

"How To Minimize Market Risk And Maximize Keyword Profits Using *Hyper-Responsive* Survey Research!"

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Dr. Sharon Livingston: Hi Glenn.

Dr. Glenn Livingston: Hi baby, how are we doing?

Dr. Sharon Livingston: I'm good. What are we talking about today?

Dr. Glenn Livingston: I was hoping that you could help me get on tape the basics of how I use surveys to break up a market, asses the risk throughout the markets so that I know what my likelihood of success is as I either roll out a new product or expand business in a new way.

Dr. Sharon Livingston: So can I ask you a totally silly question?

Dr. Glenn Livingston: You just did.

Dr. Sharon Livingston: Are we on tape?

Dr. Glenn Livingston: Oh yeah, we are recording right now.

Dr. Sharon Livingston: But we aren't taping anymore are we?

Dr. Glenn Livingston: Well, I'm recording on the computer.

Dr. Sharon Livingston: It's just amazing to me how technology changes all the time and that what you're offering to people is a new paradigm and just like we used to use tape, now we go right to the computer. It just amazes me.

Dr. Glenn Livingston: That was very slick. I didn't see that coming.

Dr. Sharon Livingston: {laughter}

Dr. Glenn Livingston: Just like you might think that a very simple survey of your market in general is a terrific way to assess your market before you go to market or you roll out any portion of your business or you try to optimize any part of your business. The truth is that, while it's terrific to do that and most marketers don't even do that kind of research. There are dramatically new and different ways to assess your market.

Dr. Sharon Livingston: And to think about the research itself.

Dr. Glenn Livingston: Yeah.

Dr. Sharon Livingston: It's so cool.

Dr. Glenn Livingston: Yeah.

Dr. Sharon Livingston: So, teach me.

Dr. Glenn Livingston: {laughter}

Dr. Sharon Livingston: When I'm the qualitative person, you're the quantitative.

Dr. Glenn Livingston: Well, I don't know if everybody listening to this is going to know about my background and your background. Could you help me say that in just a few sentences without being boring?

Dr. Sharon Livingston: I don't know. {laughter}

Dr. Glenn Livingston: {laughter}

Dr. Sharon Livingston: I don't know. I can try. I think we both have our loves of research and it comes from different aspects. I do what's called qualitative research, as you know. Qualitative research is mostly talking to people on an open-ended basis and inviting them to, kind of, spill their guts and you want their brains and their hearts and their guts. You want the whole nine yards and you do it with mostly open-ended questions. Then we go back and interpret and we try to figure out what all that means.

Dr. Glenn Livingston: You've actually done this for over fifty of the *Fortune 500*, haven't you?

Dr. Sharon Livingston: Definitely. Yeah.

Dr. Glenn Livingston: Yeah.

Dr. Sharon Livingston: Quantitative is a more structured approach where you really get at the skeleton of what the issues are. You can do, it's called quantitative because what you do is, you collect a lot of information in a way that's standardize that you can analyze it.

Dr. Glenn Livingston: Right. Quantitative is the bones and qualitative is the flesh and the heart.

Dr. Sharon Livingston: The meat and the heart.

Dr. Glenn Livingston: So, yeah if you have flesh and heart and soul without the bones...

Dr. Sharon Livingston: Then you can't stand up.

Dr. Glenn Livingston: If you have the bones and you don't really have the...

Dr. Sharon Livingston: It's not very warm and fuzzy.

Dr. Glenn Livingston: Yeah.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: Some of the things that I want people to know about us is that we were both psychologists, first and foremost. I actually grew up in a family of psychologists, mom and dad and...

Dr. Sharon Livingston: Seventeen other people.

Dr. Glenn Livingston: It's just ridiculous when you're at a family reunion; it's just a situation comedy. The reason that's important is that when we wound up entering the field of marketing research, we did it from a perspective of being deeply attuned to people. So even when we are talking about quantitative research, what I'm really looking for is a deep attunement. Of course, I am trying to abstract that and put numbers on it, look at the size of opportunities and the size of pitfalls, and figure out how to leverage that. But I still think of myself first and foremost as a psychologist. The short story is 9/11

came along and kind of uprooted both of our lives and I wound up taking a sabbatical from my practice and a sabbatical from all the consulting work I was doing in corporations. I used to consult for the same clients that Sharon would. I kind of freaked out, moved to New Hampshire, and made my wife move to New Hampshire with me and I decided I wanted to be an internet marketer. You can read the rest of my story online if you want to. Maybe we could talk more specifically about the opportunity to use surveys today.

Dr. Sharon Livingston: Great.

Dr. Glenn Livingston: To reduce risk.

Dr. Sharon Livingston: Why do we do surveys? Why do we do marketing research in a particular market place?

Dr. Glenn Livingston: Well, I think that there are four main reasons to do research in a marketplace, any kind of research.

Dr. Sharon Livingston: Okay.

Dr. Glenn Livingston: One is to figure out what the downside risk is. It is possible that you are going to lose money and how much money are you going to lose? I had one experience along with my darling wife of losing two million dollars and we didn't have two million dollars.

Dr. Sharon Livingston: Well, we invested everything we had and then we borrowed to keep it afloat.

Dr. Glenn Livingston: It's amazing when you lose that much money.

Dr. Sharon Livingston: Amazing.

Dr. Glenn Livingston: That was because we thought we understood the market, we did no research, and then we were also made very unlucky by 9/11 but...

Dr. Sharon Livingston: Right, I think we would have survived it, had it not been for 9/11 on our intuition. But, had we done the research ahead of time. I think we might have made a different decision.

Dr. Glenn Livingston: The impact of that on me is that I became very, very risk adverse. I was really enamored with internet marketing.

Dr. Sharon Livingston: He only ate hamburgers for like six months one time.

Dr. Glenn Livingston: I don't understand.

Dr. Sharon Livingston: You were very risk adverse; you wouldn't even do it in your foods.

Dr. Glenn Livingston: You're very silly. {chuckle} Along with the idea of doing research to find out whether you should enter market places. You're not thinking about how much money you can make. But I think most importantly is that what people usually think of as the market. It is really usually not a unitary market. Especially as the cost of distribution is going down, especially on the internet. Its becoming more and more possibly, almost necessary to cater to the micro markets within a market and sometimes the sub segments within those sub segments. Say that three times fast. So, what I really like to do when I am implementing a survey is to figure out, among all of those segments and sub segments and niches really, micro niches within the market. What's the group of micro niches that's going to be more responsive? So I actually use the survey as an instrument to...

Dr. Sharon Livingston: To get as granular as you can?

Dr. Glenn Livingston: Yes, but to test it first.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: To test it first.

Dr. Sharon Livingston: And the itch to test?

Dr. Glenn Livingston: To test the responsiveness of the market.

Dr. Sharon Livingston: Gotcha.

Dr. Glenn Livingston: Do you want to talk about why?

Dr. Sharon Livingston: Sure.

Dr. Glenn Livingston: Well, let's say that you wanted to set up a new store. Let's do this offline to start out with.

Dr. Sharon Livingston: Okay.

Dr. Glenn Livingston: Well, what do most people do? They kind of scope out what they think is a good location. Maybe they will take a look to see if there is enough traffic going by there. But they've decided what kind of store they want to put up and they've decided what is going to be in the store and they fill the store at the location and they cross their fingers...

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: Say a prayer and hope and hope and hope. I would like to propose a different paradigm. What if, instead of filling up the store first and just counting the traffic that walks by? What if you could see if it's going to be possible to actually get people into the store and once they're in the store, if you could run a survey by them? Instead of filling up the store, just meet them with a pleasant interviewer that has got a few questions to find out exactly what they were hoping was going to be in the store.

Dr. Sharon Livingston: So before you populate the store.

Dr. Glenn Livingston: Yeah. I would even say before you sign a long-term lease, I would try to rent the store for a couple of weeks and get this done.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Some of this is not practical offline but for the sake of analogy, I'm going to stick with it.

Dr. Sharon Livingston: Okay.

Dr. Glenn Livingston: So, you've got the store and you've put up some signs and look if you can't get people to come into the store, even if there are thousands of business people on that block. If you can't figure out a sign to put up on that store that going to get people to come into that store, don't bother renting that store.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: Because it could be that most of the needs of the people passing that store on that block are predominantly being taken care of by the other stores.

Dr. Sharon Livingston: Right, it might be that there's a store around the corner that you didn't notice.

Dr. Glenn Livingston: There really could be. Yeah. Or maybe you just don't have the right connection with them. You don't really understand how to get their attention at all. Whatever it is, you need some measure of whether you are going to be able to get their attention in the first place. Then if you are getting their attention, you want to know what their expectations are based upon their attention. It might seem like kind of a cruel trick to say, put up a sign that says something like; Johnny's Ice Cream Shop – All you can eat ice cream for five cents or something like that. Then have people walk in and there's nothing in the store besides an interviewer. But, here's the point. If that person comes in and sees the interviewer and says, ah! Screw you; I don't want to bother with a survey. A lot of the market is going to do that no matter what. But, in my experience if less than 5% of the people bother to take a survey, well there is probably not a strong need for ice cream on that block.

