

Ted Thomas San Diego Conference

Speaker: Chuck Abbott



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CHUCK ABBOTT

I was a lawyer a few years ago down in Escobedo which is about thirty miles down the street. We had a son who had a very serious illness. He had a brain hemorrhage, and he was in a comma for a number of months, and I just kind of got burned out on practicing law. I decided that I wanted to do something a little different for a while. I got this bright idea one day to write a book called "Do Your Own Legal Work", and because I read about someone who had written a book and done very well with it. He had run a little ad, because he couldn't get it published. He sold forty thousand dollars worth of his book from the first ad. He went on to make a million dollars, and I was reading about that in People Magazine. I said to myself I can write a better book than that.

I could write a book that would have a broader appeal. It would teach people how to do their own legal work, because I mean there are a lot of people who have legal problems and couldn't afford lawyers. I showed them how to at least do some of the simple things. I started the very next morning. I have already taught you an important point. You may have missed it, so I had better explain it. I started the very next morning. I think that it is important that if you come to a conference like this and you get fired up and you want to do something, that you do it. You can plan and plan and plan and think and think and think and never get started. Some people have to work out every single detail from beginning to end before they start something. Consequently they never start, because you never pan out all of the contingencies. We started a business in telemarketing after I had been in direct marketing for about fifteen years. I had never done telemarketing before. I did not know anything about the business, but I did know about direct marketing. I thought that I knew how to write a letter

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that would bring incoming calls into the office that we could then convert to sales. And we started out.

One of the things that I specialize in, is teaching people how to start businesses without taking risks. Most of the people when they start a business take all of their life savings out of the bank or they borrow money. You know, two or three hundred thousand dollars to go into a gas station business or a laundry, or whatever it might be. They put it in risk, and nine out of ten of those businesses fail in the first year. You have founders in direct marketing I guarantee you that someone once told me that the very best of the people that you are listening to have about one success out of five. Don't ever be discouraged if you don't succeed, but the beauty of direct marketing is that you can start with such a small investment and not put anything at risk. And then you can fine tune. Before you roll out, you make sure that the thing is working. We did that with telemarketing.

We had an idea that we could take somebody's course and we could sell it over the telephone. We had to add some magic to it, because every product has to have a unique selling proposition and books and tapes are common. The thing that made this unique was one on one consulting where we would actually talk to people over the telephone for a period of about six months or a year. It varied as we went on with the program. And teach them what they needed to know, that they couldn't get out of the books and tapes. They could send us their materials, we could work with and help them on a one on one basis. We eventually wound up with twenty-six full time consultants over the telephone. Two of them had Phd's, five of them had MBA's. We had real estate brokers, contractors, because we were dealing in the real estate area.

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We started this business by getting on our own telephones and just calling people on a local basis. They weren't even long distance calls. It costs us nothing. We got the product from someone else. They had an inventory, and they would pay us a commission on every one we sold. It was a two hundred dollar set of books and tapes, and we bumped the price up to six hundred and ninety-five dollars because of the magic of consulting, that we added to it. That gave us our uniqueness. We got on the phone, and we started calling people. Low and behold they were offering us money. We didn't even have merchant accounts at that point. They were offering to give us money, so we thought that this was going to work. This was incredible. We wondered whether anybody else could sell it as well as us.

We were at the movie theater one night, and there was a young man taking tickets at the movie theater. His name was Briar van Dyke. He was a nice looking young man, and he had a very pleasant voice and a very pleasant personality. We said to him, "Briar, how much do you earn doing this? He said, "I earn eighty-five dollars a week." We said, "Would you like to have a better life? We have something that we are trying out, and we want somebody to do some telemarketing. We would like to bring you home, show you what we do, and if you can do it, we will pay you one hundred dollars on every sale you make." We put him on the telephone to see if he could sell it as well as us, because we think we're super sales people. He could. He was incredible. He could sell it, so then we went out looking for a telephone room. We found a company that had eighteen extra phone jacks and a bunch of booths that were disassembled. We asked if we could rent some space, they said, "You put together the booths and set them in here and give me a five hundred dollar deposit. I will charge you for your phone time, because we had a big switch that cut down on the phone charges. If it works out you can stay, and

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if it doesn't you can go and just pay me for the use of the booths and the phone time." And a little bit extra for his profit. Not much. But I want a five hundred dollar deposit, so we wrote out a check for five hundred dollars.

We put three people on the phones in that facility, and the next day we earned enough profit to cover the five hundred dollar check before it got to the bank. It would have cleared, but you know what I am saying we really never put a dime into the business. We made forty thousand five hundred dollars take home profit the first month right in the profit. Right in the pocket. The next month eighty-three thousand one hundred that's net, that is not cumulative that is that month alone. The third month two hundred and ten thousand dollars.

The first year, one point eight million, that we took home in paychecks. We had another million dollars worth of fully paid for equipment by that time we had out big room ninety-six hundred telephone switch that cost us two hundred and twenty-five thousand dollars. We had four hundred employees, and two hundred of them on the telephone. We had a thirty-six thousand square foot facility, and it was an incredible experience. It was like being on a roller coaster. We invented that business as we went. We developed the forums, we developed the advertising, we fine tuned that. We did not ever have a business plan. We probably should have, but what I am saying is, if you get an idea figure out a way to test it for practically no money. When you do a little mail out, you know mail out five hundred pieces. I know a lot of people still have three or four thousand, mail out five hundred. See if you get any response at all you have only gotten two hundred and fifty bucks invested. If you don't get any. If it doesn't have any juice to it, you have to decide then, do you want to change it a

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little or fine tune it. You don't mail out until you really have something going, and you have tested the concept.

