James:** It's really refreshing to hear that because when I was running Mercedes-Benz dealerships, I was learning about marketing from Jay Abraham and Gary Halbert, Dan Kennedy, just pouring my brain full of this stuff. And I was finding quite a conflict between the way that Mercedes-Benz market their products with their brand guidelines. I mean, they are so specific how many

millimeters the star has to be from the words, and specific font. I mean, even down to the color of the blue that they paint the Poles outside the showroom had to be a certain color and they would come and measure the color to make sure they have exactly the right blue.

So they were so fussy about their brand. But I think there was something in that and I guess I've always tried to carry over those brand values with my products, like **SilverCircle**, which when I think about it is kind of like an AMG Mercedes-Benz-ey level product in the marketplace. And no one's really ever explained to me why I had that inner conflict. But it certainly wasn't acceptable to go out and have someone signwrite your front window with the word "Sale" on it when I was at the Mercedes-Benz dealership. That would have been an inappropriate direct response promotion.

**John:** Yep, absolutely. And look, I'd read the book by Bill Glazer, *Outrageous Advertising*, and I think he's on the front cover in a straitjacket. I think that says it all. And yeah, you will never see me on the front cover in a straitjacket. I'm going to be in a sports jacket. My personality is very cheeky, Paul Hogan, Steve Irwin style stuff and am I'm going to turn that up when I'm onstage by 10 percent? Of course I will!

But, you know, my brand is very much anti-establishment in terms of the advertising world. So like Dan, and like Bill Glazer, I'll certainly be confrontational and I'll be a bit provocative. But despite not taking myself too seriously, I take what I'm doing for clients very seriously and I make sure that if we're going to introduce them to direct response marketing – and mostly it's their first time doing it because 95 percent of business owners out there don't use it – if I'm going to introduce them to it, I make sure that they feel very comfortable that their brand will be protected at the same time.

## Working with Jerry Seinfeld

**James:** Okay, so I think it was worth discussing what style of marketing we're talking about here, because we've really just covered everything from social media getting the name out there through to the, you know, hard core direct response machine that is going to have specific campaigns generating sales with, often, very little regard for the brand. And then we've talked about

something in the middle there. I'm curious, how long do you think it would be in this podcast until we mentioned Jerry Seinfeld?

**John:** Look, I've never milked that. You know, James, I happened to have the fortune of working with him for a few years a few years back. And of course no one knows. I've never, ever milked it.

**James:** And wasn't Chapter 10 in your book, called How to Wow, Client Attraction System?

**John:** I've milked the daylight out of that. I don't think you can squeeze much more water out of the sponge. I was lucky enough to score Jerry Seinfeld to be the spokesman for a building society, a banking client of mine, some years back. And as it turned out he signed a three-year contract to be the spokesperson for all of our TV ads and everything else that we did. And I had the great fortune of going over to New York each time for three of those years and doing TV commercials with him and all that sort of stuff, and it was just great fun. And of course, you know, I've milked it since and when people say to me, "How long are you going to keep on milking that?" I go, "Forever."

**James:** How much difference do you notice between the United States market and the Australian market, or perhaps even the UK market for their regard for celebrity endorsements in marketing?

**John:** Oh look, Japan of course is the leader. They'll pay any Hollywood star, or any sort of big American celebrity, incredible amounts of money, because they think that just label-slapping a celebrity is what it's all about, and of course it's not. I mean, you need to have a message to market-match. You need to have the right celebrity for the right brand. And the reason that Jerry came up is that, over the years I'd been looking after as a consultant the Greater Building Society's brand, we created somewhat a Virgin-esque, cheeky, irreverent brand.

So we said, look, if you've got your home loan with one of those boring banks and they're charging you fees and they don't know your name and they treat you like a number, why don't you swap to the Greater Building Society where it's a mutual, which means it's not all about dividends. We actually make the money and give it back to the members. And guess what? If you swap your



home loan, we'll give you a free holiday. And all we did is we just took the one percent honeymoon rate away from their offerings and we turned that into a Happy Meal toy. We turned that into a holiday and we quadrupled their home loans in the space of two years. It was just incredible.