Dr. Sharon Livingston: You're going to have to work much harder to sell.

Dr. Glenn Livingston: Yeah. So the first thing you want to see is.

Dr. Sharon Livingston: How motivated are they to take the survey.

Dr. Glenn Livingston: How motivated are they to take the survey and in my experimentation I actually find that the percent of people who are willing to take the survey, corresponds directly to the percent of people later on, when I am willing to put up my store or online.

Dr. Sharon Livingston: To populate it.

Dr. Glenn Livingston: Yeah, online when I am willing to set up a newsletter or an actual store with content in it, it corresponds directly with the number of people that will sign up for a newsletter and it corresponds directly with the number of people that will buy.

Dr. Sharon Livingston: Wow.

Dr. Glenn Livingston: Yeah.

Dr. Sharon Livingston: That's great.

Dr. Glenn Livingston: So if I know that "X" percent of the people that took the survey, then I also know that twice as many people are going to be willing to sign up for a newsletter in general and I can usually get "Y" percent of those people to buy something. What that allows me to do is, for any store that I choose to survey, I can almost calculate what my cost of acquisition is going to be. Almost calculate how much it is going to cost to make a sale and how much it is going to cost me to generate a lead. All I need to do then is kind of look in that market and see what similar stores are selling and what their margins are and I can tell whether or not that particular pathway is going to be viable.

Dr. Sharon Livingston: Interesting. I'm nodding away, people can't see me nodding, but that's so interesting.

Dr. Glenn Livingston: I can see you nodding.

Dr. Sharon Livingston: Good.

Dr. Glenn Livingston: Did you have a question?

Dr. Sharon Livingston: No, it was just really interesting what you were saying.

Dr. Glenn Livingston: Let's take it a couple steps further.

Dr. Sharon Livingston: Okay.

Dr. Glenn Livingston: Obviously if I am going to go into a new market I am going to scope out a lot of stores on a lot of different blocks and I'm going to try to figure out what their level of responsiveness is going to be and what my cost of acquisition may be in each of those stores.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: If I am doing this online, then my blocks would correspond to keyword themes, like groups of keywords that people are searching on. There might be one group about; oh, let's say I was opening a guinea pig store. There might be one group about

guinea pig health or there might be one group about guinea pig care, a group about guinea pig cages, another group about guinea pig longevity, another group about how they are with kids and I'm going to set up a store in each one of those blocks. For each one of those individual keywords, I'm going to set up a separate store with a different set of surveys. So I define my market as this whole set of keywords.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: I get a measure on how responsive each set of keywords is going to be. Does that make sense so far?

Dr. Sharon Livingston: Yes.

Dr. Glenn Livingston: But what you can also do, is you can really look at the quality of the survey itself, so its more then will they take it or not. Because there are some people that will take the survey and just say; yeah, yeah, yeah so I'll take your stupid survey. They don't really engage. They give you one or two word answers. They are just kind of bored with the whole process. They are just doing it. I guess the part that I forgot to mention is that while I never incent people with money.

Dr. Sharon Livingston: Mmhmm

Dr. Glenn Livingston: I'll usually incent them with something related to the theme of the store that they are in.

Dr. Sharon Livingston: Like, give them information?

Dr. Glenn Livingston: Yeah, so if it was a store all about guinea pig health care, I might connect with a veterinarian for him to give me a discount coupon or something. Or if it was a store generally about guinea pigs then I would promise to give them a book when I was done.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: The book is generally just the answers to all their questions and I put them together.

Dr. Sharon Livingston: Right, so it would be like an e-book or something?

Dr. Glenn Livingston: Yeah, or it could be a regular book also.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: By the way, the stores in these blocks don't have to be online stores with keyword themes and separate keywords. They can also be direct mailing lists. They can be television commercials. They can be telemarketing efforts with particular lists. Really, a store is a list and a block is a group of related lists. Does that make sense?

Dr. Sharon Livingston: Say that again. A store is a list.

Dr. Glenn Livingston: What I am trying to get across is that it's really easy to see how to do this online. I tend to do my research online because its faster and cheaper and I think that when people are proactively searching for something, their mindset or the conversation that is going on in their head is so much different then...

Dr. Sharon Livingston: When they are not in the heat of the moment.

Dr. Glenn Livingston: When they are not in the heat of the moment. You want to interview them in the heat of the moment and the only place that you can actively do that is either in a store or online when they are searching for something.

Dr. Sharon Livingston: I think that is so fabulous. I think that is a major innovation in market research.

Dr. Glenn Livingston: Because they don't do that in market research.

Dr. Sharon Livingston: Because it's impossible. It cant be done, unless you are in-store and then what your identifying that I think is so incredible is the people who are in need and not getting the need met.

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: Those are, I think, the hottest prospects.

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: That to me is a major innovation in marketing research that you're able to get someone who really wants something. Who hasn't had their needs met and they want it so badly that they are really willing to fill out the survey to tell you what they need because they are really needed help. They are your hottest prospects I would image.

Dr. Glenn Livingston: It's really behavioral tests.

Dr. Sharon Livingston: What do you mean?

Dr. Glenn Livingston: It's trying to get them to do something, as close as you to getting them to see how much frustration and energy are they willing to put out to solve a problem. How much frustration will they endure and how much energy are they willing to put out to solve a problem. It's as close as you can get to doing a market test, where you are getting someone to pay for something before you really know what the market wants.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: It's just shocking to me that, like when you've been telling me, and I've observed, but none of your clients are really doing this.

Dr. Sharon Livingston: And they've got all the bucks.

Dr. Glenn Livingston: These people are spending millions of dollars literally, millions a year on research.

Dr. Sharon Livingston: On research, right.

Dr. Glenn Livingston: Literally and they don't really know about this, as far as I can tell. Maybe they do somewhere or somehow.

Dr. Sharon Livingston: They do some little stuff, but they don't do the fancy stuff that you do.

Dr. Glenn Livingston: It just really illustrates the opportunity that is available on the market.

Dr. Sharon Livingston: Even more so.

Dr. Glenn Livingston: Even the markets that you think are exceptionally competitive and all sown up. People have just not looked at the long tail. They have just not examined the niches and micro niches.

Dr. Sharon Livingston: You know what it reminds me of? Like you've said to me, someone will see someone doing something and they make the assumption, that that person, you know maybe they are high up in *AdSense* or something. They make the assumption that they've done their homework and so they copy it.

Dr. Glenn Livingston: Right.

Dr. Sharon Livingston: And its not necessarily so. It reminds me when I was in college and I was single and I was learning things in psychology behavior and I would go into Manhattan and do things like starting a line, like just a cue, to see if I could get people to stand behind me. I would just be someplace in front of something and I would just start a line and people would line up behind me.

Dr. Glenn Livingston: {laughter}

Dr. Sharon Livingston: It was the weirdest thing, they would line up behind me. I would do it with a friend because I was too scared to do it all by myself.

Dr. Glenn Livingston: Mmhmm.

Dr. Sharon Livingston: My friend Beverly and I would go and start lines and people would line up.

Dr. Glenn Livingston: What you're saying is very funny, but it also illustrates that the fundamental aspect of human nature, which is that we basically have a herd mentality. That even applies to marketers.

Dr. Sharon Livingston: Yeah.

Dr. Glenn Livingston: This ones very important to me because even though we have had all these years of, I mean we have done million dollar projects. You would think that we are all high faluting and confidant.

Dr. Sharon Livingston: Know what we are talking about.

Dr. Glenn Livingston: We'd just come off of losing two million dollars.

Dr. Sharon Livingston: Because we didn't do our homework.

Dr. Glenn Livingston: We had a ridiculous amount of debt and couldn't pay our bills for about nine months. When I started to look at these markets I was scared. I would see a market that looked relatively competitive and now I look at that and think; well, they are all basically committing marketing incest. They are all kind of doing what everybody else is doing.

Dr. Sharon Livingston: Where are the holes?

Dr. Glenn Livingston: And its human nature to assume, well that's what your supposed to do and there's not really an opportunity because everybody is doing that.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: There's a phenomenon called the fusion of responsibility. You know in 1969 I think it was. Do you remember Kitty Genovese?

Dr. Sharon Livingston: Yes.

Dr. Glenn Livingston: So Kitty Genovese was this woman that was murdered, screaming bloody murder in an apartment building in New York City and it later came to pass that 34 or 35 people had heard her screaming and nobody called the police.

Dr. Sharon Livingston: Unbelievable.

Dr. Glenn Livingston: You know why?

Dr. Sharon Livingston: They thought somebody else was going to do it.

Dr. Glenn Livingston: Everybody thought that somebody else must have done it.

Dr. Sharon Livingston: And they didn't want to get involved.

Dr. Glenn Livingston: Yeah. There is actually a whole series of studies after that to figure out why nobody did it.

Dr. Sharon Livingston: Why is happened, right.

Dr. Glenn Livingston: People were saying all kinds of horrible things about human nature. I think we basically do want to help one another but there was a cost to getting involved and everybody really assumed that somebody else must have done it.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: And so when you look at a market and you see forty different companies' lines up to market something to your prospect and you think you see a need that they don't see. You probably do.

Dr. Sharon Livingston: Uh-huh.