I wrote this book back when I was practicing law. I decided that I would try to sell it. I bought a book from a guy named Joe Kerbo called "The Lazy Man's Way to Riches". Not knowing exactly what it was, but sensing that it might be a book on how to sell things. It was, and I tried to run an ad. The ad didn't work very well, and I called up Joe Kerbo. I asked him if he would consent to see me and my wife. He said that he would, so we drove up to Pacific Beach. I think that is where his office was. It has been a long time ago. He had this office on the beach, and we sat there for four and a half hours. This was inhumane punishment for my wife, because she is allergic to cigarette smoke and Joe Kerbo was a chain cigar smoker. She said there like a trooper through the whole thing, and at the end of that meeting he said, "I will write an ad for you." He truly was the lazy man. He had written that wonderful ad, and he hasn't written anything since. He says I never written an ad for somebody else, because I always thought they would cheat me. Somehow I believe you, he said, "let's shake hands on it, I want fifteen percent of the cost of placing this ad every time you place it, and you can use my advertising agency". So, it was a deal for me, and it was a deal for him.

I always paid him that money every time I ran it. I paid his widow that money after Joe passed away. It was a wonderful friendship that developed. It was almost like a father son thing. The beauty of it was that he introduced me to many of the great names in the business. I was still practicing law a little bit on the side. I sold a hundred and fifty thousand of my books in the first year for a million and a half dollars. I made a five hundred thousand dollar net profit, which was five times as much as I was

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earning practicing law. I continued to practice a little bit, and the people in the industry thought that I must be some kind of a legal wizard on mail order problems. They started coming to me, and it wasn't true. I didn't know anything about problems associated with mail fraud and that kind of thing, but you learn.

That is how you become a specialist in the law practice. You handle three cases, and then you are a specialist. I became a specialist and some renounced really because I was the only guy who came at that end of the business as a marketer. The rest of the attorneys, and there was only about three or four of them in the whole United States Bill Sapphire in Washington DC, Dennis Cronin from Chicago, Lee Harver from San Francisco, and myself that did that. They were all three were postal prosecutors, so they didn't know anything about marketing. People would start to send me stuff. I have a list of clients, and there is some here that didn't want their names mentioned.

You will recognize some of those names of people that started coming, and as they started coming to me they would send me the best things that they could write. I saw stuff that never ran. Things that were just testing, an idea. They asked me to review it to see if it was legal. I did some work for Joe, Harvey Brady. How many of you have ever heard of Harvey? Up here in Costa Mesa, multi-millionaire in direct mail. Robert Allen, Joe Sugarman everybody has heard of Joe haven't they, JS&A products, the Blueblockers, on late night TV, the sunglasses. Ernie and Tova Borgnine. Gary Halbert wrote a lot of Tova Borgnine's "Amazing Face Lift in a Jar, used by Hollywood Stars, Who Want to Avoid Plastic Surgery". He wrote a lot of that. I wrote a lot of her ads for her, in addition to being her attorney. Rocky Hinder remember the amazing grapefruit diet pill? Remember that one? It was a little one column ad. I represented him on mail fraud

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charges, Don Joseph his son David was here yesterday at the conference, is he in this room today? He's been a client for year's. It's actually Don Mikrut, is Don Joseph that's the pin name that he uses. Stewart Coagan the news broker, Doug Holmes remember the ad zero to eight thousand dollars in two days, he was a client of mine, Jack Goldstein the owner of the biggest news brokerage business in the United States, and Mark Hanson, Dave Delgado, Joe Cosper, who became a friend. These people were great.

I came to this conference because you get to hear. I don't speak anymore. I haven't spoken at one of these things in a year and a half or two years, but I came here because of the people who were here some of whom I had not met. I had heard a lot about them like Russ Von Hoelscher. There were people that I just wanted to mingle a little bit with, and we also promote the law practice this way. It is like the multilevel marketing thing you get to know Russ von Hoelscher, and immediately you are tapped into three hundred people all around the United States that are in direct marketing. They would send me stuff, and if I saw a paragraph that I didn't like, I would change it. I would try to make it so that not only would it be legal, but it would pull orders.

As I began seeing everything, I realized that there is a formula that runs through this business. There is a certain way to do things. It's step by step. There is a certain way to write an ad, and if you follow the formula, your ad has a greater chance of being successful. And it's just as simple as that. I kind of extracted that formula out of tons and tons of things that I was seeing from all of these people coming into my office. I began writing ads, some of them said, "Your paragraphs are working so well. When you change an ad it is bumping up the results. Try

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to write an entire ad for us."

I wrote some, and I will give you an example of some of these. This was a kind of a fun ad. I never dared to do this anymore, because I wanted the weight loss product so bad that I was kind of stoked on this product. I found that it had some real merit. Since then I am kind of turned off on it. I don't think that it lived up to its promise, and I am kind of ashamed of the ad in that sense. I don't like to write anything that goes beyond the line. This was one that was introduced, and everyone was so excited. They thought that it was a sure method of losing weight, and you can loose weight with it. I don't think that you can lose it, but this girl actually did. She signed an affidavit, and she did lose fifty-six pounds in six weeks. That was an incredible weight loss. We wrote this ad, it pulled in six million dollars worth of orders in the first year. That was an ad I wrote for a guy named Leo de Boe. I want to show you something about this ad, because there is a real teaching opportunity here.

You have to plug in to the six basic human motivators that make people do things. They are as follows. You may find a list of eight or a list of four, but this is my six. Number one is Greed or success monetary success, that's why so many opportunity products work. The second one is power, a lot of people are turned on by power. That is one reason that they buy Rolls Royces; it is not because it is the best car, but it is because of what Rolls Royce means. Another one is pride, which is another reason they buy Rolls Royces. Another one is fear. The freedom from fear people will be motivated by freedom from fear. Another one is Sex and I always have to look at my list here. The other one is security that is another variation of fear, so maybe you could have a list of five. When you write an ad you need to plug into one of those basic human motivators. This particular one, notice is the

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headline.