And then when that had run six or seven years, we decided to spice it up a bit and get a celebrity. And because I said to the Building Society, "Who's your most profitable target audience?" which is the first diagnostic question I ask any client. And they said, anyone that's falling in love or getting married. I said, "No, you don't want any Gen Ys. You don't want a millennial. And the reason is, they're going to borrow two or three hundred thousand dollars for a little master and three bedroom home. You want someone over 40 who's borrowing half a million or a million dollars for their second or third or fourth home. Now, that's the reason we chose Seinfeld, because he's going to appeal to everyone, but particularly to over 40s. If it had been a Gen Y audience of millennials, we would have got Justin Bieber.

## Determine your audience

**James:** Right. So if you're going to do endorsements with celebrities, you've got to match it to your audience, which I think is step one of your Client Attraction Formula, if I'm not mistaken, is determining your audience very clearly.

**John:** It is, James, and thank you for supplying me with that terrific segue. And in that little five-step formula that I have, it kicks off with a very important one, and that is, not identifying your target audience, because people will just say, "Oh, women," it's identifying the most profitable component of your target audience. And that means it might be women between 35 and 60 who drive the BMW, they have a household income of \$150000 and two point three kids that have left home, whatever it may be. So of course, with the laser targeting that we all have now with social media such as Facebook, you can then do the lookalike audience thing and find people like her to put your ads in front of.

**James:** You've really got the old and the new mixed together nicely, haven't you?



**John:** Pretty much, yeah. I mean, I must say that my clients find, I think, a big advantage of using an old fart like me, because they've got the old-school mentality which I bring to the table. And that's avalanche results, because I used to do all the big bingo games for the newspapers and we certainly increased the circulation of those newspapers for Rupert Murdoch pretty quickly when we put out a bingo game.

## The ugliest back fence in Australia contest

And I would basically be involved in helping McDonald's with their drive-thru promotions of giving away Happy Meal toys. I was into big, avalanche promotions, and of course it's happy days now for the clients that I tend to have, because I'm able to show them how to use old world technology – well, ideas – but use new world technology. And a great example of that would be the one I gave you on our podcast, with Greg Cassar. Do you remember the one I mentioned about the aluminium fence, with the ugliest back fence in Australia contest?

**James:** Yes, and I've been having a similar conversation with a client of mine who is in a related market.

**John:** Do you mind if I just quickly role play that one? Because I think for whoever's listening to this and maybe not getting a good result from Facebook, they might be interested in that case study. Is it okay if I just quickly run through that one?

**James:** I think we should. I think it's important to have a few case studies and examples of what it is that we're actually talking about. Because up until now, we've been setting the scene. But let's get right into it.

**John:** Good, mate. I was waiting for you to actually say no, JD, we do not want to hear about that. We're out of time.

What it was was that a aluminium fence manufacturer came onto one of my programs, and he was pretty frustrated because he was wanting to sell aluminium back fences to older homes who had maybe a wooden paling fence that was falling down. And so, therefore, he was putting letterbox brochures out into areas of Gosford in New South Wales, basically areas that

were older suburbs that had older homes who had a paling wooden fence that might be falling over, not getting any results from it. And I could see why, his brochures were awful. And he tried Facebook, and again he just didn't have the right creative approach.

So we fixed it pretty quickly, because I just put together a campaign, which was the ugliest back fence in Australia contest. And you had to actually take a photo of your ugly, falling down, decrepit back fence, post it to his Facebook page for the chance to win a \$5000 aluminium fence makeover. And of course, that makeover would cost him \$1000, but it was worth five. Now, we came out with those ads, basically, you know, it's the ugliest back fence in Australia contest, just take a photo with your iPhone, post it up to our website and you're in the chance to get a fence makeover worth \$5000. He had two years' worth of leads within the first three days. We had to turn that campaign off on the fourth day, he couldn't handle it.

## The key word is "avalanche"

**James:** It's amazing. And I remember you sharing a story with me. You travelled over to America, and you attended a little mastermind with some of the experts, and they were talking about their campaigns. And then when you started talking about some of the results you got, they all shut up and they were asking you how to do it. Because avalanche really is the word there. They were talking about little snowflakes, and you were just talking about complete landslide marketing campaigns.