Dr. Glenn Livingston: Because they are probably all assuming that somebody else has gotten to it.

Dr. Sharon Livingston: Done it.

Dr. Glenn Livingston: Yeah. This is kind of taking the blue pill in the *Matrix* for me, or maybe it was the red pill, the one that opens your eyes.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: The whole world just opened up to me.

Dr. Sharon Livingston: Uh-huh.

Dr. Glenn Livingston: I would look at a market and say, first of all there are some people making money in spite of themselves, leaving these opportunities.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: There are all these gaps and needs in the market that are just not taken care of. Even the most competitive markets are under optimized and if the cost of distribution are going down and as technology is increasing, there are just so many

opportunities to cater to people's individual needs. The key is figuring out how to find out what those micro needs are.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: I went off on a tangent. We were talking about how you use this survey with each of the, we are sending the survey analogy to multiple stores and multiple blocks and I was explaining that those represented different groups of lists. Which could be keyword lists, which could be email lists, could be phone lists, could be any media whatsoever.

Dr. Sharon Livingston: So how do you decide if you should enter the market in the first place?

Dr. Glenn Livingston: Whether you should survey the market or whether you should enter the market?

Dr. Sharon Livingston: Okay, both. That's a good question, I'm glad you rephrased it.

Dr. Glenn Livingston: It will probably make more sense if I finish talking about the different ways that the survey can tell you how responsive this market is going to be and what you can do with that.

Dr. Sharon Livingston: Okay.

Dr. Glenn Livingston: Then after that if you still want to know how I decide which markets are worth surveying, then I will be happy to tell you. It's actually a lot less complicated and a lot easier to find potential markets than most people think.

Dr. Sharon Livingston: Really?

Dr. Glenn Livingston: It really is, so I'll save that for the end.

Dr. Sharon Livingston: Okay.

Dr. Glenn Livingston: So we were talking about setting up the multiple stores and multiple blocks and really putting our researchers out across a, casting a wide net and then seeing how responsive each of the stores are on a percentage basis.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: But what I also will look for is how engaged they are with the interviewer.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: So I might ask them, what's your most important question about guinea pig health if that is what they were searching on?

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Or if it were just a general guinea pig survey I would ask them; what's your most important question about guinea pigs. By the way, the really cool thing about that is when people give you an answer, they might say I want to know how long guinea pigs live. Well you start to know exactly what you need to speak to them about when you are selling to them.

Dr. Sharon Livingston: Right.

Dr. Glenn Livingston: But if you ask them why they were searching for it and in this example if a woman says; well I bought a hamster for little Bobby, you know, last year and the poor thing only lived seven months and Bobby was devastated. I just don't want to go through that again.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: You've got a dramatically better to find advertising platform that you can sell to this woman with, knowing why she was searching, in addition to, what she was searching for.

Dr. Sharon Livingston: Because you can reassure her that guinea pigs live ten times as long or five times as long, blah, blah, blah.

Dr. Glenn Livingston: Yeah, and they do last longer.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Also, I forget whether we talked about this in another audio, so we will try to be brief about it. But even when people are engaged about a behavior, they could be engaged because

they are enthusiastic about the topic they would engage with their mother in law about it.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Anybody that is willing to listen to them talk about guinea pigs, they would be willing to talk to.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: You need to know whether they will engage in something, but that's necessary but not sufficient for purchase. You need to know is this information that they're really having a hard time finding so that they would pay for it.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: What's the difference between a price of entry benefit, which is information that they expect to find for free. Or information that might know a little bit about already but they are just trying to flush it out verses something that is really hard for them to find that they'd be exceptionally grateful if you gave them the answer to.

Dr. Sharon Livingston: So is this just information or is it also for products?

Dr. Glenn Livingston: Well no, this would be especially for products. If I were selling a *Ferrari*...

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: It might be that everybody knows that the standard acceleration and wheelbase is of the newest model, but what's hard for them to find is exactly when the next model is coming out and what are the safety tests on it. With whatever you're selling, you're going to have what's going to be listed from these open ended questions; what's your most important question about a *Ferrari* and why were you searching for a *Ferrari*. There is going to be a list of designer features and you want to know how important each one of those desired features are and where are the market gaps in terms of people telling a story about those features.

Dr. Sharon Livingston: These are things that you ask in order to start thinking about what kind of messaging you want to prepare.

Dr. Glenn Livingston: Yeah.

Dr. Sharon Livingston: I see.

Dr. Glenn Livingston: Because if someone comes in and says I'm looking to find out when the next model *Ferrari* comes out and whether it is going to get more than a 9.0 in the consumer guide testing for safety. Then your sales letter can say, find out when the next model *Ferrari* comes out before anybody else does and see whether it made the critical 9.0 testing level.

Dr. Sharon Livingston: Uh-huh.

Dr. Glenn Livingston: You really just spit it back to them.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Which is another element of human nature, by the way. It starts with children and children just loved to be mirrored. It's part of how people know who they are. When they have another human being feedback to them, their words and their emotions and their imagery. They're immediately bonded to that other person, because you've shored up their sense of self. That's why that works so well in a sale environment.

Dr. Sharon Livingston: I love it. That's great. So, we're doing the research to determine what the wants and needs are in the market.

Dr. Glenn Livingston: Mmhmm.

Dr. Sharon Livingston: To discover the language people use and you mirror them.

Dr. Glenn Livingston: Mmhmm.

Dr. Sharon Livingston: And then how else do we find the right message, besides the ones they use in the language?

Dr. Glenn Livingston: Well, you ask people if they're willing to give you their phone number.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: You ask people if they're willing to give you their phone number as part of the survey and that's going to give you two opportunities. First of all, you want to look very carefully at the questions and concerns of people who gave you their phone number, because those questions and concerns are represented to the people who want more of a relationship with you.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: And people that want more of a relationship with you are usually willing to spend more money.

Dr. Sharon Livingston: Got it.

Dr. Glenn Livingston: So you not only want to look at them like in a quantitative structural way on your survey, but you also want to call these people and talk to them and that kind of gets into the qualitative research audio that you and I did together.

Dr. Sharon Livingston: Where we talk about mood and tone.

Dr. Glenn Livingston: Yeah and by the way, in some of the sequences that people will be listening to this, that will be before and in some it, will be afterwards.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: There will be a link on this page where this audio is to that interview if people want to listen to that.

Dr. Sharon Livingston: Very cool.

Dr. Glenn Livingston: Yeah. There are just one or two other things that I wanted to say about the survey and then I think we can wind down.

Dr. Sharon Livingston: Oh sure.

Dr. Glenn Livingston: I mean, unless you had more questions.

Dr. Sharon Livingston: I'm doing great.

Dr. Glenn Livingston: I'm not sure if I made it clear that you need to ask people how difficult the information has been to find. So you can figure out the point of difference verse the price of entry benefits. I also get an awful lot out of asking people how could I really knock their socks off.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Now, I've had several dozen students come back to me and say people in my market are annoyed by those kinds of questions. Well, okay. People are annoyed by going to the doctor to be diagnosed and examined. The fact that they are annoyed when they get asked the question doesn't mean that you won't get valuable information from it.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: Even if only a small percentage of people will answer that, I find that it is well worth the cost of annoying a few people with that question to get the market to brainstorm for you because the collective wisdom of the market is so much more valuable than anything you'll ever come up with by yourself.

Dr. Sharon Livingston: Right, because we are so tied up in thinking that what we're selling is so terrific that we don't realize that we think it's terrific but it may or may not be terrific to our customers.

Dr. Glenn Livingston: It's real easy to get myopic.

Dr. Sharon Livingston: I just had this happen recently. We were doing a name project for a financial service and I came up with a name that I thought was really dynamite and we took it to consumers and they hated it. Totally, totally hated it and I thought it was brilliant. So, it's so easy for that to happen.

Dr. Glenn Livingston: Exactly. I remember that name also and I loved it also when you came up with it.

Dr. Sharon Livingston: Yeah, you have to be humble. {chuckle}

Dr. Glenn Livingston: Yeah. So that's basically what I wanted to get across. I'll ask demographics on a survey. If there are issues in that market that I'm aware of before hand, then I'll ask them so that I can examine them also. What I really wanted to get across is that if you

break up your list appropriately and you ask people some core sets of questions that you can come up with indications of responsiveness. Then you can kill the pathways that look like they are not going to be profitable right away. It makes it possible to go into a market that nobody else can get into because they don't bother to break it up like this and do this type of pre-testing.

Dr. Sharon Livingston: So is there anything else that you think people should know before we leave this idea of research on the net?

Dr. Glenn Livingston: Do you still want to know about how you pick a market to survey?

Dr. Sharon Livingston: Yeah.

Dr. Glenn Livingston: My customers tend to be people that are already established in a business and are looking to double it or triple it or expand it in some way they haven't done before.

Dr. Sharon Livingston: Okay.

Dr. Glenn Livingston: I get that question less often, so I that's why I put you off about it a little bit.

Dr. Sharon Livingston: Okay.

