

I Love Marketing Interview 8.6.13

Jay Abraham, Dean Jackson and Joe Polish

Dean: I'm Dean Jackson. He's Joe Polish, and this is the *I Love Marketing* Podcast.

(Theme music)

Dean: Hey, everybody. It's Dean Jackson.

Joe: And Joe Polish. This is going to be a pretty awesome episode of *I Love Marketing*. I would even venture to say, one of the best ever because we have a special guest.

Dean: I agree with that 100% percent.

Joe: Yeah, yeah, we got a special guest too. If you've not heard of him which he ..., I'll say who it is in just a moment. This man is responsible for not only probably billions of dollars in sales generation, but he has probably spawned an entire world with some of the greatest marketers and consultants on the planet.

It's been instrumental and a lot of the learning that me and Dean have been involved in over the years. His name is Mr. Jay Abraham. Jay, it's great to finally have you as a guest on *I Love Marketing*. How are you?

Jay: I'm good and it's very gracious. Thank you. It's little humbling and it's my pleasure to be here. Have at me, I'm going to try to be a [crosstalk 00:01:29].

Dean: "Have at me." I love that.

Joe: Yeah, prior to us starting to record. Jay, we've had no questions that he's seen or he doesn't know we're even going to ask him but Jay has just done a lot of stuff. I kind of have a list of some of the things you've done. You're a bestselling author. You've popularized the phrase, unique selling proposition. You've created a strategy of pre-eminence. You're known as the world's leading marketing authority. You have specialties in marketing and business growth and copyrighting and sales methodology and joint ventures and leveraging other people's resources and on and on.

How many years you've been doing this? For one, I want to ask you that first and then I want to kind of get some background on who you are for people that may not know who Jay Abraham is.

Jay: I've been doing it indirectly since I was 18. I'm 64 and my math is not as adroit as yours but many years, 30 some years.

Joe: I don't know if my math being adroit, but you have one of the most expensive vocabularies than probably anyone that I've ever met.

Jay: There's a reason for it. There's a reason for it, and I'll tell you what it is.

Joe: What is that?

Jay: When I was young, it was very important to me to be a precise communicator. Every day and I have very humble background, everyday, I would take five words out of the Thesaurus and I would use each word appropriately, at least as appropriate as I could knowing, I didn't know what I was talking about at least 20 times a day and I was able to build a reasonably, not articulate, but precise vocabulary.

Dean: That's one of the things that is kind of your ... one of your hallmarks. It's sort of the things that people recognize you for. I've always thought that too that the precision of the language that you use, because you're always filling out the right word. Words make a difference.

Joe: I remember years ago, this must have been 15 years ago, I'm listening to some cassette tapes, Jay Abraham cassette tapes, and he said the word 'engineered reciprocity,' and I never heard that before and I never forgot it because he's got just hundreds of things like that that the way he will say to explain things. You're very good, I think one of the best in the world, at taking marketing concepts and explaining them in ways so that people can understand them and apply. You're not only very strategic, but you're very, very tactical. Who is Jay Abraham? Looking back at your career, how do you explain who you are and what you do?

Jay: I was watching a movie a couple of months ago and it really explained me, it was not a great movie, but it was a man who they were chronicling who's very successful. He could constantly tell people he was hopelessly curious. My life has been denominated by the fact that I was bored. I wanted to learn constantly about as many things and as many industries and as many applications and how everything worked. After enough years it all congealed and converged and I realized that there was so much that people in one industry didn't understand about possibilities. I was hopelessly curious.

Joe: I think I'm kind of hopelessly curious and hopelessly because I've got myself into some really crazy situations. I think there's a lot to be ..., there's truly so much going on in the world, and to me, it's fascinating and all of ...

Dean: I must just say this though, that your hopeless curiosity, you're going to look like a genius in 50 years when all this space stuff takes off, because you're poised for success in the space everything industry.

Joe: Yeah, I don't really know if Jay knows this, but Jay, I own the websites which soon will be doing something with spacemarketing.com, spaceadvertising.com. I even own spaceuniversity.com. I'm very involved with Peter Diamandis. I'm a platinum partner of Singularity University. Ray Carswell is a friend of mine. I'm Richard Branson's largest fund raiser. I'm around all these people that are in the space industry. I'm an investor in Asteroid Mining Company. There's all kinds of crazy stuff going on and I'm getting ready when Space Travel becomes available which will happen very soon.

There's going to be a whole industry that's going to be brought up. I'm going to take all these fancy, effective, I shouldn't even say fancy, that's probably not the right word for direct response. I'm going to take all this knowledge I have of direct response part ...

Jay: [Crosstalk 00:06:21] and repurpose it, that'll be fabulous.

Joe: Exactly. You've done so much. What are you most proud of in your life because you've had some enormous accomplishments? If we just talked about success stories, we could spend two weeks just on the success stories alone.

Jay: I'll tell you what I think, in reflection, because as you get older, you look at what your legacy is. When you're younger, you look at making money and you look. I think that I'm ... again, proudest, most proud, reflectively, that I helped deserving people who didn't know how to fully communicate their extraordinary levels of value and contribution connect with the people who benefited the most. As I got older and more clear in my, not just my vision, but my understanding of powers and the forces, I was able to create things like preeminence and I was able to understand how to harness it.

I think I'm probably, of all the things I've done, and I'm not trying to be arrogant. I've done a lot of stuff with 465 industries that's all over the world, but I think that the people that I've been able to stimulate to achieve and contribute at a higher strata of value creation for their market is what I'm probably the most proud of.