How caught up do you think some of these top level experts within our little corner of the industry are, compared to what's out there in the real world?

**John:** Look, I find that in the info marketing game that we're in, you and I and Greg Cassar and people like that, we revere a lot of these people globally who have been able to make a lot of money out of selling tutorial programs and so forth. And I just take my hat off to them. That's fantastic. But you know, we are seven and a half percent of the population of the United States. We're a little sort of spot in the ocean.

And so, when I do hear some of these statistics that some of these info

marketers give in terms of increases in sales or revenue, or just even visitations to a website, I snigger. And I know that sounds very contrived, that sounds like a wanker, but by the same token, I do.

Because there was one seminar I went to in America and they were boasting over the fact that they had 21000 basically leads from an online campaign within a month. And I didn't say anything, but, you know, I got 812000 phone calls in a week for one of our clients, and all it was was using avalanche marketing techniques. It happened to be the New Idea magazine here in Australia, and I put together a contest, which of course you had to give your details in order to enter. And we got 812000 leads in one week, in seven days, in little Australia, for goodness sake. We're seven and a half percent of the population in America. So if I was to be boastful and bring that out at some of these events, I think they would think I'm a witch and probably burn me, I'm not sure.

## People want to be involved

**James:** So you're a fan of contest marketing, because it takes advantage of people's desire, I guess, to participate, to be involved somehow.

**John:** It does. Yeah, absolutely, mate. And I'm not suggesting that it's for everyone, as I am not suggesting that celebrity endorsements are for anyone, either. But you know, the great thing is these days is that my belief is that if you want to get somebody's attention, then what you need to do is to offer them a big prize. And it's no use giving away, you know, basically crockery or glassware. Nobody's much interested in that. When they turn on the TV tonight, they're going to see Who Wants to Be a Millionaire?

And so what we've done is develop the relationship with a major insurer around the world, and we provide what's called prize insurance to clients. And so, for example, you can get a million dollars to drive traffic to your website from this big insurer and you only pay \$16000. They'll give you a million-dollar prize. Now the deal is that once you choose someone, a month after you've just melted your website with people clicking on a Facebook ad for the chance to win that million dollars, you draw someone out, and they actually come to a draw, whether it's online or whether it's offline. And there's 250 envelopes that they can choose from and one of those envelopes is the million dollars;

inside the other 249 is a motor car or a trip to Hawaii or whatever it might be.

But the fact is, you've only paid \$16000 to get that million-dollar lure. And if it's a half-a-million-dollar lure, with a one-in-250 probability at the end, you're going to pay 8000. If it's a quarter of a million dollars, you only pay \$4000.

And I've been doing this sort of stuff to absolutely jam hotel rooms in Fiji for quite some years. There was a client there who was running at 34 percent occupancy, he was at one of the older hotels, Port Denarau had opened with all the sexy hotels, and he was up the Coral Coast about half an hour away and he's got the Hideaway Resort, it was not full.

So what we did is we held a million dollar incentive for all the travel agents in Australia and said, for every night that they booked someone into his hotel, they're in the draw to win a million dollars. And all he did was pay out \$16000 for that.

He went from 34 percent occupancy, because you can imagine, if you went into a travel agent in Australia and said, "Oh look, I just want to go to Fiji," they're, "Yeah, Hideaway Resort."

"What about the Hilton and the Sheraton?"

"No, they got rabies and Ebola. You don't want to go there, you'll lose an arm."

"Uh, okay, well, where should I go?"

"Hideaway Resort. We just told you."

"Oh, well, I'd better go to Hideaway Resort."

So we took his occupancy, without any improvements to his hotel – he didn't have to renovate, didn't have to put in a new pool, he did nothing. It was a 25-year-old hotel and he just couldn't match it with the other guys. But by developing a Happy Meal, and that is a value add that took everybody's eyes off everything else, then the travel agent, who we all trust, told us to stay at the Hideaway Resort. His occupancy rate went from 34 percent to 96 percent in three weeks and sat there for the three months of the promotion.