Dr. Glenn Livingston: What you want to know before you go into a market is there enough volume to make it worthwhile for your time and effort and especially for this method. This method works better in high volume markets because you're breaking things down into subgroups and surveys rely on the law of large numbers to achieve statistical reliability and reduce the margin of error. When you are breaking things down into smaller groups, you want those smaller groups to have large enough numbers.

Dr. Sharon Livingston: So you can read them.

Dr. Glenn Livingston: Yeah. So the small group findings will be stable also. So you need to have enough volume in the market and you can get an estimation of that at some of the standard keyword research tools like www.wordtracker.com or there's a free one at www.inventory.overature.com.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: You want to have an indication that people are actually paying money in the market and I used to worry and I would suggest if people are new at this that people go into a low cost market to start with. You know something that they can buy clicks for five or ten cents and only spend a few hundred dollars to do this kind of test.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: And not expect to make more than a few hundred dollars a month off of that.

Dr. Sharon Livingston: To get their feet wet.

Dr. Glenn Livingston: To get their feet wet and kind of learn the process and get somebody coming in the door with this. The real power though is when you really understand how to do this, if there's a high volume market and people are spending a lot of money, then what you can usually do is, you can almost get away with having to put up a product of your own at all. Because people are already making a lot of money, there's a lot of products and a lot of people to make deals with that you can sell their products for them.

Dr. Sharon Livingston: Ah-ha.

Dr. Glenn Livingston: You can go out there and research the market and understand it better than anybody else does and then you just make connections for people. Instead of advertising a product, you advertise a newsletter or you make a set of audios kind of like what we're doing now.

Dr. Sharon Livingston: Mmhmm.

Dr. Glenn Livingston: And people will get very, very bonded to you because they feel totally understood like you are providing information that other people are not providing for them and when you're a trusted authority like that. Assuming you don't violate their trust, they will buy on your recommendation.

Dr. Sharon Livingston: Cool.

Dr. Glenn Livingston: When you add that kind of intelligence to a market, I think it's actually some of the easiest money that is out there now a days.

Dr. Sharon Livingston: That's really terrific. Did we leave anything out on this topic?

Dr. Glenn Livingston: Well the way you can find the amount of money being spent on the market is looking at the bid price at *Overature*.

Dr. Sharon Livingston: Uh-huh.

Dr. Glenn Livingston: Look at the fourth or fifth bid instead of the first bid. There's a lot more in the course, all about how to do that and a lot more of the metrics that we use and specific techniques and what not. No, I don't think I left out anything very substantial, in the way that I use surveys to evaluate the market.

Dr. Sharon Livingston: Well, another interesting little session with you, my dear.

Dr. Glenn Livingston: Well, thank you my dear.

Thanks very much for your time and attention. If you would like to find out more about the Comprehensive Marketing Research System that I have used to succeed in market after market, please visit www.HowToDoubleYourBusiness.com.

BEGIN INTERVIEW #2

Perry Marshall: This is Perry Marshall. I'm here with Glenn Livingston and I've worked with a lot of people who are doing various kinds of marketing, internet marketing, direct marketing and Glenn is definitely one of the sharpest pencils in the box. One of the reasons for that is everything he does, he does with a lot of care and attention and thoroughness. I think the other thing is that Glenn brings a lot of skills from pervious careers and previous backgrounds. I have since found that is where innovation always comes from, is when you bring new insights from an existing place. Where they are not new there.

Glenn's brought a lot of stuff from psychology and research work that he did. Some of these things, probably most of these things are normal everyday, not very profound or surprising things in those fields, but in the field of marketing or internet marketing or especially the kind of internet marketing that very small companies or even individuals can do, nobodies ever heard of this stuff. Right, Glenn?

Glenn Livingston: Absolutely, yeah.

Perry Marshall: I can point to a number of students of mine, where it's the same story in all the cases, where they developed a certain set of skills, they learned things that other people don't know and then start to apply them. So Glenn's research method really impressed me because initially it was getting 80% success rates in entering new markets and as it developed, he's getting closer and closer to 100%. When you can go into a new market and be somewhere in the vicinity of completely sure of whether it is going to work or not before you sink significant money in it and when it passes all the tests and gets a green light through Glenn's method that it works almost 100% of the time, that is really impressive. If only Wall Street knew. Actually, Wall Street may eventually know, but it usually takes a long time before it gets that far. So Glenn, you and I are going to talk about what is this that you do.

Glenn Livingston: We sure are.

Perry Marshall: How can people make their businesses a whole lot more prosperous with it.

Glenn Livingston: We sure are, after I get done with having a great big swelled head from that introduction, I'll come back to earth and try to converse those things.

Perry Marshall: Well, I am not too worried about that, nose to the grindstone; we're all trying to get our work done, right?

Glenn Livingston: Yeah. Why don't I pick it up from what you were talking about with the inter disciplinary skills.

Perry Marshall: Mmhmm.

Glenn Livingston: It was actually very helpful to me that you pointed that out in the roundtable to me last year and I realized that, you've got this background and you don't realize that it just becomes

part of how you think. But, I realized that is why I was able to develop the system and with a background as a psychologist and I worked with largely suicidal adolescence and a couple of the families, but I think that the skill that I took from that was listening for very subtle nuisances in peoples conversations and how that would impact how I would go about treating them and how to connect with them and give them what they needed. Obviously, that translates to a marketing concept, when you are trying to tune into the conversation that people are having in their head and you're looking for very subtle differences, not so much in the way that they present it, because the vehicle for interaction on the internet is the search engine and the differences in the way that they type in keywords.

Perry Marshall: Your adolescent example, the suicidal teenager one.

Glenn Livingston: Yeah.

Perry Marshall: Tell us about that.

Glenn Livingston: Well, it's a very high risk situation so you have to identify whatever clues you can to figure out when do you have to call a psychiatrist and get the patient to see one, get them on medication or into the hospital or get them to let you work with their parents, their siblings or someone that is a support for them because, you know, if a patient is very suicidal, then to try risking, you cant just talk to them in the office all by yourself. But on the other hand, if they were somewhat suicidal, it was actually a very bad choice to call a psychiatrist or talk to someone else in their family because they would lose some esteem and they would become more frightened of their impulses. So you really have to make that call, Now, what I'd find was, there were two distinct ways that people would phrase their thoughts about killing themselves. One was; hey Doc, I've been thinking about killing myself and I wanted to talk it over. When people would say that I am thinking of killing myself, I wouldn't panic because there was some thought involved and usually that meant that they are thinking that there must be a solution to their problem and they're thinking that a professional could help them. Very frequently these kids were kids that initiated the call in and of themselves, they weren't dragged in. On the other hand, if people said; hey Doc I'm afraid that I might kill myself. Well, where's the thought? These people were usually people that were very overwhelmed. They didn't really see a solution. They were often dragged in by their parents or somebody that was very frightened for them and you had to take much stronger

actions. So that gave me a very strong clue as to how do I take action with this kid. If you translate that to a marketing context, there are very subtle differences in the keywords that people type in and even offline, there are very subtle differences between the advertisements that they respond to in different trade journals or magazines and sometimes differences in the trade journals and magazines themselves, that will cue you into the exact conversation that is going on in their head so that you know how to bring them into your sales process and connect with them and get them what they need. Classic example, your list knows me as the *Guinea Pig Guy*, and I never thought I would be famous for being the guinea pig guy, but there is a big difference between people that type in guinea pig and people that type in guinea pigs, plural. When they are typing in the singular, it turns out that they are usually looking for what is a guinea pig and what do they look like and what is their origin. They are looking for a basic orientation.

Perry Marshall: Yeah.

Glenn Livingston: If they type in the plural, they're a little bit deeper into the market and now they want to know; how long do they live? Do they bite? Are they good with kids? How do you take care of them? I think one of the biggest things that I've done is figured out a way to understand the conversation behind every keyword, because I had so much benefit for that from my earlier life as a psychologist.

Perry Marshall: In a really practical context, what most people are going to do is they are going to bid on guinea pig and guinea pigs in a pay per click situation. People who don't know very much about pay per click are going to want those together and send people on to a website, right?

Glenn Livingston: Yeah.

Perry Marshall: Those who know a little bit about pay per click might separate guinea pig and guinea pigs and write separate ads. But what you've found is, you still probably aren't going to send them to the exact same webpage because they actually want different things and they consistently want different things. It's not all that hard to find out.

Glenn Livingston: Not all that hard to find out and you don't have to make a separate sales process for every single keyword. There's a

process for determining the optimal number of segments, separate groups in your market.

Perry Marshall: Yep.

Glenn Livingston: So that you are not wasting your time and effort, but you are also not mixing in people that want different things.

Perry Marshall: Mmhmm.

Glenn Livingston: There's another really important point about that. The word guinea pig and the word guinea pigs, usually eventually gets searched by the same person.

Perry Marshall: Hmmm

Glenn Livingston: Little nine-year old Susi comes home and says; hey mommy I saw a guinea pig in school today at show and tell and I want one. The mommy goes in and types in guinea pig, because she has hardly ever heard of them before.

Perry Marshall: Yeah.

Glenn Livingston: Then she gets the information about what is a guinea pig and then she kind of picks up that she should be typing in guinea pigs. Then she learns more about their care and their feeding and what are good with kids. She figures out; oh I'm going to have to build a guinea pig cage or buy a guinea pig cage and she types in guinea pig cage or something more specific about guinea pig care. Finally, she might go to buy a guinea pig or adopt a guinea pig or rescue a guinea pig.