Dean: Jay, in my observation of it, one of the things that always struck me that is kind of a common sheen is that you always seem to act as sort of an ombudsman between the clients and the companies providing the benefit, that you're always helping the company see it from the client's perspective. I think that you more than anybody that in my observation has really kind of introduced this idea of

really falling in love with your clients. I mean, it all does really come from love, is what it feels like.

Jay: It is, but I've been benefited and it will take more than and I will probably take a day to explain all the magnificent and benevolent mentors who took me under their wing and the aggregate sort of a new world view that they gave me. From the very beginning, truthfully, and was like a default naturally, I can't tell you why and how and what influenced, but I always saw, when I had clients, the business was not who I saw as my client. I was almost sometimes transparently through them. I always was the advocate of their market.

I was always the champion of the prospect or the underserved and that was inherent in my thinking sort of naturally, but it evolved as ..., sometimes you have intuitive understanding but it's not crystallized and it's not verbalized and it's not really codified. The more you get, like you maybe mature and deeply reflect on it the more you understand. It's like maybe having oil but not knowing what to do with it or electricity.

Joe: You mentioned mentors. I'm curious, who are or were your mentors and what are those lessons you learned from them, if you could just pick a couple?

Jay: My mentors were of two kinds. Because of my curiosity, I was able to stimulate a sense of openness and collaborative sort of, I want to use the word 'revelator' where people would reveal themselves at a very deep, honest, and intimate, not sexually intimate, but intellectually and heartfelt intimacy. The guy that I worked for, when I did *Icy Hot* taught me to look at life differently. A guy that I worked with when I was in the dry cleaning business taught me to look at life at a whole different way. Claude Hopkins, that curiously was dead, but I met Dan Rosenthal many years ago.

Dan Rosenthal, who anybody ..., you should interview him if you can find him. I don't know if you have or not, but just brilliant mind. He taught me not only to study people from the 20's and 30's when they didn't have the ability to use technology or sexuality or graphics ad, understand pure unadulterated human psychology and enduring immutable facets of the human condition. He taught me not only to read, Claude Hopkins but he forced me to read ... First of all, Claude Hopkins philosophies, scientific advertising then he forced me to read *My Life in Advertising* so I could understand the context of what the man experienced to formulate his beliefs.

He forced me to read, not force in a negative, but he really compelled me to then read *Taken at the flood*, which is the life of Albert Lasker who employed Claude Hopkins and it gave me a really interesting ... I've just been blessed by people and I worked for the Deming organization. I worked with the world's largest

multivariable testing organization. I worked with the world's largest strategic litigation and they had a 160 psychologists and sociologist. I've been blessed by a lot of people. I've worked with 300 experts, none of which came to me for help with their methodology.

They all came for me to help them command premium or differentiate or preempt, but I had to learn all of their methodology at least at a lay level so I could advocate and distinguish and contrast. I got educated by everybody in order ... sort of like an attorney that's going into a new field that you pay for the privilege of getting educated, I had that all my life.

Joe: Why marketing? Why do you love marketing? We're on *I Love Marketing*, it seems like, why this area?

Jay: Because marketing is the ultimate ... it's an integration of education of fulfilling non-verbalized needs. It's transformative, because if your product or service is really superior value creation, you're adding a degree of benefit, enhancement, protection to people's lives. It's very rare in a life, you get a chance to transform enormous quantities of people in thinking by me being able to instill and install preeminence or strategy instead of being tactical, or value added or risk reversal to somebody who ran a business. I was able to help them influence tens of thousands of people and the people, their children.

It's probably intellectually arrogant, and selfish. It gets me a forum and a chance to be sitting here in my basement and my shorts talking to you and know that I had the aggregate geometric influence on millions and millions of people who are not just theoretical, but they are contributing and adding value and transforming. If you've never done that, it's a very, very fulfilling and a very, very satisfying thing. It's probably better than drugs and probably better than sex. It's a very satisfying intellectual thing to do. I don't know if that answer is good but.

Joe: No, I think it's a great answer. To me, I created this video, I don't know if you've ever seen it but I have a three minute and fifty second video. I called it *Selling Evil*.

Jay: I think you sent it to me. Yeah, you sent it to me, I watched that, I thought it was good.

Joe: It's being a champion for marketers because they get really misinterpreted by a lot of people and certainly, there are people that use marketing in malicious ways and sell crap and all into the guy's marketing but real. I always make ...

Jay: But that goes into intent and ethos and that's a whole different discussion, which we can get into. It's a powerful force. It can be used for extraordinary good and it

can be used for extraordinary bad. The wonderful thing about power and forces and things like that if you understand them is, either you harness them for a purpose or they sort of consume you. It's very interesting.

Joe: I always love the comparison that marketing is to a business, what oxygen is to human body. I mean it's that important. Let me ask you about, why do you think the public is so apt to think or talk negatively or talk down about marketers as if they're some sort of nuisance or pest or in worse cases like they're designed to just take advantage of them and manipulate them and screw them over. Why do you think that exists?

Jay: I think it's because of abuse and misuse of power, the power of marketing. They usually don't talk down about Apple and they're pretty good marketers. I think it depends on your intention, your attention to the market. I've been involved in so many activities. I was involved in the infomercial market when it first started. At that point, it was so powerful that it didn't matter intention. People who were scamming, who were totally, totally impervious to even caring about value, made fortunes because the market trusted.

I was involved in the information marketing before probably most anybody that's not older than I am. I've seen rascals, infidels, terribly, terribly poor intended people capitalize and I think that when you get a power that you don't use for ultimate elevated good, you create your own, I think it's a tragedy because I think marketing is the ultimate ..., and I think if I can say this, you're challenging me to think about things from advantage where I haven't for a long, long time.

