

# Wal-Mart Gold

## Lesson Thirteen Transcript





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Joe: This is Section 13 where we talk about advertising, promotion, and publicity.

Michael: Most of the listeners will probably not have tons of money for advertising and promotion. Can you give them some things that will be able to do even with a limited budget?

Joe: Certainly and that would be normal that you're not going to be able to afford consumer type advertising unless you're a huge company. You'd have to rise above the clutter of everybody else and the people who do consumer advertising have way too much money.

What you can do, though, is you can get a retailer to promote your product. Once you're in a store, if you're product is selling well, I had that happen with Target when we first got in there with our stickers. They saw the sell through was so good that they decided to feature it in an ad and they ran ads at a two for one, so they sold them at half price and it worked extremely well. We did not have to pay anything for the ads. Target did that all on their own because they saw it was a hot selling item and they wanted to promote some more to help get people in the stores.

Michael: Will a lot of these merchandisers approach you and start with trying to get you to pay for advertising to be in their mailers and their newspaper ads and things of this nature? Is this something we can expect?

Joe: It depends on your channel of trade. That's a lot more common in the grocery industry than it is in mass market. But in the mass market, when you're dealing with the Wal-Marts or Targets at the beginning, they know that if you're a small company, they know you don't have the money for that. So, I don't think that's much -- we never had that be much of an issue with the chains. In the grocery market, it's all different. That's a totally different deal and you do get asked for slotting allowances to be in the store and a whole bunch of other things. But since we're basically talking about mass market here, we don't need to get into that.

But the other thing you to be concerned about is possibly trade advertising. And this isn't for the mass market either because you could count on your fingers how many of those mass market retailers you care about, but in other industries, say the gift and stationery industry or the toy industry where there are fragmented thousands of retailers, you might want to run some ads in trade magazines just to let the retailers know you exist.

And then the other thing, publicity, of course, is free assuming you write your own publicity releases and distribute them. And publicity, as a rule, is better than advertising anyway. It has more credibility. And also, you can do promotions and those don't have to cost you money either if you set them up right.

And lastly, trade shows are a good way to get the equivalent of hundreds of sales made in just a few days, assuming you go to the right shows and you prepare properly, that can be good. We'll talk specifically about each of these things in a little bit.

Michael: Are there any exceptions to being able to afford consumer advertising?

Joe: Yes. The primary one is somebody else is doing it for you because of a license. For example, if you license Harry Potter or you license Mickey Mouse; if you have a license of a famous character on your product, the consumer awareness achieved by the movies, the books, the whatever has got that licensed character well known and that benefits you just like you'd spend money advertising. And that's one of the reasons the better the license character you licensing, the more the license cost because you're paying for that. So, that's the one exception where you take advantage. The reason you're paying for a license is because of the popularity of the product you're licensing, the character.

Michael: Let's go back to trade advertising. How about trade advertising? What do you mean by trade advertising?

Joe: Well, each industry has their own magazines, trade associations, and everything in their trade shows. So, within that industry, you'll want to find the right magazines for that industry and there are several directories you can look in. Most libraries will have the directory magazines. Gale Publications puts one out. Standard Rate and Data puts one out. And these directories have a list of all the magazines in the country and they're all categorized. So, if you want to look at an industry, you'll find there are a lot more magazines in that industry than you knew about. But that's okay because what you're going to want to do is contact the advertising department of each magazine and get what they call their media kits. What a media kit is, it's a rate card that tells you the prices, it's a sample copy of the magazine, and it's all of their sales material trying to get you to advertise with them instead of a competitor. And what's sort of interesting with that is that from the media kits, the magazine will talk about their market share versus a competitors and by looking at these things, you can see who their competitors are and you knew who the players are that way. So, that can be very helpful.

Michael: Since I'm trying to save money on advertising and you know a little bit about rate cards and rate price, should I be willing to pay the rate price with the trade publication right off from the bat or is that something I can negotiate?