Perry Marshall: Uhuh.

Glenn Livingston: So there is this progression.

Perry Marshall: Right. There is a whole series of things that she zeros in on. She gets more educated and more informed about what these terms are.

Glenn Livingston: Exactly. Here's the thing that is extremely powerful, that very few people kind of "get" the first time I saw it. Which is, that because there is this progression. First of all, there is usually a higher volume of searches at the early end of the continuum;

you know where they are typing in guinea pig. But, those searches are less ready to make a buying decision. Those are not the people that are going to call up the guinea pig shelter or go visit with a breeder or something like that.

Perry Marshall: Uhuh.

Glenn Livingston: Therefore, the keywords at the early end of the continuum, at the beginning are cheaper and available in more volume.

Perry Marshall: Right.

Glenn Livingston: Whereas, the keywords at the end of the continuum, which are what people usually think of in the long tale, are very specific keywords.

Perry Marshall: Uhuh.

Glenn Livingston: Those are more expensive, but also easier to convert. So what do most marketers do? Most marketers go after the more specific the more expensive keywords and they are working in an environment where they've got much more competition and their cost per acquisition is much higher. Whereas, if you understand the conversation behind every keyword and how that conversation progresses from the beginning to when they are ready to make a buying decision, well you can intercept them at the beginning, where the keywords are less expensive and where there is more people. It's like double whammy. You wind up being four or five or ten times better position than most marketers, because you are getting process cheap and you're taking them out of the competitive environment and now you can educate them instead of requiring them to search. You can educate them in how to build a guinea pig cage and how to care for them and take them all the way through to the buying decision.

Perry Marshall: Mmhmm.

Glenn Livingston: So, it's a very, very, very powerful concept that I spend a lot of time focusing on in my method.

Perry Marshall: There's an example of that, that I found very early on when I was starting to teach pay per click. IT was the difference between headache, migraine and *Imitrex*. We all know what headache is and we all know what a migraine is and *Imitrex* is a prescription

drug that knocks out a migraine headache in fifteen minutes, magic pill kind of thing. *Imitrex* is about four bucks a pill, by the way. Something like that, maybe it's sixteen dollars a pill. It's like really, really expensive. Well, headache is a ten-cent keyword, roughly. Migraine is a fifty-cent keyword. *Imitrex* is like a five-dollar keyword.

Glenn Livingston: Right.

Perry Marshall: Because *Imitrex* is an exact solution to a very aggravating problem. People who do this stuff figure out that *Imitrex* is a real valuable keyword. Well, the reason headache is ten cents, is that even though there is an awful lot of people with headaches and there is way more searches on headaches than there are on either of the other words. Most people can't figure out how to make it work. Now what your method does, is it provides a systematic framework for finding out exactly what will make that work, so that everybody else is floundering around on the word headache and you know exactly how to step them through a process where they end up buying your *Imitrex*.

Glenn Livingston: There you go.

Perry Marshall: Right?

Glenn Livingston: Exactly.

Perry Marshall: Well, that's pretty valuable and when you can build that maze and be able to take a relatively inexpensive traffic and maybe your machine goes three or four different directions, which you end up making money from all of those channels. That's a big deal.

Glenn Livingston: Well because going in two or three different directions means that you've identified more than one selling opportunity on that first continuum.

Perry Marshall: Yeah.

Glenn Livingston: So where most marketers and targets are getting a single need, you're taking this educational approach and intercepting people early to become bonded to you. This is the way to have a customer for a lifetime and to take care of all the needs they have in that category.

Perry Marshall: Take them off the market. They're not searching anymore.

Glenn Livingston: Yeah, that's the whole idea.

Perry Marshall: That's the whole goal, when you're a marketer and you're buying clicks is; okay, they type in headache. They come to my website and they never ever do another search for headache, migraine or anything else again. I take them off the market.

Glenn Livingston: You got it.

Perry Marshall: Right?

Glenn Livingston: Yep.

Perry Marshall: Hey, let's do that.

Glenn Livingston: So let's go back to this interdisciplinary thing again, because I am really jazzed about that.

Perry Marshall: Uhuh.

Glenn Livingston: You know my other career was consulting for Fortune 500 companies, kind of a very weird direction my life took. I had to take a course in computer modeling of behavior in order to graduate my grad school. I never thought I would use it and I was late in the planning, so I had to study it myself. I couldn't even attend the class, I had to make the class up and get a professor to rubber stamp it, but I had to study like crazy to do that. So I got really good at it. What that meant was, I would set up situations where I would translate human behavior into something the computer could look at. That could be something as simple as the answer to an open-ended question. What are the most important questions about guinea pigs? Well, most marketers these days are just kind of, looking at the answers and getting a sense of qualitatively, what the most important questions are and which are less frequent. But, what I saw there early on was that if you really put that into categories and built a code book for it, then you could look at the relationships of those answers to other questions you might ask people. Like how hard it was to find the information or even gender and age and demographics. That when you did that, the computer would see things that you wouldn't see just scanning through with the naked eye. For example, it could see what information, what questions people were having a very difficult time

finding on the internet. That's the difference between point of difference and a price of entry. A price of entry benefit is something that every product is expected to have or it's not going to be considered.

Perry Marshall: Okay.

Glenn Livingston: Whereas, the point of difference is what will get people to actually buy.

Perry Marshall: So every car has to have tires, but a sport car is expected to have these really special Turelli tires. Right?

Glenn Livingston: Yup, and a certain degree of acceleration and there's a way of figuring that out. What people will actually pay for versus what they just expect the product to have. One of the keys to doing that is going through the effort of quantifying the qualitative information in your surveys and then making sure that you are asking things; like how difficult it is for people to find the information. I'll also ask people if they would be willing to talk to me afterwards. Would they be willing to leave their phone number, because I figure if people really want to know something, then they'd be willing to give up anonymity and spend some time talking to me. Especially for markets where you're going to have to do some telemarketing. Like you are doing lead generation and you want to know which leads do I emphasize when I am spending time and money to pay telemarketers to call them. Well, the market areas where people left you a phone number in the survey. There's a very good bet that they are going to be open to a telephone call.

Perry Marshall: Right. So that's a very real indicator of how many of these people are likely to buy from you, too.

Glenn Livingston: Yeah. So when you start to combine some of these things. How difficult it is for people to find the information and will they give you their phone number and did they just write a couple of words or did they write a whole paragraph with a lot of details, then you start to be able to see which questions people leave their phone numbers for and which questions they give more quality responses for. You can start to zero in on the market areas that really represent market gaps, really things that people really much desire, but are not getting on the internet. What's the quote from that librarian? We're drowning in information, but thirsting for knowledge.

Perry Marshall: Yes. {chuckle} I would even add that a lot of people don't even have a clue about wisdom, which is yet another thing. There's this sea of information out there and there is all this kind of stuff. People really do not have the time or the patience to go look for the needle in the haystack, right?

Glenn Livingston: Exactly.

Perry Marshall: I think when all of us starting using search engines, I think that we all discovered that we really didn't want to sift through page five, page six, page seven of all these results on the search engines in order to hopefully find this little nugget, because it was so much easier to just to do another search, right?

Glenn Livingston: Yes.

Perry Marshall: What our job really becomes then, is we've got to put the thing that they'll pay money for in front of them right away. If they are not educated about buying, then we need to understand based on what they just did. Where they are in the buying process, so that we can just step them right into exactly the next step.

Glenn Livingston: Exactly.

Perry Marshall: When you do that, it is so powerful, and like in the case of your guinea pig site, you've done that so well, that every time a competitor comes into your market it makes your sales go up, not down.

Glenn Livingston: I find that in most markets actually.

P; Most markets?

Glenn Livingston: Yeah.

Perry Marshall: Isn't that a great place to be.

Glenn Livingston: I'm always a little scared when I say that because sooner or later a competitor is going to come along and prove me wrong. I guess it's that if you really understand your customer better than anybody else does, most people are lazy and not willing to take the time to do this. They don't realize this is \$1000/hour work. They are looking for eh quicker and easier way.

Perry Marshall: Right.

Glenn Livingston: So when people try to come into a market, they look for a quick and easy way to do it. Theoretically, you could reverse engineer what I have done in many markets. Theoretically, you could take the time and go sign up four or five times under my different segments. Pick a different value for the drop down every time you signed up and then follow the follow up sequence for six months and see which benefits I'm highlighting and which ones I'm prioritizing. Study the differences in the sales letters and by the time you've done that. By the time someone realizes that's what you'd have to do they say; well, I'll just go off to another area. It's kind of like a thief who sees a house with a really good alarm system, because he is a thief, he is looking for the easy way. He is looking for easy pickings, so he is not going to go bother you.

Perry Marshall: Right. Well, isn't that how most of us end up safe, instead of having our house robbed?

Glenn Livingston: Yeah.

Perry Marshall: Or a bunch of lawyers decide to sue somebody, they have to do a little due diligence and for some people it could be; wow, this guys stuff is sitting there ripe for the taking. Or for a different person it's; wow this guy's stuff is hidden in four different trusts and six different corporations. Man!