I think marketing is the most powerful agent of and we can fill in the blank, goodness or badness. Contribution or ... It's not original to me but we were impacted by a friend of mine who says, "In life, you're either a multiplier or a diminisher," you either take a situation and make it great, take people and make them great, take situations and make them exquisite, sublime, or you destroy them, you consume them, you devour them. I'm giving you perhaps an esoteric, intellectualized answer.

I think that is because people who got the power too young, in the beginning of the internet, there's so many young Turks that didn't really deserve to make the money they did. They abused and I'll tell you a story and it's from my past, but it's a very good indicator. One of my many, many multitudes of jobs when I was young was selling radio advertising and I was naïve and trusting and theoretically ignorant. I was very good because of my zeal and enthusiasm in selling companies and retailers and doctors who never, ever used radio.

I believed in my delusionary optimism that our radio station, a 60 second commercial could transform and enhance the success of these businesses and they believed my deluded belief. And to add even one more level of stupidity and embarrassment I sold people who did not have agencies and we had in our radio station an in-house copywriter whose claim to fame was that he could write a 60 second commercial in 60 seconds. I didn't know what injustice and what disservice I was invoking on people.

I would get people to advertise who never did because they believed me and they'd lose all their money, their two or five thousand. I realized that I didn't just lose their 2,000, I lost their faith in the medium and maybe their faith in advertising forever. I think that's, and I don't want to get too tangential, but I don't know if that answers you or not.

Joe: Yeah, I think it answers it very well. It's caused me to really think about it because that's something that I think about a lot. I think of any group of people that are enormously skilled that I think are not only undervalued, if even identified, but they're treated with large levels of disrespect, simply because what people are not up on their down on. If they had a bad experience with a "marketer" they all of a sudden attack the entire subject matter.

It's funny because I've seen very skilled marketers, and I would put myself in this category, that have spent years learning what it is that they know. Someone would go to a doctor in a particular dentist and they would not question what the dentist is recommending because he is a "dentist." Everyone seems to have an opinion on how to do marketing or how not to do it. They have no basis. I see so much incompetence and so much judgment that comes out of the field. I'm always curious if it's even worth trying to change people's minds.

Jay: There's another side and there's a bigger, there's a duality of tragedy. One, is the power is used for the wrong way. The other is, there could be such really quality deserving people that have such a superior product, service, concern, commitment, integrated value proposition, but they do not know how to differentiate. They do not know how to communicate. They do not know how to delineate. They do not know how to demonstrate and so forever, they're mediocre. That's as big a tragedy, don't you think?

Joe: Oh yeah, completely. That's who I think we exist for and that's the real value of someone that embraces it and understands it. A lot of times, people learn about, when I would say direct response in the type of marketing, we teach by accident, I stumbled upon the right type of marketing. You know my story. I was a dead broke carpet cleaner living off credit cards and I learned marketing never thinking I would teach it, or write courses on it, or do what I do today. I learned it because I needed business. I needed to survive and it was a means to an end. I fell in love

with the fact that you can change the message on a piece of paper and it would dramatically increase response. To me, that was fascinating that you could replicate the process of selling through ...

Jay: I got not just enlightened or smitten. I got hopelessly impassioned with the power of qualitative marketing, because I had the chance to look at about a half a billion dollars worth of very complexly sophisticated tests that a big company did of everything from selling to marketing to merchandising to positioning to point of sale to reactivation to preservation to enhancement, to see all the variability. I did the stuff with Deming and I got to see all kinds of variabilities and the aggregate effect of geometry.

I've done lots of things like I helped this, I told you, litigation firm and I saw that I could depict pain and suffering either outrageously painfully or amazingly inconsequential just by my ability to understand the psychology of the market when you recognize the power. I remember the first thing I ever learned that a headline, besides, this is back way, way, pre-internet that a headline can be 80, 90% of the impact and that it can differentiate 21 times for the same cost, the same effort, the same access.

I use that simple understanding to make myself millions of dollars because I'd go and just change people's headlines or I would change their guarantee or risk reversal and I would get 25% of the enhancement and I'd make hundreds of thousands of dollars a month by making the same cost, the same ad, the same direct mail do better. It was hilarious and fascinating at the same time.

Dean: I remember hearing one of the very first examples that I heard you talk about with that was just turning the headline, "Two thirds bank financing on silver and gold into ..."

Jay: It's a true story. It made me \$450,000 for that two hours worth of experiments and I stopped there. I actually was lazy. If I kept doing it, I might have made four million because I just stopped at that headline and that was five times. We tested ways of greeting people at the front door at a furniture store. One time, we tested 33 different ways and one out produced all the rest by three times which doesn't sound that significant until you realize that the furniture company was spending let's call it, doesn't add up, but let's call it a million dollars a month. It was a big furniture company.

They were getting a finite number of respondents to their ad and let's call it a thousand a month, doesn't really matter. They were closing a 150 and all of a sudden they started closing 450 plus by this one shift just how they embraced people at the front door, it increased the average order size too by about 35%. When you realize how many, I call them impact or leverage points exist that

nobody even looks at and I've learned, I'm not trying to be arrogant but I learned how to look at every integrative impact point, leverage point, breakthrough, breakdown that nobody even looks at ... process, sub-process because each one of them has the power of either massively multiplying or monumentally diminishing the overall result.