## It worked for Mercedes-Benz

**James:** Nice. Reminds me of how I built an email list at the Mercedes-Benz dealership that I worked at for my last job. We had a guessing competition and it was like, “Mercedes-B\_nz”, and then you had to fill in the missing letter. And the prize was, win a weekend in a Mercedes-Benz.

And using that one little flyer, it was a small one, about, we call it A5, but it's like a postcard size. We actually had those printed in bulk and took them to doctors and lawyers and all the local businesses. And we built an email database of 10000 emails, just having people fill in that form and ticking a box to say that it's okay for us to continue staying in touch with them.

I actually did a product launch, a Jeff Walker-style product launch for the dealership. And our big idea was that I was going to have an AMG weekend. I would get every model in the AMG range at the dealership for people to come and drive. And that was the hook. And then we did direct response letters to people with the headline and the sub-headline and the bullet. And then the prize was, if you bring this letter in and hand it over with any purchase, you'll get a case of red wine. We had really beautiful red wines on offer. And people would order their car and then hand the letter in, like they'd ripped us off or something like that.

I think we had 21 of those redeemed in just two days. We had well over 1000 people through the showroom. We smashed the market, like just beat everybody. And we sold a stack of cars, very, very successful campaign.

So these things that we use online, the product launches, work spectacularly well in traditional businesses when your competitors aren't doing that. They're just sticking a sack up on the fence and wheeling out a barbecue and putting some party balloons out in the courtyard, you know? Like, as if that's going to do something tricky. “Hey, we'll just go and buy a car because they've got balloons and a sausage sizzle.”

**John:** Yup. And it's tragic. I mean, that's the level of thinking of a lot of these businesses. I live by the adage that essentially, people are attracted to attractive things, and if you have a contest and your major prize is \$100's

worth of groceries at the supermarket, you ain't going to get much of a response. But if it's a \$50000 prize or \$100000 prize and you're only paying \$1000 for the privilege of giving that away because the insurance company just charges you a premium....

## "But people might not win..."

And when people say to me, "Oh yeah, but people might not win," because it's a one in 250 chance at the final draw, I say, "That's better than any lotto or lottery anywhere in the world." And let me say to you that Who Wants to Be a Millionaire in America and Australia, I know, was in the top five rating programs for the first five years of its existence, and they only ever gave away the million-dollar prize once.

So it doesn't matter whether it ever gets given away. It's the actual Elvis Found headline that you're looking for. Car dealerships (I think you'll like this one, James, I mean you've come from that background), we have a number of car dealerships come along from time to time. They're really easy to get people into the showroom. All you do is either the letterbox drop or you put it on Facebook, because you can geographically target people; have a big prize like \$50000 or \$100000 or a quarter of a million, whatever it might be; call it a license to print money, and just invite them to come in and show their driver's license (because we don't want anyone who can't drive, OK?)

And we've done it with a million dollar draw, where you just come in and show your license and you'll get an entry into the million-dollar draw. Obviously, we're going to take your details when you come in, but if you take a test drive when you come in, we'll give you 100 more entries. Now, 72 percent on average take a test drive, and you can imagine what that does to sales.

**James:** That's nice. I used to use competitions like that to incentivize the salespeople. So every time they sell a car, they'd get a token into the draw. So the more cars they sold, they'd get more tokens in the draw and there'd be a huge prize, like a plasma TV or a six-burner gas barbecue, or something that we deemed was hot to trot at the time. And the good thing about a system like that is that people can still have a chance, even with just one entry. So they're not disenchanted or giving up, which is a big problem with some of the way that prizes are stacked.

**John:** Yeah. And look, the KISS principle has to come into play with any of these things. It's funny when I'm sort of preaching these sorts of things to some of my clients they go, "Oh look, if there's only one in the 250 envelopes that has the big \$50000 or million-dollar prize, what we'll do with the other 249 envelopes is we'll make 50 of this, and 50 of that, and 50..."

