

Marketing Hotsheet # 1

"It's a wise man who profits by his own experience, but it's a good deal wiser one who lets the rattlesnake bite the other fellow." - Josh Billings

Thanks for firing up your minds with tested marketing ideas. In this issue, you will read:

01a | Why did Willy Sutton plunder banks?

The millionaires secret that Willy Sutton knew and used it with negative means

01b | The magical laundry lady

Discover what the magical laundry lady did to *reduce* her workload and how that strategy backfired!

01c | Changing the fashion game

How "Theory" zoomed to 200 million dollars in sales with 0 advertisement

01d | Enlightenment near the elevator

How can you pick a page from the mineral water industry and charge top dollars for your products?

01e | Which hotel allows you to check out at 8pm?

Discover how a Los Angeles hotel changed the rules and had a record 90% occupancy rate

01f | Bob Dylan's secret

At age 62, what is Bob Dylan doing in an ad for Victoria's Secret that sales lingerie?

Print the marketing hotsheet, grab a paper and pencil and read away...

01a | Why did Willy Sutton plunder banks?

You might remember Willy Sutton. He was a smart man. But he used his intelligence in a wrong way and for the wrong reasons. He looted banks. He was wanted for robberies in Miami, New Orleans and New York. He was so ingenious in his robberies that people spoke about him in reverent tones. His methods were respected in a fearful way. Until he was caught on March 9th 1950.

After he was caught, a reporter asked him: "Why did you plunder banks?"

Without blinking, he replied: "Because that's where the money is."

Willy did the wrong deeds. But he got one thing right: Go where the money is. Target an audience who has money. And who is willing to spend it.

Burger King implemented this basic idea in their marketing strategy. Their strategy? Open up stores in close proximity to McDonalds. They targeted a location where people who like eating at fast food joints already go. And to attract these people to come eat at Burger King instead of McDonalds, they started customizing the meals. They custom made burgers when others were mass making them.

Action summary:

- Go fishing where more fishes can be found.
- Then hook them with bait.
- Burger King went to locations where a target audience of people who eat at fast food joints was already available. And then they hooked them by customizing the meals.
- Determine where your target audience already goes. And then go sell your products at that location.

01b | The magical laundry lady

Half a century ago, a lady started a laundry service. She was brilliant, magical even. She could take out everything from coffee stains to mud to even pet stains. She had a bag full of tricks to remove any and every type of stain. Her venture was quite successful. Clients were becoming loyal and used to come back to her week after week.

Soon her reputation spread far and wide. She could no longer handle all the work she used to get. So she decided to restrict her services only to one group of people. She changed tracks and started a "laundry service for bachelors only."

And something really strange happened. Her strategy back-fired. She started receiving more work than ever before! When she restricted her services to one target audience, she differentiated herself from laundry services. And every bachelor in town started coming to her for their laundry needs.

What's more, because of her unique service, she received loads of free publicity. And bachelors from nearby towns bought their business to her too.

Action summary:

- You can differentiate your product by targeting one audience.
- It can be more profitable to target a large pie of a smaller cake than a small pie of a larger cake.
- By targeting one audience, you will position yourself as a specialist for the service you provide.
- Market to a smaller niche audience and you will earn more.

01c | Changing the fashion game

Even if you read all the fashion magazines, chances are, you haven't heard about a seven-year-old fashion label named Theory. Theory is not some obscure company started in a basement. It has 9 stores worldwide and generates sales of more than 200 million dollars!

Theory does no advertising. They stay out of fashion magazines. They don't conduct any runway shows. They don't hire any famous fashion designers. Yet they generate loads of cash! Sales are expected to increase to 300 million dollars by the end of this year. What does Theory do to generate these many sales?

- Andrew Rosen, the co-founder says that women get more excited when they discover something on their own and thus end up spending more.
- Theory chooses a retail outlet with care. All of its 9 stores are situated in very good locations.
- Theory doesn't try to follow trends. They don't try to dictate style. Rather they create clothes that they believe will be wearable for years to come. They make certain pairs of pants season after season consistently. By looking out for evergreen trends, they keep their costs at a minimum too.
- They hire great sales personnel. Their sales reps learn everything about their best customers. They remember their names, their habits and even what they do in their free time. And armed with this knowledge, the sales reps can better help the customers to make choices.