Dean: Wow, that's amazing. I remember Evan Pegg and I went into a *Jennifer Leathers*, the name of the store. We went in and it was amazing because they had this unique way of greeting people. Instead of saying, "Welcome," or "Can I help you?" No thanks, I'm just looking. They would in just a 20 second sound bite say, "Have you been to Jennifer Leathers before?" And you'd say, "No" and they go, "Well, let me tell you how it works, all this stuff that you see are available in all the leathers on the back of the wall. They're in stock and available for immediate delivery and they're guaranteed for a year," or life or whatever it was. "I'm Susie, I'll be over here." That kind of ...

Jay: It's powerful. I don't think most people, even today, it's almost embarrassing because I know there's nine million online tools and resources. I'll tell you the winning, because the winning phrase that was that much more powerful at the furniture store, I'll tell you because it was pretty interesting. One of the things about testing, and this is where people get self-defeating because of their arrogance and their ignorance, they try to tell the market, "We tried all these things." The winning phrase was, and it makes total sense afterwards, but you don't think logically, it was, "And what ad brought you into the store today?"

The reason, in reflection, why it worked was, everyone else was, "Can I help you?" even what you're saying, but think about it, if I ask you what ad brought you into the day, all of a sudden you don't have an out. You inherently and knee jerk are going to say, "Well, the one for the five piece living room suite." Then I have the ability to say, "Oh, is it a replacement? Is it new? What's the rest of the house? Tell me why you're doing it and you take authoritative leadership.

Leadership is a very powerful concept in marketing. Most people don't really grasp that. I'm sorry, I don't want to step on you but you're bringing out a thought, please continue.

Dean: No, what you just said about leadership is really, you have been very impactful in my thinking on that where you all would say that people are silently begging to be lead. I think that unfortunately, the truth about that is that, as sales people or marketers or business owners, they're also silently waiting to be lead by their customers or by their prospects and they exist there.

Jay: There's an epilogue. You're going to see that, yeah, that's the consultant side. It's stepping on you guys, but there's a little more to it. People are silently begging to

be lead, by someone they trust has their best interest at heart. It's gotten to where it has to be amended and expanded because today, most people distrust your intentions and they distrust your motives instead of trusting you. Even with full transparency with everything else, people, if you know and if you've never interviewed him, you should, Stephen M.R. Covey, and you know Greg Link obviously.

They've done seminal work on the impact of trust and trust building and how it triples your results and cuts the timeline and enhances the longevity of buying relationship. Yet most people don't even think about how do I create the trust that lets the prospect know that I have their best interest at heart, very interesting.

Joe: No, it's critical too because the number one question on consumer's minds is who can I trust. Part of the thing I always talk about is trust with comfort, rapport with comfort and safety. If you can accomplish that, that's who you need to be in order for people to feel, tell me what you feel comfortable with. Dean, you know what I'm realizing by listening to Jay is that I think both of our vocabularies just suck. There's no other way to say it.

Jay: I just told you, I have a love of precision. By the way, a telephone to me is, I know that video is popular but you paint a wonderful picture on the canvas of the mind if you can articulate very dimensional and very animated words and phrases and you can help someone shift by doing that. I've learned over my life that the more not articulate, but the more dimensionally precise I am, the more I help the person grasp my point or my message hopefully.

Joe: I got to tell you a story real quick. We just recently interviewed a friend of ours named John Benson. He's this crazy sort of body builder, a guy with spiked hair and he is the inventor of the ugly video sales letter where it's like a power point presentation with words on the screen and more people are reading copy online than ever before because they're actually watching someone read copy. We just recently did a *I Love Marketing* episode, our second one that we've done with John.

He created this really cool system that helps people assemble and put together video sales letters. I gave him a car that I bought that the company started getting in all kinds of financial trouble. Fisker, the hybrid, yeah, and I paid a \$116,000 for this car. I was going to give it away as a prize but then the company start to get in the financial trouble and I said I can't do that in case someone doesn't have a dealership or some place.

I gave this vehicle two weeks ago at the time we're doing this episode to John in exchange for him writing me a video, creating a video sales letter for me for my Genius Network because I think he'll do a slam dunk job.

Jay: That's smart.

Joe: Yeah. There's couple reasons I'm bringing this up. One, I had a text message back and forth with John earlier today and I told him, we're interviewing Jay Abraham today for I Love Marketing. He sent back, "Jay is my hero." Yeah, this is the guy who learned so much from you and the best that they can calculate, there's been \$10 billion in revenue generated with people that are using his video sales letter formula online.

Jay: That's incredible. Well, God, tell him that I'm flattered. It's really wonderful.

Joe: You'll meet him in New York because we'll be together in New York for you speaking at the Genius Network event next week, and so you'll meet him. The reason I bring that up, is that, this is a guy that really has studied works, the copy, the application and copy. Then our friend, Brian Kurtz, Marty Edelstein, they're all big believers in you. Pay copyrighters, a copyrighter can make you a fortune and you obviously are a master at understanding in the application of words. Many people would balk at spending a few thousand dollars to have someone assemble a website or an ad or an e-mail or a sales letter.

Those people simply are ignorant because they don't know the value of it. I wanted to just simply ask you about copy, how powerful ...

Jay: I'll give you five comments that you just spawned. The first one is I go back to three things. I get started before the internet. We use to one of my many, many careers was I was involved with a company that generated six million leads every year for financial institutions and everybody else. I'm going to tell you about copy, let me tell you about also flawed, non-critical thinking. People would pay us 50 to a \$100 for a lead and then they'd try to save \$8 by sending a package out, third class mail that would take six weeks to deliver. It was always fascinating and number one.