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I had been overweight for ten years, now what did we accomplished there. The people who are on a diet yoyo syndrome who can never seem to lose, been on many, many programs and have tried anything in the world. Automatically you know that this on is going to be different. She had tried to lose weight for ten years and now success. Secondly my friends could hardly believe their eyes when they saw me lose fifty-six pounds in only six weeks. Why do people want to be thin? Because of what the other people will think of them, and believe it or not women do not look nice to impress men. They look nice to impress other women. I wanted to get in here that envy, that jealousy feeling. That is why that ad worked so well. My friends could hardly believe their eyes. What will my friends say when they see me in my new clothes, looking better than they look? That is the turn on to this.

Here is another one that I can put up. Here is another one. This was a young girl, and she had lost thirty-three pounds in eight weeks with this program. She was doing some modeling now. This was designed, and I think that this particular clip was out of the LA Classified Marketplace. We actually ran this in teenage books. What is the dream of every young girl who is fourteen or fifteen? To be a movie star or be a model. They want to be a model, and here is a girl who is fifteen years old and she was a model, because she had lost weight. You not only tell the headline. You can say that a headline, ideally should be no more than three

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or four lines. It not only has to capitalize the product in a nutshell, so that when they see the headlines which is eighty percent of the pulling power of the ad. When they see the headline they are drawn into that copy, but they know what they are going to be reading about. They know why they are reading the ad, and this particular headline tells it all. It's weight loss, you got the picture of the girl, and you have the appeal to the human motivator.

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Here is another memo technique that I want to show you. This is in the ad that I wrote when we were doing national seminars. I had a seminar business, and we did a hundred and twenty-one of these seminars in the period of one year. Once again my wifes Jaguar and my BMW's there, because that is kind of what people wanted to have. I don't know why we sold both of those cars, because the Jaguar was a piece of junk and the BMW was kind of right after it. I had the first seven fifty IO on the block, and that had some problems because it was the first model. This is a concept which I invented. I am very proud of this one.

How many people have heard Gary Halbert speak? Gary Halbert used to spend about two days in my home every month, and we would just brainstorm advertising. We were very close friends, and I did a lot of legal work for him. If you have heard Gary Halbert speak he will tell you that he invented the editorial wrap and the post it note. He is wrong. I invented that, and he stole it from me and takes credit for it. He is still a very good friend. If you

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interesting when you are in this business, you learn from every body. One of the things in this course. I think that I have stolen everybody's good ideas and put them in here, plus a few of my own. In fact if you use these things long enough pretty soon you begin to fantasize that you invented them. I really did invent this one. I did this one for Leo De Boe on a diet product years and years before Gary ever saw it. No one can have every good idea, and in direct marketing you ought to copy what other people do. You read the National Inquirer and you read all of those articles about the Martians on the White House lawn. Get through those, and start looking at the ads see how other people do it. You don't want to reinvent the wheel. That is exactly why you come to a conference like this.

This editorial wrap is a very powerful technique, and I don't see it used very often. Every time I use this it jumps my results up by about thirty or forty percent. Why? Because the editorial looks just like a news article. It happens to be on the same page as this display ad, and it tells how wonderful this program is. There is credibility. The display ad gives you the details that come and jump off the page at you and then the editorial rap gives you the credibility factor that comes with it. Notice the headline up here, it says, "I was the featured speaker at these conferences. I was talking about what I am talking about today. I told about a business that starts with no investment, and has this much money. We show some evidence of that in the picture, and then we have our pitches to come to our seminar. I will tell you how we use this.

AUDIENCE MEMBER

How much did this ad originally bring in?

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CHUCK ABBOTT

We never ran it in the newspaper. I am glad you asked that question. I will tell you how we used this. I shouldn't say that we never ran it in the newspaper that is not true. Some of the times we would actually run the ad in the newspaper, but the main draw on these seminars was in direct mail. We would maybe run the ad once, and then we would make a facsimile of it. We would go down to a print shop that prints newspapers and have them print it up in what is called double truck. Like when you would open a newspaper, we would print the stock quotes on the backside, and the ad on the front side. We would tear it in two, so that you had the one sheet folded up in a plain envelope.

Let me tell you something about direct mail, and I won't have to tell it to you when we get to that part of my presentation. Think how you open your mail. You go out to the mail box, and you get your mail. You divide it into three stacks the A pile, the B pile and the C pile isn't that right. The A pile is letters from friends. You can tell them instantly, and often times they are in small envelope. They have a plain white envelope with no teaser on the outside. They are hand addressed, and they have a real postage stamp. They may or may not have a return address. You put that in the A pile. You must read that. The B pile is bills, right? You get those every month, so you recognize them from the envelope. You throw them in a drawer, and you forget about them . The C pile is what? Junk mail. You can tell, because on the outside of the envelope it says open me immediately and you will receive a free kangaroo. Have you got a kangaroo? You throw that, nine out of ten times in the wastebasket. Why then do people spend millions of dollars trying to make an envelope look like people should throw it away? You know open immediately and there is a hundred thousand dollar free gift

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inside.

We took this ad, and we put it in an envelope. I had a hundred and fifty women hand addressing them. Here is how you do that. You find a little retirement community or perhaps a church congregation that wants to earn some extra money, and you select a little old lady and you say to her, get a bunch of women to hand address these. I will pay you x number of cents apiece. Now you do it on a piece rate basis, and you take the stuff over to her. She hands it out, she gets it back, and she drops it in the mail for you. She handles all of that hassle for you, and she simply submits a bill. So for three or four cents apiece, You can hand address your envelopes. We had a hundred and fifty women, and I never even paid any attention to how it was done. I didn't care if they did it in front of the TV or whether they were holding a baby on one arm, or whatever they were doing, because it was piece rate. All I wanted was results. And they had to have visible handwriting.