Glenn Livingston: It's a much bigger obstacle.

Perry Marshall: It would take years to get. So, that's what you've got. There's much easier markets to go tackle than guinea pigs because Glenn has done guinea pigs right and he's put himself into a position to completely dominate that market and so it tends to scare people away. The other kind is, one of the things I've learned in doing what I do, is that I sell a lot more stuff if I make things sound really, really easy and that's unfortunate that that is the way things are, but that is the way things are. I would submit to you that going through some of these steps, before you dive into a market is the easiest way to make it work.

Glenn Livingston: I'm not looking to spend extra time or do extra work in any way, shape or form.

Perry Marshall: No, you've got over a dozen different businesses that you're running, right?

Glenn Livingston: Yes.

Perry Marshall: It's not like every time you do one, you want to make it harder. Nothing could be further from the truth.

Glenn Livingston: I just become more and more convinced, whoever understands the customer best, wins. It's that simple. When I want to go into a market, first of all, I'm going into bigger and bigger markets. I started out with these ten-dollar guinea pig books, but now I'm selling things with thousand dollar, two-thousand dollar tickets.

Perry Marshall: Yeah.

Glenn Livingston: If I am going to take the time and energy to do that, then I want to make sure that I do it right. So, I've been more and more convinced that what you're really doing is moving the learning curve up front. You're moving it up front before the launch instead of after the launch. Of course you are still testing and tracking and learning what goes on after you launch like normal, but how cool is it to start right out of the gate profitable and be 98% confident that you're going to get there.

Perry Marshall: Yep.

Glenn Livingston: One of the reasons that I am 98% confident of the profitability when I actually get to the launch is because there's also a process for quantifying the risk involved in every keyword group that I am going after and if you are talking about offline market, its in every media channel that we're going to be advertising in. There's a way of kind of backing into that, so that you know which media channels and keyword groups to launch with and then which ones to roll into afterwards because they are a little bit more risky.

Perry Marshall: Okay so, most people go to *Wordtracker* or *Overature* somewhere, they get a lit of keywords and that's all great. But after they go through your process, they're going to know this is the one that is going to be the easiest to make money with. This is the second easiest and then these other ones here, are the ones that are going to take some more effort.

Glenn Livingston: Basically, that's because the tendency for people to begin a relationship with you as a marketer, sign up for your newsletter or accept a phone call or to telephone you, their tendency to do that is in direct proportion, I find, to their willingness to take a survey. When you can look at the statistics by keyword group then you know that X percent of the people who took the survey know X and Y percent of the people will actually sign up for your newsletter. Usually if I do a really good job with my sales process, between five and ten percent of the people, minimum, who signed up for the newsletter wind up buying something. Then all you do is look at; what are people successfully selling to that keyword stream already? If they're successfully selling a product that's got a twenty dollar margin, then you know its costing you five or six cents a click, well, you've got to be able to make a sell within three or four hundred clicks or its not going to be viable.

Perry Marshall: Right.

Glenn Livingston: You can work out what your estimated cost per sales are going to be. What your estimated cost per lead is going to be and this is a really big secret to launching something profitability because you kill all the media channels that are not going to be profitable or look like they are not going to be profitable right out of the gate. Until, you know what your surplus is and you can roll them out slowly.

Perry Marshall: This is always been the thing that separates the men from the boys in pay per click, is that, there's all these words and everything that appear to be the same and they're not. There is some that are going to make a profit and some aren't and if you can just focus on the ones that are going to be profitable. And again, the point is here, you can make that determination without first trying to sell something to all these different keywords and determining over months and months with conversion data that; well, gee I guess these people don't want to buy anything.

Glenn Livingston: Right.

Perry Marshall: Not only that, sometimes its not that they don't want to buy anything. It's that you didn't understand what they were looking for. So the guy that was searching on guinea pig was looking for one thing and the guy that is searching guinea pigs was looking for another things and so to somebody that thinks everybody is the same. One of those keywords will only generate seventeen cents of revenue,

but to somebody that has figured out what they really want, maybe its worth thirty or forty.

Glenn Livingston: You know, I think that is a good point also because people fear that I have developed this formula by going into market after market after market and I did all this research before the launch. However, the truth is that the more valuable place to apply it, is if you've already got an existing business that's got some income.

Perry Marshall: Mmmm.

Glenn Livingston: Because most people think and most people, treat their prospects as if they all fall into one bucket.

Perry Marshall: Right.

Glenn Livingston: Perry, I think the way that you put it is people think they've just a bunch of green ping pong balls going by them, but really they've got some green ping pong balls, and yell ping pong balls and red ping pong balls going by and if they take the time to learn exactly what each of those ping pong balls wants, then you know you can double and triple and quadruple your profitability.

Perry Marshall: Uhuh.

Glenn Livingston: Just like most of the people on your list that have had the experience of peeling and sticking keywords into separate ad groups and when you do that you so dramatically increase the message the market match, that its not unusual to get two, three, four, five times the click thru rate. This is just carrying that principle to your landing page and your sales process. That's all this is.

Perry Marshall: So tell me how this has evolved. What's the difference between the under-achiever method, which uses some similar concepts and what you're doing?

Glenn Livingston: Okay. First of all, I respect the underachiever method by Frank Kern and Ed Dale and I think that they have got some very valuable training and they've actually packaged it up in an easy to understand way for new marketers. So I would consider this to be a dramatic build on the underlying principle and the underlying principle is to survey them and then sell them. If you've got a group of people in a room and you ask them what they want for lunch and you take very careful notes and you go out and get them lunch and

bring it back. Then, the odds are very good that you're going to be shooting fish in a barrel. They are all going to buy that lunch from you.

Perry Marshall: Mmhmm.

Glenn Livingston: So if you can survey a market and take very careful notes and go back and give it to them, the odds are really good that if that's what they want they are going to buy it. But, there are probably about two dozen enhancements that I've brought from these different disciplines from my background. One of them is, looking at a more granular level and looking at what the individual keyword wants and not just what the market as a whole wants. Number one is looking at the points of difference, as opposed to the price of entry. Looking at the depth of the relationship that people are interested in. There's some more advanced stuff that I can do to find out what group of people is most likely to be hyper-responsive, and exactly what they want as opposed to the rest.

Perry Marshall: Let's pause for a second there. The word hyper-responsive. I remember when I was somewhere and the subject of hyper responsive came up and it hit me that I'd always sort of thought of; well, okay, I've got people that didn't buy and I've got people that did buy and obviously we don't make any money from the people that didn't buy. So I want buyers. But there is another kind of person, which is the hyper-responsive customer. This is the customer, they don't just buy one thing, they buy everything you got. Or they buy most of the stuff you got or when they are offered basic, small, medium large; they order the large. They spend a hugely disproportionate amount of money and the hyper-responsive are like 5% of your list. If you structure your business correctly, they are also 50% of your profit.

Glenn Livingston: Because of the 80/20 rule that you've been teaching.

Perry Marshall: Yes, it's the 80/20 thing and it's a whole lot easier to serve five percent than to try to cater to 100% of your customers.

Glenn Livingston: Perry, the thing that I have really learned from you is that when it comes to the 5%, your thinking about them as a marketer, actually the opposite of your thinking about the rest of your list. Because the less responsive person on your list is trying to figure out how to figure my cost per acquisition and I've got a reasonable

rate and to make sure that I maximize my margin on the first sale or two.

Perry Marshall: Right.

Glenn Livingston: But for your hyper-responsive people, you're actually thinking; well, what can I spend more money on a month. What gift can I give them? How can I be in closer contact with them? How can I spend more on resources, because those come back to you in faith.

Perry Marshall: Yeah and so there's lots of people that don't understand hyper-responsive buyers and so they don't do anything about it and so they automatically leave very sizable portion of their profit on the table. They never know it's even there. They spend all this effort trying to shave pennies on marketing expenses. Shave pennies on clicks. If we add six dollars shipping and handling we'll make this much more money and all that. That's all fine, but then they are leaving all this money on the table, when you understand the hyper-responsive group and you cater to them, then you are vastly more profitable. What only a few marketers know, that you can start an entire business catering to hyper-responsive and ignoring everything else and you might be able to mine a considerable amount of profit from a market with a very, very small operation.

Glenn Livingston: Here is a very specific example that I think most of your listeners can relate to.

Perry Marshall: Okay.

Glenn Livingston: A great deal of your list, I would imagine, uses an opt-in form.

Perry Marshall: Yeah.

Glenn Livingston: And some of those people on the opt-in form will have a question like, for example; what's your most significant challenge where your head is today? Maybe some people would actually go as far as to collect gender and age categories on the opt-in.

Perry Marshall: Yep.

Glenn Livingston: Some people would and some people wouldn't. But, what if you figured out that there were certain questions that people would submit for certain major concerns, people would submit in that box. That made them 18 times more likely to sign up for a continuity program for *Imitrex*. So the lifetime value of that customer is worth like \$1000 apiece.

Perry Marshall: Hmmm.