Number two, when Gary Bencivenga was first starting, he was a fee based copyrighter and he was charging \$8,000 a package. I saw his copy and was bedazzled. I called him up and I said, "Gary, I've got a proposition. How about if you don't sell your stuff to anyone? I'll pay you four grand upfront, give you four grand out of the backend and half of the rest and I'll just make it available to people for five cents a name," and he wouldn't do it. Even five cents, excuse me, piecemeal and he wouldn't do it when I was young.

What I've learned about copyrighting also is that people will spend a fortune to bring in. They'll pay a copywriter, big money for the front end and then they'll use like a mediocre journeyman to write the internal stuff and that's the dumbest thing in the world because you've already got the choir and somebody should pay through the nose because the incremental difference is you can get out of your list once you acquire them.

I've gotten impacted by some very profound critical thinkers and most people are very, very linear and they're very tactical in everything they do. When you use a word that may not exist, but incrementalism. I always said to somebody, "If I can bring you value, you never would have had, why would you care if I took 99 cents out of every dollar particularly if I can demonstrate that you're going to get most of the residual?"

This is interesting. I did a treatise a couple of months ago on the concept of greatness. It fascinated me because every person I think is inherently programmed for greatness and yet about three percent of the populace ever do anything more than mediocrity or below. There's an irony and a tragedy to it because logic doesn't prevail. He asked me about joy. One of my great joys is that when I use to do a lot of group education, I would take the time to connect the dots for people. It's a little old now and it's a little more ... Fundamentals are not what I really do anymore.

When I was younger, I would take the time and say, "Let me explain logic to you and let me explain..." Then I would ask questions, "What's wrong with this picture?" The moment you make the point for somebody, it's clearly evident. It's like in an epiphany. An epiphany is, they're nothing more than something that was always evident. It's just that's connected for you in a way where you're either, somebody like me is so incessant and unrelenting and impactful that you have to submit Dorothy to it or you're hurting enough. I'm giving you answers that may not be what you want to hear. Those are the thoughts you spawned.

Joe: No, I like it. It's great. Let me ask you a couple of things based on years of experience with this and probably a lot of people that listen that make their living in the results economy and a lot that teach business owners how to be better at marketing or do marketing for them. What are the best ways you've learned how to actually get paid for installing or advising or consulting people with marketing?

Jay: When I started, I learned a couple of things. If I want to be a regular fee based marketing consultant, I'm going to get \$200 an hour. If I want to be a performance based marketing consultant, I might get \$20,000 an hour. To me, the risk/reward was so worth it that I always ..., I learned very quickly to look for

what I'll call, marketing arbitrage where there's big gaps of performance, just under performance, suboptimization as they call it.

I've always made most of my income by looking at what people were not doing, not what they were doing, looking at ... It was hilarious and you talked about Gary Albert. One time and there's a guy, I wish I can remember his name because you know him and he is retired but he was a very successful marketer. He used to run an insurance agency for nurses and he came to one of the first programs I ever did and Gary spoke. Part of our deal was a half hour consult.

We're sitting in the bar with the guy, talking. I was drinking, Gary wasn't. The guy was sending out a million letters a year offering nurses insurance, especially insurance ...

Joe: I can't remember his name. I know him very well.

Jay: ... Why isn't he using a return envelope? We said, "Put a return envelope in 20,000 of the next 100,000 and tell us how he did and it tripled his response. When I was younger, I understood things like I would say ... Again, I'm proud of this, I'm not saying it arrogantly, I could figure out how to get people who expired from a newsletter to stay. I could get people who stayed to upgrade. I could get people who upgraded to buy their competitor's newsletter and make a deal with the competitor, we got all the front end and half of all the renewals.

I was able to do all kinds of things that most people never thought about. I learned how to enhance every performance impact element that was marketing leverageable. I also learned what they were and most people didn't know any of them and even today, most people only know a few of them.

Joe: We got to ask you about something, you probably explained it so many times, you're probably sick of it. The three ways to grow a business because it's so fundamental and do you still look at it the same way today as you did 23 years ago?

Jay: I've expanded on it. When I started, I realized something. People say, "Oh, how many ways can you grow business?" There's a lot of tactics and lot of techniques but there's really three major ways and there is a couple of more sophisticated ways. First and the one that most people do is they spend all their time, their effort trying to win the trust of the market. Normally, they do it through external media. They do it through ads or paper clicks or this or that. But you've sunk most of the cost at the point of sale, if they trust you and if you're preeminent, you got their best interest and heart and you don't want to allow them to buy whatever they want. You want them to buy what they should be buying.

It's a very big environment for enhancing the quantity or the combination or the quality all of which means enhancing. Second way, first way is to get more clients, cost the most, takes the most times. Second way is to increase the size of the sale and you could do it very nobly and very ethically. The third way is to increase the frequency or the utility of value. Frequency means exactly what it says, how often they buy. Utility means, if you only sell a few things, figure out other things they buy or find a front end that's lower to get more people started or a back end that's higher, or sell the competitors if it's a market that buys lots of different things like weight loss or biz op or things like that.

I learned that if you're in like ... we have a model, it's like if you had a thousand clients, mostly people don't even know how many clients they've got, no categories, that don't look at anomalies and correlations, I've learned and do all that. If you have a thousand clients, I'm getting a little complicated. The average clients spend a \$100 every time they buy and they buy twice a year in your \$200,000 business. If you increase each of those three categories a mere 10% and a thousand goes to 1100 and a 100 goes to 110 and two goes to a mere 2.2. It does not increase the volume 10%, it's 33 and a third.