Joe: It's definitely something you can negotiate, but the way you negotiate it is the way you want to setup your own in-house ad agency, which in a way sounds sort of funny, but all you have to do to be an ad agency is say you are one. In most cases, I've never even needed separate stationery. I just tell the media that I have an in-house agency and they want my 15% discount, the normal commission for

an advertising agency on media is 15% on trade magazines. So, you could save yourself that 15% just by asking for it.

Michael: Other than that, were you ever able to get better discounts off the rate card price?

Joe: Yes. There is another way where you get really big discounts. You can either go through a process that I learned from Ted Nicholas, who is a famous direct marketer of how you get your huge discounts, or you can go through a service that does that. And me being somewhat lazy, I use a service and the service is buying remnant space, remainder space, and so on. So, what that does, it gets you as much as 85% to 95% off, and that can be a huge deal. I mean at the moment, I'm running an ad in a magazine called News Max that normally would be about \$21,000 for a full-page ad and I got it for \$1,800.

Michael: Wow. Is it a last minute deal?

Joe: It's not so much last minute; it's more of available space. And odds are, they'll find a way. I told them I wanted to be in the September issue and they put me in there.

In the case of something like a newspaper or even USA Today, which in national newspaper, they even have a remnant place, but the way it works in there is that they have national advertisers like United Airlines, and in that case, they'll guarantee you circulation, but it may not be the whole country in one day. So, there you are getting true remnant space, but they'll also guarantee you, say 2 million in circulation and then you're 50%, 60%, 70% off the list price. Going through brokers to do this is the easy way, but you can do it yourself, too.

Michael: That's some good advice. How about publicity? That's free isn't it?

Joe: Yes, assuming you do it yourself. And you can hire people to do publicity releases and distribution for you, but you can also do it yourself. And I think it makes sense for most people to do it themselves. We need to talk a bit about this because there are a few rules you need to follow if you want publicity release to be published.

What most people tend to do when they don't know too much about it, their publicity release looks like an ad and that's a \_\_\_\_\_. The way you need to think about a publicity release is something that the media is going to put up and publish. You need to think of what's in it for them and what's in it for the reader and you need to have, so to speak, a hook on your publicity release that makes it newsworthy. So, you really are doing a news release. You don't want any hype in it. You don't want sales in it. You don't want to use all capital letters. You don't want exclamation points. You don't want to say this is the best product in the world or anything like that. You want to answer the typical questions who, what, where, when, and why the media asks about on a given story. You do best if you

can tie your press release into current events, into something that's going on in the world that will then make the media more interested in it. It is also is very helpful if you are a little bit controversial. That can help. But basically the thing you have to understand is you're not writing an ad and that news releases are different than ads.

Michael: How do I do a press release properly?

Joe: The first thing you want to do is have a headline that gets people's attention. You don't want all caps and the purpose of the headline is to get people to read the next paragraph. So, you have a headline that gets attention and then the first paragraph you give the basic who are you, what is it, and all that, but also the basic guts of what you're doing. Many people when they write something might want to keep the best for last and build up to it, but in the case of a press release, depending on the space the media has, they cut from the bottom. So, you should be able to have your release, the bottom half of it, cut off and you still make all your points. They call it like a pyramid structure. So, you want to make all your best points and give the best information right at the beginning and then expand on it throughout and then give a summary at the end.

There is also a format to follow, both for email press releases and print press releases, but the thing you need to know there is you don't want to send a press release out to the world. You're better off to target the media it's going to. Know what kind of releases they use. Send it to the right person and have it be relevant to that person. There's a book called, Bacon's Publicity Checker, that you might be able to find at a library or you can get it from, I think it's [www.bacons.com](http://www.bacons.com), and what that is it's all the newspapers and magazines in the country, also radio, TV. It tells you who the contact is. It tells you how they take press releases. Do they take color photos? Do they take black and white photos? Do they take new product releases? Do they take personnel change releases? What kinds of releases do they take and in what why do they take them and whom do you send it to. If you pay attention to that, you have a much better chance of getting your release published. Don't send a new product press release to a media that never accepts them.

Michael: Were you able to send out press releases to some of the contacts in Bacon's and to get successful free publicity?