We then put a post it note on this piece, and by the way Gary will also tell you that he invented the post it note. He didn't, he stole that one from me to. I was the first to use a post it note. I wasn't the first guy to use a personalized note on an envelope that was another attorney, the amazing confessions of a disbarred lawyer. He used to put on his. We did it with a post it note. The post it note says, "Bill this is the most amazing program that I have ever seen. You need to give it a try. Call them now, Chuck." All of that handwritten. The outside envelope is addressed to Bill Jones, so it is really personalized. That is the best headline that you will ever have is one that says, "Bill Jones this is for you." That is what that one did. We sent those out, and that is how we promoted this seminar. I

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will show you one other piece that we sent out.

AUDIENCE MEMBER

Where did you get the names from.

CHUCK ABBOTT

We used opportunity lists. We rented every opportunity list around, and we had them sorted by zip code. We would go to a city like Cleveland we would just take the Cleveland names. When we went to New York we would take the New York names. I had about a hundred thousand dollars invested in lists running around, because to get enough names for one particular city I had to buy a lot of lists. If you are a doing a national like we did with this ad, now you don't invest a hundred thousand in names. Buy one list. It'll cost you three hundred and fifty dollars for five thousand names. Try it out, because you are sending out nation wide you don't have to have the zip code select.

This particular piece right here was to promote this little book, and by the way this little book is not sold separately anymore. I have had many people ask me about it. This book is the story of how we built our telemarketing company. This is written under the pen name of David Carter. Why did I use a pen name? Can anybody think of any reasons? Part of the reason that you know I have done a lot of things that I do use my real name on. One reason is you can get kidnapers if you show them you have a lot of money, and then you have people coming to your house. Gary Halbert had that happen, and he thought that he was going to be killed. There is another more important reason my wife is back there, and she can verify this she said to me, "Chuck there is no way that you are going

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to run this ad in opportunity magazines with your name on it. I don't want my friends to see how much money that you make." She is a very private person.

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We sold this book out of the basement of our home. We sold two and a half million dollars worth of it in one year, and my neighbors never knew I was doing anything in the home. I will tell you how we did this though, because this will show you how you can organize something and do it cheaply. If you go to a fulfillment center, and say package this book and send it out they will charge you two or three dollars apiece for them. It is just outrageous. I have always done my own in house fulfillment.

This particular piece is the story of the telemarketing business. We ran it in some opportunity magazines, but primarily this book was sold through making a giant newspaper facsimile of this with stock quotes on the back and mailing it out with a posted note, in a plain envelope. We mailed to all of the opportunity list in the whole United States before we were done. We tested of course, and we just mailed and emphasized the ones that worked. This particular piece was highly successful, highly successful and we did it all out of our basement. I would go out and get the mail every day. It was great. The kids shot a picture of me bringing the mail in one day. I liked this so much that I kept it. I have got their five hundred and forty pieces of mail with twenty dollars apiece in them. That is ten thousand what eight hundred dollars that came in one day. That was not even a big day. One day we had nine hundred pieces, and that was the biggest day that we had ever

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had on this particular project. We would bring the mail in, and I had a girl that was hired and we had a big room down in our basement. I think that I have a picture of the room here. She would sit here and open this stuff. We had a couple of people working. We had some at computer terminals. They would open the mail, and then using a program that we had for mail list management they would input the names into the computer. They would modem them over to my sister-in-law's house twenty miles away. She had a printer. It would modem over there, and she would print up the labels stick them on books and mail them. I never touched a book, and she charged me nine cents apiece. She made four or five thousand dollars a month doing all of my mailings for me. She also was the one that was in charge of the women that were doing the other work. It was just a slick deal. It was hardly anything that I had to do, and we just kind of did this as a hobby in our spare time along with all of the other things that we were doing at the moment. Getting to these things, most of the major businesses were started in people's homes. Joe Sugarman, started on his kitchen table and built a fifty million dollar a year business in seven years with his wife. Joe Kerbo started at home.

AUDIENCE MEMBER

In the last project that you had with Jason Harems, did you sell the book for twenty dollars? What was your response rate when you sent that out?

CHUCK ABBOTT

Yes, six percent. That is pretty good on a mail piece. You can usually expect about one percent.

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AUDIENCE MEMBER

What was your break even point?

CHUCK ABBOTT

Probably three percent or two and a half percent. It was an interesting thing. I split tested the price. I started at ten dollars. I doubled the price, and the response was the same. I had to test it again, because I couldn't believe my eyes. Usually when you double the price you half the response. It was exactly the same. I probably should have tested it at thirty dollars to see what would happen there, but people are buying the information basically.

Here is one that is kind of fun. You do a lot of different things in this business. I used to be the marketing directory for the Osmond Fan Club. I tell you we had a good one on this one. You got to Come and have dinner with Donny and Marie. The best one that I ever wrote in an ad was in this particular piece. This was when they had the TV show, and they had all of the twelve to fourteen year old girls that were in love with Donny. We had a pillow case that had Donny's face on it. My line was tonight when you go to bed, lay your head next to Donny's. Boy, did we sell a lot of pillowcases.

Somebody told me that this book was now in bookstores. This is a book that I just recommend to you. You remember the original The Lazy Man's Way to Riches it has now been rewritten, and expanded. It is an excellent book. I am kind of proud of it, because I am one of the people that helped to rewrite it. They said some nice things about me. One of Joe's best students. He says, "He may have even

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surpassed Joe Kerbo." No, no one ever surpassed Joe Kerbo in this business, but this book I recommend to you. I think you can find it in bookstores now. They've taken all of Joe's ideas, and then they have gone through his notes and expanded it with more of his ideas after his death. They have expanded it with a bunch of stuff that is even better than what he'd done, so it is worth reading even if you have the original copy.