I say, "No, no. Just make 249 Hawaii holidays, OK? That's it. Do not think past that. Nobody is entering this contest to win the Hawaiian holiday. They're all entering it to win the million dollars. So therefore, just make all of the other envelopes the one prize." They just want to make it complicated when there's no need to.

## Business owners' biggest problem

**James:** What do you find the biggest constraint is for the business owners that you work with?

**John:** I think the biggest problem that 90 percent of small to medium businesses out there have, and I would suggest a lot of the bigger ones too, is a terrible, woeful, ugly, awful website. And what they're not recognizing is that in the day and age that we live in now, the director of first impressions is no longer Suzie who answers the phone – "Hello, ABC Accounting," – it's your website. She's been relegated to number two.

And there are certain components that you have to have on the homepage of your website to keep people sticky. And yes, surprise, surprise, they're direct response components like a problem solution headline, like a free report to capture data, like video testimonials, like the three big benefits and so on and so forth. And hardly anyone has any of those components on their website. And in fact, the big mistake a lot of them do is that they go to a website designer to get their website designed. And I know this sounds terrible but that's probably not the first place that I would be suggesting you go to. You should be going to someone who understands marketing, who can then brief the website designer.

**James:** Yeah. This is where I talk about my friend [Greg Merrilees](#) from Studio 1 Design, because he's got that triad of design and conversions and usability



there.

**John:** Look, I know Greg too. And can I just say this, James? Greg would be one of the best direct response website designers globally. He's a good pal of mine, a good pal of yours, I know. But he understands what has to happen particularly on that home page to get people sticky. And he understands that most businesses suffer from a high bounce rate, which is a percentage of people, of course, that hit the home page and go nowhere else.

And most of the people who come into my environment are 70 percent plus bounce rate, which means they've got a terrible home page. And I take my hat off to Greg Merrilees of Studio 1 Design, because he absolutely nails it.

**James:** Yeah, and he's been a client of mine for years and I refer other people to him. And the best thing is, I benchmark my data and I send him my conversion stats and he's very curious about it. But you're right, most designers – and I've got another client at the moment who had a course that she was running and she had her designer make up a PDF flyer for it. But it was straight corporate, there was no compelling headline, it was hard to figure out what the course was. All it had was a very beautiful stock picture. There was no call to action; there was no chunked information; all the things that I'd be looking for were missing. And this is considered the standard in enterprise companies. It's got to be pretty, but often there is no function at all. And I still see that on a very regular basis, far too often from businesses, where they're missing out because they don't even ask you to do something.



**John:** Well, you know why it is, James, is because the chief executives of most companies who may be hitting the 10 million dollar plus mark and have 10 or 15 or 30 employees, they've come more than likely from a left-brained background. So they've come from a background which is not necessarily a marketing one. They've come more likely from a financial background, and as a result, they're not really marketing-savvy so they put on a junior to run the marketing or they employ an advertising agency. And as long as it looks pretty, they think they're doing their job. And you and I both know that it's not about looking pretty. It's about selling stuff.

## Where businesses waste money

And you want it to look pretty as well, don't get me wrong, we don't want an ugly home page. But it's got to have certain components on there that keeps people sticky and keeps people wanting then to search through other pages. And really, I come back to what I said at the very beginning, and that is my view is that less than 5 percent of all businesses globally use direct response marketing and use it properly. Most of them are wasting money on the side of buses, the backs of taxis, the electronic signage on the rugby league football games over the weekend or in America, baseball or gridiron.

I can absolutely assure you, I can ask anybody 10 minutes after the telecast of that gridiron match, who were the advertisers on the electronic fence (who spent millions of dollars, by the way, on that), and they couldn't tell you. And so, therefore, all of that money really is being wasted. There is no measurability to it whatsoever, whereas if they used direct response tactics, then of course all of a sudden they've got measurability to their marketing.

## What is direct response marketing?

**James:** How would you explain direct response to someone who is, say, a marketing student at university who hasn't heard of the term before?



