

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 previous 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 nuances in people's 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 can't 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 _____ 26.29 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 want 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 then 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: Hmm.

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: Hmm.

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 then 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 then 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.perrysentme.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 then 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, its 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.perrysentme.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)