Let's talk about ten steps to success in direct response, so we can go through this in kind of an organized fashion here. We will go through it rather quickly, and first of all I can't emphasize this enough, find a product that will sell. Too many people write me or call me and say I want to write a book about my life I have had a very interesting life unless you are O.J. Simpson nobody cares about your life. Your mother, maybe your children but nobody else. You write always to the market or you come up with a product that people already want. What did Napoleon Hill say? Find a need and fill it. Don't ever try to create a new need. If you have got a product that no one has ever heard of, no one has ever seen it or seen anything like it. You probably don't have enough money to educate the market to the fact that they need it. When I get really nervous in this business it is when I am trying to promote something that nobody has ever promoted. I wonder either I am going to spend a lot of money educating people about it or somebody has tried it and failed, and I am probably headed down the same road. I really want things that I can see other people selling and selling successfully. If you sell that with what I call unique selling proposition. We will talk about that in a minute.

Consider the possibilities that you can create something out of your own background. You take the example my book Doing Your

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Own Legal Work, that was a natural for me, because I happened to be a lawyer. That would be hard for you unless you happen to be a lawyer, but I guarantee you that you have something in your background which is easy for you and hard for me. Impossible for me. It may be that you are a wonderful fisherman. And you've seen the products, and in fact somebody showed, Mike Roth I think showed an overhead of a fishing lure. This guy, I don't know about that guy, but there was a guy before him who sold a fishing lure. He happened to be an expert fisherman. He loved it, and he came up with this thing that caught fish. His friends kept saying, "you ought to sell this". He ran an ad in Field and Stream Magazine and sold forty-four thousand dollars worth on his first ad. He went on to become a multimillionaire. He just did that, because that was his thing.

I have a friend whose name is Brooks Hanson. He is a school teacher. He taught in junior high, and you know how these kids get on these kicks with pea shooters and spit wads and things. This week in this school it was pea shooters. He was confiscating them as a teacher and taking them into his room. He was looking at them one day, and he said, "You know, these kids love these pea shooters. Why don't I make them and sell them to them?" He came up with a pea shooter that has a BB with a wire sticking out of it for a missile. I would never sell them that was too dangerous. He has an ad which is called house of weapons, and he runs it in magazines that twelve to fourteen year old boys read. It says shoot your teachers, kill birds, kill rabbits, and all of this stuff that we are trying to teach out kids not to do. He sells them by the millions. I am talking about millions of dollars on this project. He has been doing it for twelve years, and he doesn't teach school anymore. Kids come over after school, go down in his basement, assemble them, and mail them out from his basement. The guy is a multimillionaire, and the project will never end. He will never

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burn that market out, because as long as you are having babies there is a new crop of twelve year olds, that come up every year, that has never seen this thing. It is an incredible project, and then comes the point that I want to emphasize. It comes right out of his background, his work, his hobbies, and his interest. Consider the possibility that you could acquire something from a third party.

I have in my materials three big sections on this. One of them is called the mail order five hundred. It is five hundred companies that service the mail order business. It will give you the names address, phone numbers, and a description of the products. The other one is called nineteen sources of great products. What I have done is go through everybody's materials and find out where you can find products. I really have a list on Joe Kosbo's materials on this particular part and my own experience, but there are places, there are trade shows, even the yellow pages of the phone book interestingly enough. If you are in tele-marketing often times you will find people in your own yellow pages who have a product or a service that they would like to have an additional outlet for it. For example, I know a guy who creates appointments for insurance sales people on the telephone, and he sells those leads for about twenty dollars apiece to insurance companies. He has five insurance company clients. It costs him eleven dollars to generate a lead, with commission for the phone charges and everything. He makes nine dollars on a lead, and then they take them, and they send sales people out. You can get that kind of thing right out of the phone book. Drywall contractor, all kinds of people. I have nineteen sources, patents, patent records and there are new patents that are coming out in your area. In addition to that we have another big section in there, and I am trying to think of what it is called. My mind just went blank.

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We have three big sections on how to find products from third sources. Remember the telemarketing company we went to a third source for our product. They had the inventory, they were willing to pay us a commission, they were willing to give us samples, and it didn't cost us a dime. That is the beauty of it, is that if you go to a third source you don't pay anything.

Step number two is identify your unique selling proposition. In direct marketing people would rather go to the neighborhood department store, supermarket, drugstore, to buy something where they can pay the money, take it home, and see it before they buy it. They would rather go to a bookstore and buy a book. You are asking somebody to buy something from somebody that they don't know, something that they can't see, and you are offering them a guarantee. And they aren't even sure that you are going to live up to it.

You have to have a pretty compelling offer in order to do that. You must make it unique from anything that they can buy someplace else. Tova Borgnine is a perfect example the amazing facelift in a jar used by Hollywood stars who want to avoid plastic surgery. You can go to a department store or a cosmetic place and get a skin tightener that will remove wrinkles. There are wrinkle removers everywhere, Este Lauder and you can see it, talk to somebody, and take it home.

What is unique about it? Sheila went with Ernest Borgnine to Mexico they were on location doing a film, and they stumbled across an ancient Aztec formula which is the basis for her face life in a jar. Believe it or not it really is. She paid one million dollars to that fellow for the North American Marketing rights, and it is something kind of unique. You see that is the pitch. That is the

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center of the theme the story of that ad, and so if you want to get her skin tightener, her face lift in a jar you can't go to the department store for it. You have to go to her. If you don't have a unique selling proposition, create one. When we did the tele-marketing thing where you got the books and tapes. It was a hundred and ninety-nine dollar package. We added something to it which made it unique. You were consulting with three experts and later on, it came to be twenty-six experts. That was the add on value which gave it that unique selling proposition.