**"GET THEM TO  
TASTE YOUR  
PRODUCT SO  
THEY'LL FALL  
*in love with*  
YOUR BRAND."**

JOHN DWYER

**John:** I would say that direct response is flipping the traditional model on its head. And I know this is rolling out because, obviously, I'm like you, James, I'm doing seminars all the time and webinars and all that sort of stuff. So I'm sorry if it sounds like a record, but the traditional form of advertising that you would get from an advertising agency or those who have been basically in the marketing consultancy business, would be get them to fall in love with your brand so that they will taste your product. I flip that on its head and I teach you how to get them to taste your product so they'll fall in love with your brand.

**James:** Nice.

**John:** The best example of that is a fish shop, a seafood shop, fish and chips. They might sponsor the local little netball team or basketball team, and I've never seen too many parents on the outline of the under-12 netball game taking down the phone number of the sponsor on the back of the shirts, so that money is just wasted, unless they actually get access to the database of parents, which they never do. So what they would be rather than doing that, which supposedly is building their brand, which of course it's not, I would have a hostess outside my fish and chips seafood shop at lunchtime and dinner time handing out calamari samples. So I'd be getting them to taste the product to get them to come inside and fall in love with my brand. It's the opposite.

**James:** Yeah, like the whole kids, parents thing. I was on the school fundraising committee for a year once, and that just blew me away. They spent like two hours trying different cakes that each one had brought and

discussing what color and size ribbon should be on the packs at the trivia night.

I'm like, 'OK, so where are we having this thing?' They said, "This hall." I'm like, 'How many people?' They say, "120. We can't have more than 120 because it doesn't fit." And I said, "Why don't we have it in a bigger hall?" "Oh we can't get a bigger hall." I said, "Why don't we ask the high school next door, because they want to recruit these primary school kids, and that can hold, like, 300."

So we got nearly triple capacity. I got donations from all the local businesses using a direct response marketing piece. I actually wrote a letter that was positioned from my son. It was a picture of him and it had the headline and it explained how all the parents of the local schools are really keen to come

and buy all their products and they'd love to find out more about them and if they've got a few things that we could use for the school we'd happy to come and collect them.

And he got all these people sending him messages, saying they got something for him to come and get it. So I just drove around and picked them up instead of having to door-knock. And basically, I think that year, we made four times more than the record. And then you know what? The year after I left, back to normal. Back to the old hall, everything just disappeared.

So how often do you find that someone will do something clever and get a great result and then revert back?

**John:** Yeah, look, unless they've got the mentoring from someone like you, or dare I say, me, that is a big possibility and it's frustrating as hell. John McGrath is a rather well-known real estate agent here in Australia, and I remember going to one of his seminars 20 years ago. And he said, "Listen, all I did was that I bought and sold. I bought a little apartment, I did it up, and sold it six months later and I made \$50000. So I thought, I'll do that again. And then when it worked the second time, I'd do it again and again and again and so forth." So basically, he found a formula and he's stuck with it for 20 years since.

The thing that really intrigues me with this is they snag a winner and then get creative. They just move on to the next one. I have to say, "Look, if it ain't broken, don't fix it." Just stick with what's working. And in the world that we live in now, you and I know that we only have to throw a few hundred dollars at Instagram or Facebook or any of these social media platforms, just to test things and see if they would work.

And you don't have to spend a lot of money. So test a whole bunch of creatives and test a whole bunch of platforms and then work out which one brings you the best return. And put your foot on the accelerator and then spend much more money on the ones that work.



It's so simple these days, whereas in the old days you'd put an ad in a magazine and it would sit there for a month, it was a monthly magazine, and you couldn't change it. These days, you can test very, very cheaply and when you find out what works, put your foot on the accelerator. And it's amazing how few people do that.

**James:** Yeah, I used to go down to my local dry cleaner and ask him if I could put out flyers for his business and I did four different quadrants on a letter-sized piece of paper with four different offers, and I had them printed and then I paid for a letterbox drop to 3000 households. And then I found out which one converted the most. And this guy just couldn't understand. He had all these people coming in with coupons. He was confused about it. He'd forgotten that he'd given me permission.