Action summary:

- Invest in a good location. A good location has the power of attracting people into the stores without any advertisement.
- Hire great sales people. A good sales person is better than any other tactic such as price discounts, eye catching demonstration... Good location will get people

to visit your store and great sales people will persuade this people to buy.

Old | Enlightenment near the elevator

The building was tall. I was on the ground floor though. Waiting for the elevator to come and take me up. And what I saw while waiting turned some lights in my brains.

A lady in a business suit turned up from nowhere. She went over to a vending machine. And of all things, she purchased a bottle of water. This wasn't enlightening in itself. But when you take the whole ground floor into account, it is a bit. You see, there was a cold water cooler right across the vending machine. It would have just taken the lady 3 steps to cross over and drink water for free. Yet she spent 1.25\$ on a bottle of water.

Why? Why did the lady buy the bottle of water when she could drink water it for free? The answer is perception. It is perceived that bottled water is safer than tap water. It is however not so. According to some studies, tap water contains some minerals that even mineral bottled water doesn't. And these are minerals that the body needs.

Did you know that bottled water
costs more than gas?

It is interesting how perception makes people spend more money on things. Water is available for free almost everywhere. Yet bottled water is big business. Interesting tid-bit: A gallon of bottled water is more expensive than a gallon of gas! And that's not in the deserts in Asia where oil is abundant and water scarce! While gas is 1.7\$ a gallon, mineral water would cost \$3.85 per gallon! This when tap-water is available for free. Packaging and perception makes all the difference.

Action summary:

- How do your clients perceive your product?
- Improving the perception is easy. By changing the packaging, the perception changes too.

- Water is free. Yet bottled water is not. Oxygen is free. Yet people pay money to breathe it in oxygen bars. Just re-package your product and people will be willing to pay more for it.
- It's all in the perception. A book can be sold as a course pack for more money. Free advice can be sold as consultation for more money.

01e | Which hotel allows you to check out at 8pm?

Hotels are very rigid in their time schedules. They don't think in terms of their customers' convenience. They tell you when to check in and when to check out. In most hotels, if you stay 30 minutes more than their checkout time, they will charge you for one whole day!

Phil Baxter decided to change that in his hotel, the Sheraton in Los Angeles. To improve the hotel services, he decided to offer a 24-hour check in facility. It took him 6 months and lots of work to put the idea into practice. He had to juggle with time schedules. Make some changes in certain procedures. And convince the managers and workers to go along with the idea. Phil even learnt Spanish to calm the fears of the cleaning staff.

And his hard work paid off. When other competitors' hotels were 66% full, the Sheraton boasted a record 90% occupancy rate!

Action summary:

- Do more for your clients than is required by the industry standards. Try to remove procedures that are inconvenient for your clients. Give them more flexibility.
- How can you provide better service? How can you improve the experience your clients receive?

01f | Bob Dylan's secret

"I am going to have to go blow my brains out," says John Baky. Why? Because he is a curator of the Dylan collection at La Salle University. And he can't understand what Bob Dylan is doing in an advertisement - of all things for Victoria's Secret.

What is Bob Dylan doing in an advertisement that sells lingerie?

At age 62, he has realized that his fan base isn't getting any younger. He is creating an opportunity to attract the younger audience. And making it back on the radio with re-mixes of his old hits.

And Victoria's Secret has a benefit too. They created a buzz by doing something unusual. And they are planning to make a profit out of the buzz by selling Bob Dylan CDs full of hit love songs in their stores. Another stream of revenue for them.

Win-win for both of them!

Action summary:

- It is not necessary to approach the people who share a similar target audience for joint ventures.
- Joint ventures can showcase your products to an entire new target audience.
- Be a bit different. Do something un-usual. And you will create some buzz where there was none. You will generate free publicity.
- Generate a new stream of revenue by selling some one else's products that doesn't compete with your products. That compliments your line of products.

Next issue:

This is it for this issue. In the next issue, you will read about:

- How Frank sold more ice creams during the recession
- How the founder of Dominos Pizza, Tom Monaghan made 50% more profits on a slow day
- The secret recipe of Hardees six dollar burger
- And much more...

See you in a couple of weeks.

Kind regards,
Ankesh Kothari

p.s. Send me your marketing success story and win a reward. Tell me how you used the marketing tactics revealed in these stories and I'll publish it making you famous. Send me an email at: ankeshk@marketinghotsheet.com