Step number three prepare formula advertising. The advertising that you use in classified ads is really kind of simple. There is three parts to a classified ad: it has to be belief and one is a sensational headline. If you are selling a cake recipe, you can't just put just put cake recipe, you have to put the next best thing to sex or something like that will grab your attention. If you are selling a chili recipe: you know, killer chili, that's one that is in the National Inquirer now. Put a headline on that will grab their attention and let them know what it is about. All in about a word or two. The second thing is you will have to tell them what it is and the third thing is a call into action. You have to tell people to order, and you never put the price in. In a classified ad you will lose them if you put a price in and many won't allow you to. You do a two step. You can't talk somebody out of a ten dollar bill in fourteen words. You just can't. You must see if they have an interest in the general subject matter and then send them a three page ad where you really have some room to talk. The more words the better in direct marketing. One of the greatest ads ever written was in the Wall Street Journal for Schlitz Brewing Company. It was eighteen thousand words, it moved Schlitz up from number six to number two it was so successful. A lot of people said nobody would ever read all

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of that stuff, but the people who are interested will.

In space advertising let me kind of show you some examples of a formula. I am going to put this ad up here. Let me show you some of these classified ads. Here is one here look at these, and tel me what you think of these. I oughta cover up my remarks on the bottom. What I do is when anybody has my materials, and by the way I limit this to people who have my materials, because ninety-nine times out of a hundred any question that you have will be answered there. I am hardly ever asked a question in conference that is not covered in this material. I have got my guts in these. Everything that I have learned in eighteen years is down here, but we have people who call on the phone. I give you my phone number as part of the package, and I will talk with you. You can fax me stuff, and I will critique it for you. What do you think of those ads in this first part from five thousand to five million in five years? That is not bad, I don't mind the headline. Would you like to learn how call now? That was one of the better ones, but look at the second one from five thousand to five million, in five years others have done it in real estate, so can you. Your investment is only three twenty-six. How do you feel about that one? You just turned off all of the people who aren't interested in real estate, who don't think that they are interested in real estate. Plus you have put a price in there that is scaring the living day lights out of them. You need to get them on the phone with the first ad.

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CHUCK ABBOTT

You need to get them on the phone with the first ad, and once you have them on the phone you now have a target audience. You can talk to them one on one. Bill, tell me what you like, tell me what you hate, and tell me what you have done. If you are selling a vacuum cleaner you say Bill what kind of vacuum cleaner do you have now, and Bill will say a Kirby. You say, "Oh, yeah. I used to have a Kirby, but you know they are really heavy, aren't they? Do you ever get a backache? Yeah, I do. You notice that the belts break all of the time, and you have to push this heavy thing around. I will tell you what we have Bill....., and then you go from there. You can rifle in on your leads, and so if you are still on the real estate course, use the first ad. Get them on the phone, and talk to them. Tell them the price after you have told them what you are selling.

Let me show you your third ad. Five Thousand to Five Million in Five Years, Would You Like to Learn How. Not so bad. Five Thousand to Five Million in Five Years, the fourth ad, Others Have Done It In Real Estate. I kind of told him. I said, One in Three are better, and I gave him some other tips. How do you like that headline? Terrible. More For Less - what does that mean? More what? It does not tell the story in the phrase, so I gave him some criticism on that and I hope he is on the right track now.

Here is one here that can show you what you can do in this business. It is interesting the products that people come up with. This guy Michael Smith in California comes to a seminar. How many of you got the tapes 'Seven Steps To Success' that I put together? It was in the package. As I was saying, he came to a seminar and we gave those tapes away. He couldn't afford to buy my package, so he just listened to the tape. Those of you who have listened to that know

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that there isn't one single idea on how to make money in the tape. It is purely a motivational tape. It is simply a tape about getting started about doing something. It does not tell you how to earn money, it doesn't teach you about advertising. There is nothing in there that would teach you anything. He gets this tape, and he writes me this letter. After attending your seminar I was able to take the ideas contained in just one of your tapes and earn fifty-three thousand in just three months. He is selling a little pendant that has Holy Water from the river Jordan in it with a little cross. He is just selling them like crazy. He just got motivated by the tape, and I think that is half of what we are doing here.

Here is one. This is a guy up in Canada, and he had a little classified ad. He was showing people how to get government jobs in Canada. He had a nineteen page pamphlet or something. He had it priced at ten dollars, and then he faxed his stuff to me. I fine tuned it, changed the headline, and moved it around a little. He doubled his price and he doubled his sales. That was making three thousand bucks a month, and then he decides to take the materials to use them to sell his real estate. He has a piece of property that he is trying to sell for sixty-five thousand dollars, and he is getting three or four calls a day on it. He writes a classified ad. I have a whole section on advertising for real estate, and he writes a classified ad and gets forty-five calls in one day. He sold it that very same day for sixty-four thousand dollars. We all sell something don't we. If you sell a product or a service or whatever. If you are in a profession - we all sell something, and the important thing is to learn how to sell it better to be a success in life.

Talking about the formula for display ads. The first thing is a headline. I know that you have heard a lot about headlines, and

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I am just going to give you a couple of other ideas. This may even be a review of what some of the other speakers have said. There is a right way and a wrong way. The wrong way - how to lose weight. There is no sizzle to that, and there is no uniqueness to that. It's just another weight loss product of which there are a zillion and you can go into any general nutrition store and buy them. The right way - The Amazing Diet Secret of a Desperate Housewife. That is a Gary Halbert headline. Guaranteed Diet Plan - did you notice the word guaranteed? Joe Kerbo did it better - You Don't Pay Until the Fat Goes Away. Not -Piano Playing Made Easy, but - They Laughed When I Sat Down at the Piano but when I Started to Play, note once again, the pride as your friends look on, envious that you can play that piano. Not - Make Money Fast, but Doug Holmes had - Zero to Eight Thousand in Two Days. Not - Do Your Own Legal Work, but - Using A Lawyer Might be Dangerous to Your Wealth. Not - Do Your Own Bankruptcy, but another book I wrote, How to be Free of Debt in Twenty-four Hours. You have got to put some sizzle in it and to create headlines. The Jay Abraham method which I talk about in my materials is to take the greatest headlines that have ever been written and adapt them to your project. You copy them, and you change them a little bit and adapt them. I got about fifty or a hundred of the greatest headlines in my materials that have ever been written. The Amazing Diet Secrets of a Desperate Housewife is not so great, but The Amazing Money Saving Secrets of a Desperate Taxpayer or The Amazing Tax Saving Secrets. Look here. Paying Full Price for your Groceries may be Dangerous to your Wealth. You can think of all kinds things. They laughed when I said I would lose weight, but I had the last laugh on them. They only trigger your imagination and doing variations on them is a way that you can sell a product. The headline is very important. David Ogilvey says the headline is eighty percent of the ad.