Glenn Livingston: Well, if they were 18 times more likely when they typed in; I've had chronic headaches for three years and if they mention chronic headaches and they mention that their work capacity has been reduced. Let's say they are even more responsive if you know that they are men verse women.

Perry Marshall: Hmmm.

Glenn Livingston: Well, you can set up a little scoring system on your site to show you how likely it is that person is going to respond to a continuity offer and then you can get on the phone and call those people in particular knowing that you're really working the bull's eye. I think that most people in internet marketing, at least when they start, they think; well, email is free to send and communicating with people doesn't cost anything, so lets not bother figuring out which is the better prospect and which is the worse prospects. So there is all this waste in marketing.

Perry Marshall: {chuckle}

Glenn Livingston: What they don't realize is that they are training people not to read their email list.

Perry Marshall: That's right.

Glenn Livingston: Yeah.

Perry Marshall: Big mistake.

Glenn Livingston: This is a way that you can leave your target your best prospects, so that you can go after them full force.

Perry Marshall: That's right and it may well be that offline marketing. Send them stuff in the mail, send them things like that

may significantly increase that. If you can figure out who those people are first, well hey...

Glenn Livingston: That's what it's all about.

Perry Marshall: Then you only have to send those letters to one tenth as many people. That's a big, big, big deal.

Glenn Livingston: I actually was fortunate enough to apprentice myself with the director of core development as *American Express*. This was in the days before the internet, or it was just like 1992 or 1993. He was teaching me that when *American Express* is recruiting for new card members, there are not just going to send out a million pieces of mail to any old list.

Perry Marshall: Mmhmm.

Glenn Livingston: They've got a very sophisticated algorithm for figuring out who's likely to respond, because they are talking about millions and millions of dollars on their mailing.

Perry Marshall: Mmhmm.

Glenn Livingston: There's no reason we can't do that also. Just because we are small entrepreneurs and we don't have access to a team of statisticians. The formulas that you need to segment your prospects in terms of their probability of responding and isolating the hyper-responsive and really implement a lot of this technology that Fortune 500 companies have been using. You can really do it using just a simple spreadsheet and a simple survey.

Perry Marshall: Let me pick up on that because, first of all, yeah Fortune 500 companies do this kind of stuff and the irony is that, just based on having worked for companies. I would say first of all, most of them end up bungling the use of that information anyway.

Glenn Livingston: Yes.

Perry Marshall: Okay. So, they might have done all the research right, but the sales manager's got a big ego trip or somebody is still sniffing some glue somewhere and they end up throwing all that information away and not really using it properly. Secondly, they can afford that waste a lot more than we can. You're a small entrepreneur

and we all know how fragile that can be. The difference between failure and success is sometimes very small differences, right?

Glenn Livingston: Absolutely.

Perry Marshall: The third thing is, words like statistics and metric have gotten thrown around here, but one of the things that was really intriguing to what Glenn is when you were developing all of this stuff. Is when you first started publicly talking about this at seminars and stuff like that. This was at a stage where, if you wanted to do Glenn's method, you had to take all the research surveys and all this kind of stuff and at some point you had to inevitably had to know something about statistics stuff and the advice at that point was like how to hire a grad student. Which all this was doable, but it was really intimidating for most people. So, you kind of panicked.

Glenn Livingston: I did.

Perry Marshall: Because you were getting a very sluggish response from some of my coaching members, you went into this panic, and you went, reformulated this into something that could all be done on a spreadsheet.

Glenn Livingston: I made a kind of For Dummies version, which when I look through it, I realize that probably about 92% of the value can be done with additions, subtractions, multiplication and division and simple percents.

Perry Marshall: Yep.

Glenn Livingston: Like most eggheads, I'm kind of enamored with the best software and techniques and I could sit at my computer and play with these fancy statistics. But the truth is that it is all about building a code for your open-ended questions, which is something that any tenth grader could do. Sorting those codes into separate groups, based upon responsiveness, based upon gender, looking for differences, which all do on a spreadsheet. Then looking at the relationship amongst the group so that you can understand that search continuum, how people go from one keyword to the next, to the next, to the next. That's what it's really all about. It gives you the bulk of the value.

Perry Marshall: It's really not all that hard at all. Brian and I have implemented some of these methods on our website and in our sales

funnel. We've got existing stuff. It was already working. We didn't want to screw anything up, so what we did was we took little slices of our traffic and they are going into these survey buckets basically. We're finding out what people want. What people are stuck on? What's happening here is we're learning things about our prospects where the tradition split testing and the usually approach would have only told us what worked in acquiring customers that we were already getting. So, we are learning about our prospects, much more than ever before. We are understanding all kinds of new things that we just would have completely missed, because when you ask people questions, they'll tell you things. You just never otherwise would have possibly expected.

Glenn Livingston: In a language that helps your sales letters more or less write themselves. People get scared that, well if I am going to have to break out my sales process into three or four processes and have all these different follow-up systems; well, what actually happens with this system is, you see the language that people are using for every benefit you could have to offer.

Perry Marshall: Mmhmm.

Glenn Livingston: And a lot of benefits that you didn't think of.

Perry Marshall: Yep.

Glenn Livingston: You get the exact priority of that language, so you kind of know how to order the bullets and order the sub-heads and what goes in the headline and what's next most important, next most important, next most important. You see how those priorities are different for the red ping-pong ball and the green ping-pong ball and the yellow ping-pong ball and the sales letter more or less write themselves. So, it actually takes a lot of the agony out of writing the sales letter. Also, knowing that your writing a sales letter that matches exactly what they want, give you a lot more energy and motivation to get the sales letter done than sitting there agonizing; well, should I use this word or that word?

Perry Marshall: You're not even worried that you're guessing. They told me what they want. So now, I am going to explain to them, that this is what they are going to get. It's so much easier.

Glenn Livingston: There you go. Perry, have I covered the principles? Should I talk about what I also have available if people want to...

Perry Marshall: Yes, please, because I think this is a huge and shortcut. Does it involve work? Yes, but I would submit that going through this process involves less work than however else you might do things. Especially, going in on half cocked or just thinking you know. Yeah, this is so much better. Yeah Glenn, I have kind of watched this all been put together over the last six months. Yes, tell us about it.

Glenn Livingston: First of all, regarding the work, I would say that it requires time and effort the first time through. You really need absorb the materials and organize your advertising and figure out how to put the surveys up and get step-by-step guides to the flow chart, this is how the seminar was done. Which by the way, Perry came as a student to the seminar.

Perry Marshall: Yeah, and I had a great time. It was very insightful.

Glenn Livingston: {chuckle} It was a real honor for me to have Perry and Brian come as students and then go back and actually implement what I taught them. But I did write outsourcing guides for every module. I set things up in modules so that you can outsource pieces and parts that you don't want to do the second time through. I really do suggest that people do it the first time through by themselves. Initially, and I am not going to do this for the long run, because I'm not a dollars for hours kind of guy, but initially, I'm giving people three individual consultation coupons with the system. So that you can fax me in a note about how you are doing or what your doing and we can get on the phone for half an hour and go over the best ways to implement things for you personally. You do get very personalized attention. There's all kinds of bonuses and what not. Basically, we had a two-day seminar at my house. Perry was there, Fred Gleek was there, Brian Todd was there, Bill Harrison was there and a number of top marketers and I gave everybody permission to interrupt me at any time if there was anything that they didn't understand. If they wanted my clarifying or wanted to contribute something, just as Perry's been doing over the course of this call. It was an organized lecture, but we also had some very strong masterminding going on and I think that some people that will watch the DVD's feel sometimes the value of a mastermind is even more of value than the seminar. There is a couple of bonus seminars you get. There is about 12 extra hours of audios and what I'd encourage you to do is to go over to www.MarketResearchPower.com and you can look

at the dozens of video testimonials from the dozens of people that were actually there. A lot of things that Perry said, while he was there that he has said in this call, you might want to take a look and see what Perry said, what Brian said and get a sense for yourself of what exactly is in the package. I want to let you know that if you go through the Perry sent me dot com link that actually gives you an extra discount in the shopping cart. So you actually go to the page and you'll land on the main page and you'll read about the package and then when you get to the shopping cart, just before you submit your order. You should see a 33% extra discount over and above anything that you see on the main page and that's for Perry's subscribers going to Perry sent me dot com. Did I leave anything out Perry?

Perry Marshall: I just wanted to say that when I started to master Google Adwords and figure all this out, internet traffic became this very controllable scientific enterprise. It's like; okay, I buy these keywords. I write these ads. I optimize the copy, here's the landing page, here's the opt-in page, here's the sales letter. We test and we track and we do all this stuff, well gee; what else is there? Kind of like it's the end of a scientific advertising. Clyde Hopkins. Somebody says to him; this is so scientific. This is so figured out that there isn't anything else to figure out. I kind of feel that way for a little while and then it turns out that is just never quite true. There's always this new discovery and in this case, it's discovering that there's a whole nother dimension to this, that most people are totally ignorant of and there's nothing quite like when you know something that everybody else just doesn't know.

Glenn Livingston: Right.

Perry Marshall: I can assure you that most marketers are not going to get to this level of knowledge. When you have this kind of knowledge at your disposal, its pretty powerful stuff. So, this is something we're using in our sales processes. You know Glenn, I've got to tell you a story and I've never told you about this. I think you'll like this story.