Joe: Yes, I've done that many times and it can work really well. The key is to make it news, not promotional. If it looks like an advertisement, you've got to rewrite the thing.

Michael: How do you send it, by mail or by fax or what?

Joe: In Bacon's it will tell you that. It will tell you how they accept releases. Do they want them mailed, faxed, or emailed?



Nowadays, a lot of releases are accepted by email, and there are, going by email -- well actually for print first. When they're in to print, you double-space it and at the end you put the three little number signs at the bottom along with the contact information. So, there's a format to follow. On email press releases, it's really easy to blast the world, of course, spam the media so to speak, but you really don't want to do that. But there are a number of services that will distribute press releases by email to the media of outlets who want it that way. And Bacon's does that. There's a company called [www.prweb.com](http://www.prweb.com) that does it and Web Wire. In fact, if you go to Google and put in press release distribution as the search term, you'll find hundreds of them. Some of them are very expensive. Some of them are free. I find that pretty interesting, but the PR Web on looks pretty good to me and they're one of the free ones. Bacon's is not free and you can't see the prices at their website, which is not a good sign in terms of price. When you pay for releases, one of the services they can provide you is they can let you know who picked it up, so where has the release been published and all of that. They can track all of that. Typically the free releases, you're not going to get that kind of service.

But there are a couple more no-nos here. We talked about all upper case. Because your press releases are going to editors, you need to proofread the thing. If you've got spelling or typo mistakes in there, this isn't good because editors pick up on stuff like that. So, have somebody else proofread it. I've always found that I can't proofread my own stuff at all. So, have other people proofread it for you. Make sure everything is correct. Make sure there is no hype. And in terms of email, each distribution service may have some different criteria. The PRWeb people tell you only do hard returns or carriage returns at the end of a paragraph, not at the end of a line. Let it word wrap. And don't put any HTML in it because if you do, a lot of the services aren't going accept it, so you want to do just basic text. You can do it in Microsoft Word and cut and paste it into the services.

Michael: What's another effective way for promoting yourself that's very low cost or free?

Joe: One I've used that I think is probably even better than press releases is article syndication. And what I mean by that is you write informational articles. And I've done that. I've written articles on search engine optimization, web marketing, direct response marketing; a whole bunch of topics like that and especially when you're doing this online. If you write an article and you pay attention to not more than 750 words or so, short articles, and then you use it, you can use distribution services like [www.submyourarticle.com](http://www.submyourarticle.com) and of course there are others. What they will do is if your articles gets picked up, when you're first setting this thing up with these services, you select all the different ones you want and what I've had happen -- I just tested this just to see how well it would work, and I distributed four articles and I got about 1,800 or 1,900 times it got picked up. And what that means in terms of marketing on the Internet is I have 1,800 to 1,900 one-way links to my website from other sites.

Michael: Did you use [www.submityourarticle.com](http://www.submityourarticle.com) to distribute it?

Joe: There are others, too, but [www.submityourarticle.com](http://www.submityourarticle.com) is the one I use. It's like \$29 a month and they'll distribute three or four articles per month. It's the max, but I had trouble writing that many anyway. They submit the articles to all kinds of media outlets, web blogs; all kinds of stuff. With my four, I had just short of 2,000 links and I did that like six months ago. I still occasionally get another notice telling me another media place picked up an article and printed it or published it on their website. So, if you want to establish yourself in your industry as an authority, one of the best things to do is write articles. That, obviously, helps your search engine ranking and that brings traffic to your website, as well.

Back when I had my sticker company, the stickers got to be a hot product. They were a trendy fashion thing. Thanks to doing publicity releases and some advertising, we got on the cover of several national magazines. Now, that is really some that makes a big difference when you're on the cover of a magazine. But even outside of the stickers and when it was a hot item, I've written articles about the promotional products industry and believe it or not, I actually got paid to write a series of five articles for one magazine. In another magazine, I got an article and they liked my article so much they put the picture that went with it on the front cover of their magazine. So, in trade magazines, you'll find it's a lot easier. The editors are looking for stuff for their magazines. So, if you can write something half way decent that's of interest to the readers, you can very frequently get it published. I've had maybe as many as 100 articles published. The main work is writing the darn thing.