Let's take an ad and break it down. There are seven major

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sections. There is the headline. Here is using a Lawyer may be dangerous to your wealth. First section in a good ad. By the way when I say always nothing is ever always. You will find exceptions to this rule, but by and large every ad has to have these seven elements. Number one what it is all about. The purpose of the headline is to get them to read the first paragraph. The purpose of the first paragraph is to get them to read the rest, and so in the David Carter ad I start right off - I am going to tell you about the most amazing money making secret that you have ever heard before. It is going to change your life. I am going to tell you about a book that we have for sale. Secondly the benefits, one of the mistakes that people make is they get so caught in their product that they forget to tune in to what the buyers want. A perfect example of that is the professor who had the course on how to do aircraft controlling. He tried to sell his course, instead of selling the benefits. You always go to the benefit secondly. This is what this is going to do. It is easy to use. It contains a hundred thousand dollars worth of advice. Then you go to the technical aspects of the course, what is in it. Once they know what it will do for them they will wonder how can this be, and now you have to tell them why it can do this for them. You had better describe your course or your product. Then you go to the credibility factor. You could get an affidavit from the mayor of your town saying that this guy is a great guy. Joe Kerbo used to use a notarized statement from his accountant saying that he was worth a million dollars. We all use testimonials as soon as you develop them. Before I had testimonials I had a line in this ad that said, in fact it's still in there, it's another credibility builder. It says, I am a lawyer and I am going to tell you the truth, because my fellow lawyers are going to be watching me like a hawk. If I mislead you or cause any mis-step they are going to turn me in to the bar association and I will lose my license. You know that kind of thing.

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Secondly, we are guaranteed. You have got to have a strong guarantee. You can't have too strong of a guarantee. You can have a guarantee for thirty days, or you can have a guarantee for sixty days or for ninety days or you can go for a year or the rest of your life. The rest of your life one is better than the thirty day one. You will have less refunds, because they forget about it. With thirty days there is an urgency to get their money back, because they are dissatisfied. Double your money back is better than money back. One thing that we did on this particular ad was say I will hold your check for thirty days. That is what Joe Kerbo did. If you don't want the product I will send back your own check. If you want to you can post date it, because I am not going to cash it anyway. I can't cash it, and that is protection you can see. You can stop payment on it if you need to do that. Then you have a call to action. You are going to order, and then you have a coupon which repeats the guarantee. Many people view the coupon as their contract with you. You must repeat the guarantee. I will try the book, and if I don't like it I can send it back.

AUDIENCE MEMBER

Are you still using the money back or holding the check for thirty days and all of that stuff as well rather than a credit card?

CHUCK ABBOTT

Yes. You will get twenty percent more response if you do that. Let's talk about credit cards for a minute. You will find different opinions on credit cards. I use credit cards on the David Carter ad. We have tested split running on low cost products. We do an A B split, and you are going out to the same interim. By the way, we teach split run testing in here in great detail.

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We found that the response is exactly the same if you don't offer them a credit card option they will write a check or go get a money order or do something. It doesn't seem to make a bit of difference, and there may be people who are reluctant to give you their credit card number. I don't know. If it is a high priced item I think that you have to have credit card opportunities, but on low cost I don't really recommend it.

AUDIENCE MEMBER

What are the accounting options when you post date your check for thirty days?

CHUCK ABBOTT

There are two ways to do it. Joe Kerbo's pure pristine way of doing that is to say I will hold all of the checks for thirty days. They won't cash any of them. If you want your money then they can have it. I varied that a little bit as time went along. I said if you are a skeptical person postdate your check for thirty days, and I will hold it and not cash it. That will give you your chance to look at the book without paying. That doesn't work quite as well, but it works almost as well, and the beauty of it is it gives you a cash flow. I had times that I have had two hundred thousand dollars worth of checks in my files that were waiting to be cashed. You find that if you give them that option only one third of the people, will post date their check. And so you have two thirds of that money to reinvest in new advertising. The mechanics of it is that you put it in your computerized program for mail list management, and you then take the checks and file them by date in a drawer alphabetically. When someone writes in and says I would like a refund, you simply pull it up on the screen, and you see that they bought the product on the thirtieth of the month. You go to this file on the thirtieth,

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because it is set to deposit thirty days ahead. You pull the check and send it back to him. When the thirtieth comes around, the checks that are left there you simply grab them, make out a deposit slip, and put them in the bank. That is the simple way to do it. I am sure that some computer whizzes can come up with some electronic way to do that, but I am talking about a mom and pop operation. I hate computers, as soon as you do this on a computer your disk is going to crash.

AUDIENCE MEMBER

Have you ever tried to do it with offering them an option like credit card or check?

CHUCK ABBOTT

Yes, we have done that option. We did it on the David Carter ad.

AUDIENCE MEMBER

What did you do, not process their credit cards for thirty days?

CHUCK ABBOTT

No, I have never done it on holding the credit card. I don't know how that would work. There is one thing that people with a credit cards can always go to the credit card company.

AUDIENCE MEMBER

What is your rate on low cost and high cost?