And I used to do that for free, just to learn and understand what people respond to and to start. But I think it's so rare that people are A, even aware of it; B, interested in it. But it's good when you do find something that works – you should keep doing that. And I've often found when I start working with someone new, my easiest pickings are to see what they've already got. We go back through their back catalogue of offers, campaigns, products, services – we see what already sells and we just cut out the ones that don't. And even just that first maneuver, we can drastically improve how much they're earning with the amount of effort they're putting into their business by just stop doing stuff that doesn't work and doing more of what does work, that they've already got the data for.

An absolute, gigantic fail



**John:** Well how's this for an absolute, gigantic fail? The Seinfeld campaign for this Greater Building Society just went nuts. OK? So get a home loan, get a free vacation. I worked very well with them, for them I should say, for seven or eight years, and then we put Seinfeld on top of that. Well, that's a wow factor on top of the wow factor. And it just took them to a whole new level. They tripled their home loan market share in Australia in the first 18 months of having Jerry Seinfeld as a spokesman. And why wouldn't they? I mean, everyone loves him. And so therefore, when he got on TV and said get a home loan, get a free vacation, it just took it to a whole new level.



I can give you the numbers now, because it's not confidential any longer. We only paid \$1.1 million a year for Jerry. He only worked for two days, by the way, so it's a pretty good return for him. But nonetheless, I'd go over, we'd produced the TV commercials and I'd bring everything back. So he got 1.1 for two days' work, but he got that for three years in a row. And so therefore, they paid a few million dollars for Jerry Seinfeld. Their net worth of their business went through the stratosphere.

And guess what? I then left the consultancy role and started to do what I do now, which is similar to you, James, and so therefore I was no longer there. And towards the last six months of Seinfeld's three year contract, his management knew how successful the campaign was, so they put his fee up from 1.1 to 1.5, which to me was nothing. Who wouldn't pay that after what he'd done for the business? I mean, keep in mind, let's put things in perspective. Jennifer Hawkins in Australia gets one and a half million from Myer, a big department store over here, and we got Seinfeld, one of the biggest stars in the world, for less than that. Ricky Ponting, an Australian cricketer, gets more than what we gave Seinfeld. So I think we did a pretty good deal.

But guess what? I had left and moved on. The general manager rings me up and said, "JD, you're going to believe this. A new board came in and the old board left." So the directors from the Greater got changed and a new one came in and they were full of accountants and lawyers. And they said, who does this American think he is, putting his fee up from 1.1 to 1.5? We're going to say no. We can get Kerri-Anne Kennerley for less than that.

**James:** No offense, Kerri-Anne Kennerley, but seriously, that's like, it's not in the same galaxy, is it?

**John:** No. And guess what? Guess what? For 11 years when I was looking after their marketing from a consultancy point of view, not once did they ever advertise an interest rate. So the whole idea of this direct response marketing, at least my version of it, is to take their eyes off the price. And you know, I've got six kids and they're all adults now, but at one stage we had six screaming kids in a Tarago, under 12, and McDonald's with their Happy Meals got \$6.4 billion out of this, I think, over those years. And the kids threw the hamburger out and it was all about the Disney toy. So they took our eyes off the price of

the Happy Meal onto the free toy.

And what the free vacation with the holiday was for the Greater was exactly that – it was a Happy Meal toy to take everybody's eyes off the price. No one believes this, but it's the truth. For 11 years, they were the only bank in the world that never advertised an interest rate. We just came on TV and online and we just said get a home loan, get a free holiday or get a free vacation. Eleven years, and it's a home loan product, and not once did they ever advertise the interest rate. Guess what? They were the highest interest rate in the world throughout those 11 years. When they decided to say goodbye to Seinfeld, and I had left, what do you think the new board did? Basically I wasn't even cold, and they went back to interest rates, and I happen to know because I know people within the organization, they are now struggling to get to 70 percent of budget every month.

**James:** So basically they've taken on the likes of John Simons and Aussie Home Loans. They're saying, hey, we want to take on Coca-Cola.