Then what you want to do, as soon as you get, if you get on the cover of a trade magazine or you get articles in trade magazines, you want to get reprints of those and then you use them in your marketing materials. You can include them along with your brochures on your products and that provides a bunch of credibility because then you've got the tested endorsement of the media who has published your articles.

Along with the online article syndication, there are also services you can get, you can do yourself, but it's probably too much work. It's easier to have someone else do it where they can submit articles to blogs and then as the blog gets the article, they do what's called pinging the search engines, which lets the search engine know there's something new. And that process can be automated. So, that is another way of helping your online article distribution get noticed.

Michael: Are there any services that as long as you write the article, you could submit them to these blogs submission online companies?

Joe: There are a bunch of them, yes, just like the article distribution. That's another thing to put in Google. I'll have some on my website, in the Resource Section, but

if you put blog and ping into Google, you'll find probably more of them than you could ever use.

Michael: How about a couple of example of promotions that have worked very well for you.

Joe: I've got a couple good examples. One in the gift and stationery industry, we had a lot of Hallmark stores and independent gift stores and back at that time there were a couple hundred companies making stickers. The five major companies all had sticker clubs for the kids. And in those clubs they had 45,000 or 50,000 kids. We were hearing pretty much that the retailers didn't like this because they felt that the manufacturer was trying to around the retailer, which was not true, but that's what they felt. So, after I saw those, I decided to make our own sticker club, but do it a little differently.

The way I did it is I set it up to be a traffic building promotion for the retail store. They had their name on it along with ours. We did a limited edition sticker of the month, a sticker newsletter. We provided posters for the window of the store. We provide a little display that had the sticker of the month. We had membership cards. The store, we would sell them the stickers each month for 5-cents on a roll. Of course, there were a lot of them. They bought the supplies, but basically it cost them less than \$1 per kid to have a kid in the club and they charged \$1 for the kid's membership. So, it was a self-liquidating promotion. The retailer didn't have any money in it. They got it done for free. And because our promotion was designed to bring Mom into the store because the kid wants the limited edition sticker of the month, which is, of course, just limited to how many we could sell. Each one was, of course, dated and the whole deal.

The net result of that was after about a year, we had 900,000 kids in the sticker club. We figured out that the average traffic sales increase for our club members was 20%. So, if a Hallmark stores was normally doing \$1 million, it would \$1.2 million. So, the net affect of that for the 900 stores we had was about \$145 million of extra sales. Needless to say, everybody wanted in our club and we had to allocate it. No more than two in any shopping center, no two too close to each, and it went nuts because the retailers saw -- I mean would you like 20% more sales for free. Now, naturally we did have a requirement. Once we saw how well this was going, we made sure that any retailer that would have our club stocked our stickers.

Michael: That's a great example. Do you have another story like that?

Joe: Yes, that one was for the independent retailer. We also did one with Wal-Mart and Target. And here, it was more of an unpack thing. With a mass-market retailer, they can have the same concerns if they think you're using your package to sell product and go around them. They're not going to like that either. So, you can put a promotion on your package and it can tick off the retailer and get you

kicked out of the store if you do it wrong. If you do it right, what we did with Wal-Mart and Target is we had a promotion on the package where the kids could cut out the UPC code and send it in. Save \$1 for every UPC code they sent in on this package of sticker that you couldn't buy in a store. So, it wasn't competitive. And the buyers could see that oh gosh if somebody wants to buy this, they can buy five packages of stickers for \$5 and get their \$5 back. So, the Wal-Mart buyer wanted us to flag it on the front of the package. I just had it on the back. That promotion launched a mail order business. The response from the consumer to that when we sent out their stickers they bought a catalog and everything, that turned into a consumer mail order business.

This is the end of Section 13. You see in this section that there are plenty of things you can do that don't cost you any money and it can have huge results.

So, now the next section will be Section 14, which will be talking about selling to retailers not in the mass market and how you set up distribution using reps.

Michael: This is the end of Section 13. Please continue to Section 14.