If you increase each category like 25% it's almost 300%. If you double each of those categories, like 800% increase. I got enraptured, I got seduced, I got lifetime hooked on the power of geometry in a business. Then as I got older, I realized you can do one more. You can add a new product every year you can penetrate a new market every year, you can acquire on an earn out new clients. Then as I got older and more sophisticated, I realize that you can really do a lot and it's not a way to grow business but I was talking about most people go to the outside market to create their client.

I stopped doing that long ago. Most of my successes were totally, totally, not detouring but there were short cutting. I would just go to wherever had access to the market long before affiliates and that stuff. We did billions of dollars by me figuring out who owned the market and working out a credible way for them to make their clients our clients, and I did that industry after industry. I'm not giving you the exact answer you want but I hope it's helpful.

Joe: If everyone went back and rewinded what you just said, if they never heard that before, that is wisdom. That's truly wisdom and it could change someone, it will change someone's business in life if they get it and they apply it. Dean, I could ask him billions of questions.

Jay: There's one more and it's ...,

Joe: Yeah, please.

Jay: That's different than the three ways. Again, going through my, he went down in history [inaudible 00:44:55] like the old marketer is sitting on the front steps of the old marketers home being nostalgic. When I realized the power of the power parthenon, I realized it's a whole another dimension of adding geometry to business. Every new access point or every new impact point or every new way that you reach the market adds another 10% or 3% or 20%, but the aggregate gets into the hundreds of percent. That's really my ability to understand and this is not being arrogant, it's clinically and forensically sort of dissecting me to you and Dean and your people.

I learned how to use the geometry of business building and most people didn't understand it and many people still don't understand it in its full majesty.

Joe: I think what you're just describing there about looking at different ways, doing something that you're not already doing to bring people in, is an exponential improvement in that way of bringing in people rather than trying to do the one thing that you're already doing incrementally better. As soon as you go from not doing something, to doing something that gets a result, that's an exponential improvement in what you're doing and it adds another pillar as you would call it of strength and in your Parthenon.

Jay: Yeah, when I was, again, I'm not trying to antiquate myself. When I was a young man, I had so many and this is again, I'm just saying this so people can get excited not ..., I don't want them to think I'm an arrogant and conceited and brash person. I really have a great respect for entrepreneurship and I love them and I'm a great champion and I like the human condition. When I started doing this, we had more ten time and eight time.

We had success stories that were almost unreal sounding but it wasn't because I was that good, although I think I was pretty talented. It's because so many entrepreneurs accepted such a limited and such a restricted and such a constrained level of ongoing performance from their actions, their efforts, their activities, their access, their marketing, and we understood how to change that. It's such harder today. I'll tell you what I think today. I think today, there are a myriad of generic competitors but I don't really think there that many viable competitors of people slowed down enough to understand all the dynamics that are going on.

Joe: You mean in any market?

Jay: Yes. I can give lots of competitors generically but most of them, they're just cluttering the market. Do you know Peter Drucker's definition of the difference between a proprietor and an entrepreneur?

Joe: No.

Dean: No.

Jay: It's pretty interesting and it has applicability so I'm not trying to be attention deficit purposely. Peter Drucker says, the majority of small business people which are 99% of the market, not just here but I travel the world, it's everywhere, Japan, China, everywhere, they're proprietors. A proprietor is example is literally somebody who opens up a deli in a neighborhood and they've got a decent deli and it's clean. They've got decent signage and they got a good clean glass counter and a cheerful and engaging person at the counter. They got decent wait and service people, but it's not descriptive and it's not really distinctive.

What they're really doing is just trying to do divert revenue and income from the category of the neighborhood. He said, an entrepreneur is somebody who sets out purposely before he or she even builds. This is going to be the most mind blowing experience from the time you walk up, the signage, the look that the experience at the counter, the smell, the display, the presentation, the interaction. Everything is going to add such value and value denominated on how the client defines value not how the entrepreneur does whether it's experiential, whether it's acknowledgement, whether just playing a beautiful, beautiful, havoc with your taste buds, whatever it is.

They consciously start not just with the end in mind but with the value creation in mind totally, empathically, and respectfully viewing it from the experiential eyes, ears, in this case mouth and taste buds of the client. It's a totally different dynamic.

Dean: You are inspiring ...

Joe: No, I mean ... go ahead, Dean. Keep interrupting me here, Dean, like that ... I'm just kidding.

Dean: Yeah, exactly. That's the kind of thing though that when people hear it that that's kind of ... That's inspiring because you're right, most people don't feel like that but ...

Jay: Dean, what I learned then, I learned preeminence from somebody else, and there's no original thinkers. I use to say and I'm not going to name names. One of my favorite, very prominent people in the life changing world is not an original thinker, but he's an original synthesizer. I'm a synthesizer of all the impact and influence. I've been blessed to get from so many industries. I told you, maybe I didn't tell you but I've done 300 experts and I had to learn all their methodology.

All that has rubbed off on me but when I learned preeminence, the analogy that somebody made to me was, and I'll tell you two really cool things because they had influenced my marketing thinking and they relate to this. When I learned preeminence they said, even if you are an ice cream vendor from a little stand in Central Park, you knowingly and purposely are trying for that 10 minutes that an adult stops and has the ice cream cone to bring him and her a moment of joy, a chance to nostalgically go back to their youth, an escape from the insanity of their life, and you're there to add that value.

Then I met Fran Tarkenton many years ago. A nice friend of mine, but I met him right after he'd gone through a really interesting business reversal when he was a lot more, I think, arrogant, and he would say that. He came out with, I believe system which I have adopted and it's any time you ever interact with anybody in any way for any amount of time, your opportunity and your obligation and your responsibility is to make their life better off because you are in it. That's pretty profound.