**John:** You got it. And they're not going to win because they're a challenger brand, and a challenger brand will never beat Coca-Cola, it'll never beat Toyota, it'll never beat Kellogg's. And so therefore as a challenger brand, which I suspect everyone who's listening to this is, I certainly am and so are you, my 40-ton gorilla is an advertising agency. And I make it very clear to everybody, we'll go with this advertising agency, you'll get the old fart like me that'll win the business, but then you get a little 23-year-old boy or girl that will service your account. Good on you. Good luck.

And so I really do distinguish myself from them, because I say they get me, and I'm sure you do the same. And in this instance, the Greater Building Society trying to take on Westpac or the Commonwealth Bank, any of these Big Four conglomerates, there's not a chance they're going to win on interest rate. The only reason they stole market share before was that they got right away from interest rate and created the wow factor.

**James:** Well, that is a great place to pull up. We've started talking about direct response, we sort of gave a prescription there to stop worrying about getting your name out with that little social media helper and start thinking about how to get their name in here. And we've defined the difference between pure

DR, pure branding, what sort of in-between space exists there. We've talked about doing things that actually work. You've given us a few creative ideas and we've also, I think, we've probably caused some of our listeners to think about how they might be able to modify what it is that they're doing. You gave a few little hints too about having a really good website, about video testimonials, you snuck that one in there. We didn't really labour it, but I know you're a huge fan of video testimonials over the written testimonials. I guess we could just cover that one as we ease out.

## John's five-step direct response formula

**John:** Yeah, mate, look, I know you're running out of time. And just before I touch on that, I think it's probably worthwhile, and I'll do it all in 30 seconds for you, is just touching on those five steps of the direct response formula which is my mantra. Do you mind if I just quickly in 30 seconds go through the five steps?

**James:** Let's do it.

**John:** Good, mate. Number one, identify your most profitable customer, and then look for more people who look like him. Bang, that's what you do.

Number two, create a wow factor, a Happy Meal toy, if you like, to take their eyes off the price, which is what I did for the Building Society.

Number three, you need to adopt a problem solution formula in your advertising, which is what Jenny Craig and a lot of the weight loss companies do so well. You know, they have before and after, so therefore it's problem solution.

Number four, fix your awful website because most people have got a bad website, and turn it from an information portal into a direct sales tool, a 24/7 direct sales tool.

And then number five, which is really important, and that is, build repetitive trade. And the only way you can build repetitive trade of course is to correlate data, and 90 percent of businesses don't do it online and they don't do it offline. Because you can walk into any restaurant today in America or Australia and you will not be asked for your details. In fact, when people say to me, "Do

you think McDonald's is a good marketer?" I say, "Yes they are, but if I was running them, I'd sack their marketing manager within five minutes, because in Australia today, they'll have 1.7 million people go through McDonald's restaurants and they don't have any clue who they are. They're almost as silly as the Grand Final football codes here in Australia that have 100000 people to the Grand Final and they don't collect any data. The ticketing companies do, but not the sport, which means that the next week they could be selling millions of dollars with their T-shirts and caps, and of course they don't know who came to their dinner party.

So having gone through those five steps, the only one thing I'll do very quickly for you, mate, is the video testimonials. Yeah, look, grab your iPhone and just get them to tell you or your listeners or viewers what their life was before you. And now, what it's like after you. And I know that you do that exceptionally well, James, with the people that come onto your program. They have such a transformation. You're able to get them to say the appropriate things in front of a camera, but not many people do that. And if you're going to get a testimonial on video, make sure it's a before-and-after story.

**James:** That is great. I've heard that talked about as a "once I was lost, now I am found" journey. So right, you've been listening to John Dwyer from [The Institute Of Wow](#). This is episode 574. We're going to call it New Ideas From Old Marketing With John Dwyer, and it's been really, really fun to remember back to some of the old school stuff that I was doing and how that was part of my journey.

And probably I'm still doing some of that now. You know, actually today, John, I packaged the largest, lumpy mail thing that I've ever sent to send off to a brand new client. I've stuffed it full of goodies and things that I know will cause a smile when it arrives at the other end. And I wonder how many online businesses are still sending out lumpy mail gifts for new customers, etc. So there's a thought for you. Great having you on the show and thank you so much for sharing.

**John:** My pleasure, James and thank you very much for having me.



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