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CHUCK ABBOTT

I don't know. It just depends on the offering and what you are selling. My recommendation is that you do an A/B split run test on everything. People are very successful on this. They test everything, and for those of you who don't know what that is you can get certain newspapers and magazines who will do half of their circulation with one version of your ad and half with another. You can run one with your credit card option and one without, and you won't change anything else. It runs on the same day. It has a perfect economic and demographic distribution throughout the United States. It is not like West Coast and East Coast. You can do the same thing with mailing list. You can either have a sort on your mailing list with maybe five different segments. You can test five different variations of the ad with a perfect zip code distribution throughout the United States. You can do it mechanically if you decide that at the last minute that you want to do an A B split you just do an A pile and a B pile. You just do every other page, and you will get a pretty good split on that. I would test price and all of it, and you will find out whether you should have the credit card hassle.

AUDIENCE MEMBER

Have you ever tried it in three easy payments?

CHUCK ABBOTT

Yes, we have got one going right now. We don't have any results on it now. We were lining up the TV info-mercials. It is for a course on how to play the piano, and you have seen those on TV. This is a much better one, and you can actually learn to play the

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piano in about three months with this. You will play like you have played for years. It is a hundred and ninety-nine dollars. It will be somewhere around sixty-nine dollars a payment.

AUDIENCE MEMBER

Have you ever taken a COD?

CHUCK ABBOTT

Yes, I have. I have a client. I just finished defending one of the largest FTC mail fraud cases that has ever been filed. My client used COD extensively in that, and they had actually come in and seized seven million dollars out of his bank account. He had been fighting the case for eighteen months. The attorney's fees were almost a million dollars, so it was almost as bad as O.J. We are getting most of the money back. That is the first time that the FTC has ever lost one of their cases. They didn't lost it, but they knew they were going to so they settled. He ran CODs on a thirty-nine dollar offering, and fifty percent turn downs. People didn't even open the package. They had just changed their mind right there. He had a strong enough offer that he made a ton of money, but most people will not use CODs because of that.

I have never tested no guarantee, but I will tell you that runs counter to the prevailing wisdom. I will assure you that someone has tested it, but the prevailing wisdom is the better the guarantee, you won't invite people to rip you off, then you will do better.

The question is would a title like Phd or MD or attorney at law help. If I am selling a program for Joe Blow, average American, to make money, I would not want to put on there PHD, because they are going to say, "Well, he made money, but he's got a Phd. I can't

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do that." The same thing, I had an opportunity program one time that used a Beverly Hills mail drop to see if that would help increase our sales. They dropped. The people said he lives in Beverly Hills. Of course he is rich. It depends on the offering.

Let me conclude really fast. Let me see what else I needed to tell you that I didn't tell you. I just want to mention number eight for you for just a minute. Tele-marketing - I hope that some of you are interested in a tele-marketing option. That does not mean that you need to be on the phone. You can find someone at the movie theater like I did and put them on the phone if you don't like to talk to people on the phone. The key to tele-marketing is to get people to call in and ask about your product or what you have got. We have in this little book what I call the mystery letter. This is a letter that can be adapted to any product. It brought in six thousand incoming calls a week. That is what fed our tele-marketing company. These are hot buyers. These are not people that you call when they are in the bathtub or eating dinner and they get mad at you and swear at you. These are people who got this letter that was such a mystery, and if they didn't know what it was. They knew that they needed it, and they would call in and they would have twenty minutes or thirty minutes to spare. They wanted to know what you had, and they were hot buyers. We sold ten or fifteen percent of those people at six hundred and ninety-five dollars apiece. You can take anything that you do and increase the results with tele-marketers as a back end. If you do a mail out program and if you call the people a week after they get your mail piece you will double your sales. You can also use it as your primary sales mechanism. You put some skilled tele-marketers on there and pay them a good commission and you have got tele-marketers that will make one hundred thousand a year because of what they sold. I think I am the leading authority on tele-marketing because of my experience in that particular area. I wrote all of the mail pieces

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for that company. I did all of the scripts, and I got all of that in this little book that is part of this course. The David Carter book that I hold up and plus we have a whole volume of them. We have four volumes of them.

Let me just tell you real quickly about this, because I am out of time. I have got here eight audio cassettes, and I have a manual here that is nine hundred plus pages of materials in this course. We go through direct marketing from A to Z everything from creating products to writing copy to customer relations. I have a whole volume on the legal aspects of direct marketing so that you don't get into the position of my client where they will take your seven million dollars out of the bank. I have two volumes on that. I have a whole volume on tele-marketing plus the little book which is the story of how we put that together for practically no money. I have got a business development book here showing you how to start a business, how to get the licenses, how to get the permits, and how to maximize your taxes savings. There are some real tax benefits if you keep your books on a cash basis in direct marketing. We have software. This software, I have two pieces, one of them is for mailing list management, and you can search for up to ten search parameters in the software. You can pick out the people who bought certain products at a certain time at a certain zip code. The other piece is a tele-marketing management software, and if you are a tele-marketer you can actually bring this guy up on the screen make a note of what they talk about, have a time set for call back, and they will automatically pull that name back up on the screen and phone and dial the number for them and get them back on the phone for the follow up to your sales offer. We tried to cover everything here that you can possibly do.

I have a limited number of product with me, but it is more than I want to take home on that plane. I am going to make you a

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deal here. This is my last talk. I have got to get on a plane today at about three thirty in the afternoon, and we are heading home. I am taking everything with me, so if you want to do this, now is the time to do it. I am not going to be leaving anything here, I can't. Fill these forms out if you want to. It is four hundred and ninety-five dollars for this package, and that includes everything. This is like ten pounds of materials, nine hundred pages, twelve audio cassette tapes, and the whole thing at four ninety-five. That is what it was yesterday. I don't want to have to take it home, and so I am dropping it today to three hundred and ninety-five dollars. Those of you who were here yesterday were nice people, and if you would like to take that home with you fill out this form. Give it to my wife here at the table. We have the product here. We are going to do is number these in the order in which we received them, because I don't have many of them. As we get them, we will put a number one, two, three, four, five, and the lowest numbers get the product. We will have to ship the rest.