Joe: I do my best to operate that way and if I don't accomplish that, I at least want to annoy them a little bit.

Jay: I'm just giving you a lot today which you may not want but you're sort of opening yourself up to it. I apologize if it's not taking you guys in the direction you want to talk.

Joe: No, actually I think [crosstalk 00:52:21] perfect. Let me ask you like right now, Jay, in your business, what do you feel is your highest and best use of your time? There's so many things that you could spend time on but...

Jay: I'll give you where I'm doing right now it's sort of interesting. I'm involved in a multiplicity of activities. On one side, I don't do seminars anymore but I do do them in China, Japan because I want to have a presence. There's an emergent really passionate, not the knockoff pirate type but the real qualitative people that are just hungry for guidance. If you know what the bricks nations are, there are all these third world nations, they're very aggressive and they've got incredible focus and commitment and they interest me.

I'm involved in that. I'm involved with a very high end activity that's designed to help entrepreneurs who run 100, \$500 million businesses, learn how to integrate convergent, divergent thinking, foresight, insight, hindsight together, critical thinking and it's pretty interesting, we got a book that's got a cool title, it's *A CEO Who Can See Around Corners*, but it teaches family and businesses how to stop plundering their asset value because most of them could be better off liquidating and putting the assets into a passive investment.

I'm involved and because I like it, with one of the guys from Shark Tank in stuff or start up entrepreneurs but it's like a labor of love, and I'm very interested in the crowd funding business because I think it's going to be like a mad house of opportunistic people. If you can bring qualitative thinking to both investors and people who are buying for the investment and you can enhance their success, that's interesting.

My mainstay is still really, and Joe, you and I have talked about that a lot. I prefer not being intellectual entertainment. I want to be involved with real commerce. I want companies that are doing, 10, 50, 100 million to let me get involved with them in masterminding their marketing, their strategy, their business model, their revenue approach, their preemptive preeminent distinction, their market access, their marketing, and I want to share, yeah, it's fee income but I'd much rather get very low fees and get very high participation in the results I engineer because that's what I've always done.

I like a lot of stuff. I spend over two hours a day not earning money but multiplying my knowledge. I have a cadre of people who are much brighter than I representing a broad spectrum and you do this, Joe, of areas of professions and we talk once a week or once every two weeks depending on the person. I listen more, right now I'm talking because I presume that's what you want from me. Most of the time I learn that you learn a lot more by asking very probative Socratic, I learned Socratic interviewing and it's basically one of the most powerful gifts you can give to somebody is to learn how to ask probative penetrating questions and learn how to track the answer and keep going deeper and deeper and reflect.

Also, I learned that when you're done with a conversation, don't go on to the next one. Stop. Spend 10 or 15 minutes reflecting. What did I learn from that other person that I don't possess and that I can gain from? What did I do that I'm not very proud of that I could improve? What different way of looking at life or slant came from that? Most people, they're just going through life in a zombified way.

Joe: I love it. Before I forget, I should probably have you define preeminence, the strategy of preeminence just in case anyone is not clear on that.

Jay: Okay, I'll give you the short one. It takes about two or three hours to really, fully embed it. Basically, it's distinguishing yourself as the most trusted advisor for life in the mind's eye of the market target that you're after. It's having the commitment to lead people. It's not providing information but providing the most well-reasoned, well-researched, meaningful and valuable advice. It's as you said not falling in love with your product, your service, your company, but falling

in love with your clients and there's for client kind of clients. The ones that pay you and the ones you pay, the clients that are your buyers certainly.

You want to fall in love with your team. You wanted to grow them. You want to develop them. You want to have your vendors be your greatest allies and partners and collaborators, and your stakeholders. It's about basically not allowing people to buy less than they should in less quantity than they should, in less frequency, quality, than they should not because you're going to make more money but because if they don't, they're going to get a lesser outcome. It's about not letting them not buy and not letting them buy from the competitor not because the competitor's a jackass but because the competitor isn't going to add the value you do and you know that if they don't act, they're going to be lessened in the quality of the protection.

I can go on and on and on. It's about being able to think about the transactional impact of your product or service at work in the life of the client. The best example is not ... if you're selling a computer, you'd say it's a commodity . I wouldn't, I'd be able to think about that computer helping enhance their ability and communicate, to operate their business.

It's having the ability to transcend superficiality and thinking, it's about having the most heartfelt level of empathy figuring out, being able to genuinely know what it's like to be the recipient having an appreciation and understanding, a respect, a context of really understanding how that person sees life. It's about being able to verbalize and articulate their most heartfelt desires and fears in ways they've never put into words. I can go on and on and on and on because I spent a lot of time thinking about it. That's a good introduction.

Joe: Yeah, and if someone was intentional and decided to actually do their business that way, it would change everything, not only for them but for their clients.

Jay: I'm very proud and I'm going to say this and I'm going to run out of time but I have had the very good fortune of teaching the depths of this and then not just teaching it theoretically but being able to work with clients and evolve it and instill it, install it, dimensionalize it, and then inculcate it into all the people that they currently work and turn into their culture and make it part of their marketing and make it part of their communication and make it a natural part of their life. Honestly, that's why I've been able to generate so many success stories in such a distinctive way because most people are mediocre.

Most people are superficial. Most people are self-consumed. Most people are focused on the wrong thing. Only because I'm going to run out of time, what else can I answer for you?