Glenn Livingston: Okay.

Perry Marshall: I'm on the Board of Directors of a start up company that is creating software for a certain market. Okay? And they got me involved because the guy that I am a good friend with, say to the president of this company. You've got to get Perry, he's a

marketing genius. You gotta, gotta, gotta, all this stuff. So they get me in. So I'm in the Board of Directors and this is a start up company. Start up in ever sense of the word. They are developing product right now and the product is not ready for show time. I told them, just before our board meeting that we had, I had come home from your seminar and learned this whole survey method and I got there, and they're like we are going to start buying traffic six months from now. The software will be ready and it will be working and everything like that. And I said; No, this is what we need to do. We need to use Glenn Livingston's survey method.

Glenn Livingston: Oh cool.

Perry Marshall: And we need to buy traffic now and we need to find out what all these people want and how to talk to them and how they talk back to us and which pockets of keywords and which pockets of traffic actually contain likely buyers and which ones don't. So the president of the company says, okay that sounds like a good idea and I put together a survey and I gave it to him and then I get this email that says; well, we decided against this, because well, I don't have time to explain right now. Well, I was too busy to try and go fight him. So I just let it ride. Well, whatever. I thought obviously, I am not charging these people enough money, because they are not listening to me.

Glenn Livingston: Right.

Perry Marshall: So then, we had another Board of Directors meeting, like two weeks ago. We sit down and everybody's talking and everybody's giving their opinions and all this kind of stuff and one other guy notices that I'm, not saying anything. I just sat there, I didn't say anything for like half an hour, forty-five minutes and everybody is going on and on and talking about all this stuff. Hey Perry, you haven't said anything. Well, he got me started and I gave them all a big whipping. I told them and I mean I got very stern with these guys and most of them don't really know me. As a matter of fact, none of them knows me the way the people listening to this recording know me. I was just another guy in the Board of Directors, another investor in the company, whatever, right? Yeah, Perry is some kind of marketing guy. These people did not know that I charged people \$725 an hour to talk to them on the phone.

Glenn Livingston: Right.

Perry Marshall: Okay, they do not know that its like my job to stay on the cutting edge of marketing stuff and that most of my customers don't have what this company has, which is the luxury of investors buying in at twenty, fifty, hundred thousand dollars and then okay, we've got six months, a year, two years to make something work. Most of my customers do not have any of those luxuries. My customers have to make things work now. We had a pretty confrontational board meeting. I told them that the least expensive way to find out how to talk to these customers and what they wanted and what it was going to take to make this work. How we were going to write the copy and make the pages and what offers to give and everything else. The cheapest way to do it was to buy the traffic now and do these surveys and find out what people want and back the sales process before we even have a product to sale.

Glenn Livingston: Right.

Perry Marshall: I said if you wait until after you have a product to sell, then you add another six to nine months of figuring things out and your risking all your investors' money to do it. That would be stupid.

Glenn Livingston: I love it.

Perry Marshall: So we go through all this and there was this lady, she was like; Well, why would anybody want to take a survey. I wouldn't take a survey. I go, I don't care if you'd take a survey, maybe you wouldn't. But some percentage of people will and we get this all figured out, we know that if X percent of the people take the survey and fill it out, that that translates to Y percentage of buyers once we've got a product. We know that. But we don't have the website all ready yet. The website would screw up the survey results.

Glenn Livingston: I love hearing this and it all falls under what I think of as marketing illusion, because it's a little bit counter intuitive and most wont want to do it because they don't have the website ready yet.

Perry Marshall: Right.

Glenn Livingston: It's not part of their normal process and that's all the better for those of us who do. It's all the better because it's that much more of an advantage over the competition.

Perry Marshall: That's absolutely right and I pounded sense into these people. I answered every single objection and I even had to do a thing which I really don't enjoy doing, but I kinda had to assert my authority and my expertise. Some guy was sitting there with a laptop and I said okay. I want you to type in Google Adwords, do a search on Google for Google Adwords. I'm showing them, okay, what do you see? How many times do you see Perry Marshall this and that? Now, I'm not the kind of guy that enjoys doing this, but I Just had to rub their nose in it to get them to pay attention. By the end of our meeting, everybody was convinced, okay, I agree. Perry's right. We need to do this, it's the least expensive thing. Then the meeting after the meeting was with the president and some other guy and I spanked them a little more. Its like, we are doing Glenn's survey method for this start up company.

Glenn Livingston: Very cool.

Perry Marshall: There are no and's, if's or but's about it. It's the least risky way to figure out how to talk to all these people if you can buy keywords on the open market, then we are going to buy keywords on the open market and we are going to make this work and we are going to make all of this work before we go to the partners and the organizations and the trade associations that people that would send us highly qualified traffic. Like the really good customers. If somebody's got an email list and they got a relationship with their email list and they can recommend your product. That's much higher quality traffic then what you get from pay per click.

Glenn Livingston: Exactly.

Perry Marshall: But, you only get it once.

Glenn Livingston: Gotcha.

Perry Marshall: And if you screw it up the first time, there is no second time. So what you have to do is you have to go buy traffic as a commodity on the open market and make it work.

Glenn Livingston: No matter what you do, it should all proceed from understanding your customer better then everybody else.

Perry Marshall: Yeah.

Glenn Livingston: No matter what you do. No matter what your marketing plan is. If you don't understand your customer better than everybody else, then you are behind the eight ball.

Perry Marshall: That's right. That's right. So hopefully, a few months from now, everybody is going to have dutifully complied the way they said they would. Then I'll have a big story to tell. I've got money invested in this company and there's a lot of other people with money invested in this company. If I have anything to say about it, we are doing this before we do anything else.

Glenn Livingston: {chuckle}

Perry Marshall: Especially because the product isn't ready yet.

Glenn Livingston: Yeah.

Perry Marshall: Nine women can't have a baby in one month, right?

Glenn Livingston: Right.

Perry Marshall: The product that they are developing is going to take time and they've already got beta testers and they are all working on that end of it. But just because you made the beta testers happy and just because you made the people that are most inclined to like your product. Just because you made them happy, doesn't mean that you figured out how to explain it to everybody else. That's why we are doing this. We need to know which keywords convert and which ones don't. All of that has to be done and if they wait until after the product is done and then start all of that, it's just going to make this whole thing twice as long. And we don't have twice as long.

Glenn Livingston: You'll let me know if you want me to show up and beat them up for you?

Perry Marshall: {laughter} Well, I'll probably do good cop/bad cop or something.

Glenn Livingston: There you go.

Perry Marshall: Maybe I could be the bad cop and you could be the good one, I don't know but...

Glenn Livingston: It's not as much fun, but I'll take it.

Perry Marshall: But yeah, I never even told you that story, but yeah, do I think it's worthwhile? Absolutely.

Glenn Livingston: Perry, we kind of talked about the simple math part of it where you're reducing the risk and identifying the market gaps and doing everything that you do on a spreadsheet. But what we didn't talk about was, the human side of it and how a large part of the source of my power is once I'm done with this follow the math. And I think of the math as really providing the skeleton of the market, showing me the structure, how the bones are connected together.

Perry Marshall: Mmhmm.

Glenn Livingston: To put on the flesh and bones we get on the phone and we talk to people and my wife and partner, who has conducted over 40,000 interviews in specifically understanding emotional reasons for purchase and linking them to the features that make people believe them. It's her philosophy that you want to link an emotional reason for purchase to a logical feature that actually makes sense and actually delivers it. She demonstrated several times how to do those interviews. I think Perry you and Brian were actually surprised because Brian mentioned to me that he used to think that, that type of interviewing was very touchy feely information and incredibly powerful if you get someone who knows how to do it. Sharon was willing to demonstrate and I have actually put in a couple hours of audio interviews into the system itself. So that's in there too.

Perry Marshall: That was actually one of the surprises in the meeting. I've been conditioned by various dogmas that come from the direct marketing world that say focus groups and stuff like that are silly and fanciful kind of deals. Well, not necessarily. {chuckle} Especially, if you have somebody that knows how to do it. She went through a number of exercises where the very illuminating examples of how you get to the softer squishier aspect of what people want. They are easily ignored, but they end up being very important as to whether or not you actually sell the person. There is definitely some surprise gems thrown in there. Everybody's going to get things that they didn't expect. The thing is, you don't know what you don't know.

Glenn Livingston: Right. Well Perry, thank you so much.

Perry Marshall: Uh huh.

Glenn Livingston: I want to encourage everybody again to go to www.MarketResearchPower.com to learn a little bit more about this system. Remember, that you'll see an extra 33% discount on top of whatever you see on the letter, you'll see that in the shopping cart. Perry sent me dot com.

Perry Marshall: Very good. Well, I certainly endorse this and I think that people who are really committed to dotting their i's and crossing their t's and going into a market successfully the first time are really going to like this. Well Glenn, thank you.

Glenn Livingston: Thanks Perry.

(End File)

Thanks very much for your time and attention. If you would like to find out more about the Comprehensive Marketing Research System that I have used to succeed in market after market, please visit www.GlennSentMe.com