Joe: We'll go a couple of minutes over. I've got one last question, Dean, and one short thing I want to say then I want to ask Jay what he recommends for people to learn more from him. What are his materials? Where they can learn more about him, read any of his books he suggests but I just want to make sure, don't step on your toes. Dean.

Dean: No, perfect. You're asking a lot of the things I would have asked so this is great.

Joe: Let me ask you this one, Jay. What do you feel is either the keys or the key to succeeding in business and in life because you've met so many rich, miserable people and so many wealthy, happy people? You've met people that have made impact. You've made tons of successes for yourself and others. I'm sure you've had mountains of things that didn't go well. What do you think are some of the keys?

Jay: Because I got started when I was 18 and I'm now 64. I've had three midlife crises, 40, 50 and at 60 because what it's all about, Alfie? I spent, because I could afford a lot of money on therapy and I would never buy anybody for 45 minutes. I'd buy them for a whole week. It's hilarious because if I was too busy, I would send somebody in my life that was screwed up who would never have the willingness or the money to go there.

I spend a lot of time asking a lot of questions and listening to the answers. I got one clarity, it's going to answer what your question is that I think is the meaning of business life and the meaning of life. One of the guys, very profound guy said to me, most people are obsessed in their life and their business and their career with the end product. They want to be the most successful. I want the fastest growing company. I want the most money. They want the prettiest wife. They want the biggest house.

If they're unlucky enough to get that for that reason alone, their delusion will be broken because the sky is not going to open, the angels aren't going to trumpet. Euphoria is not going to rain down on them. They're not going to gain happiness and it's not going to be all rosy. It's going to be anti-climactic. He said that life is nothing more than the process. This conversation is as good as it gets and it's stimulating.

If you were the janitor, it'd be just as important. When we go to China and Japan, we always go early and we spend the first day riding on the elevators for four or five hours and sitting in the lobby, making at a point to smile and engage people until they finally break a smile and you can see their body language change. It's enjoying the process and being so externally focused that you're connected and understanding your market perhaps better than they understand themselves.

You probably know my amazon.com school of business theory, don't you?

Joe: No.

Dean: Actually, no I don't.

Jay: Before I ever want to address a market, I go to amazon.com and look at every book in the category of derivative categories and I go to every, I guess I'd call it online community. I look at the divisiveness. I look at all the five rankings on the book, I first look at the titles and the subtitles. I want to know what resonates to people so I got language patterns.

Then I want to look at all the reviews that are either fives or fours or zeros because when you're passionate, passionate can be happy and passionate can be unhappy. Your subconscious takes over and your natural feelings articulate and people express what they like, what they don't like in the most dimensional and sincere, authentic and insightful way. I want to know how people's subconscious mind really work.

I read so much copy in the Halcyon Days of online information marketing that was so superficial with hype and bullets, and nobody really understood the mind, the hopes, the dreams, the frustrations. They didn't really try to. They just wanted to basically monetize people. I think it's caring. I think it's caring enough to understand because when you understand someone and you demonstrate empathically and verbally that you get them, then that creates trust. Trust is ... it's the bridge to prosperity for both entrepreneurs and the recipient to clients.

It's the bridge to connectivity. It's everything. I don't know if that answer helps. There is my answer.

Joe: That is very good. It's very good. Before we wrap up, I have to mention about, I have a friend, JR and he's a former Make a Wish kid and his wish was to meet you. He got a kidney transplant and I'm sure you remember that, Jay. JR listens to all of our *I Love Marketing* podcasts. We've actually even interviewed him and he's read every single thing that you have ever written and I think he's watched and consumed pretty much everything you've produced that he could get his hands on. I think it's so cool that when he was young that he actually wanted to meet Jay Abraham.

Dean: Oh yeah.

Jay: That was great. I was impacted by that and it was gratifying, but it was really ..., I tell you, when we use to do the very expensive seminars, I'm talking about the 15, \$20,000 when 20 years ago, I was really impacted by the entrepreneurs who

paid to bring their 18 year old kids and it was really ... I took the responsibility extraordinarily seriously because you had a chance to transform that person's life in a formative age, but yeah, it's good, only because I got somebody upstairs waiting for me. I hope this has been useful for your listeners.

Joe: Yeah, well, let's do this. People want to learn from you. They want to follow any of your stuff, anything you recommend, where is the best place for people to, that have never been introduced today?

Jay: Abraham.com. We don't see, most of the stuff I give away. We sell something that's got like 30 seminars on it, but I don't really try to sell stuff. I've got resources. We give away and they can go there and there's tons of hours and hours. I'm at a different place at this point of my life but yeah go to Abraham.com and you will learn about preeminence and I can give you look up strategy.

We got five or seven hours of preeminence somewhere on my website. I don't even know ... we got applications and we got case studies and we got 700 pages of case studies. We got stuff on great. I got the stuff all over the place. There's a lot of stuff there but I don't sell very much anymore. They can go there. There's lots of hours and hours, hundreds of hours and thousands of pages and have at it. It's my pleasure. I'm a great champion of the beleaguered entrepreneur, but I'm a greater admirer of the preeminent entrepreneur.

Joe: Well, we're all going to be together next week in New York for the Genius Network annual event Jay and both of you are going to be giving stellar amazing talks. On behalf of myself and Dean, thank you Jay. Anything else you want to say, Dean?

Dean: Thank you, Jay. It's been great.

Joe: Yeah, it's awesome. Everyone, give us your comments and let us know what you think and check out Jay's website and read his stuff because it will change your life. Thank you so much, Jay.

Jay: Very welcome, guys.

Dean: Awesome. Thanks.