GOLTZ ON BUSINESS

by Jay Goltz

The Big Marketing Idea

People are always asking me about the most effective promotion I ever did. I've never told anybody what it was. But because of numerous requests (and a bit of pressure from the powers that be at this magazine), I have decided to share with you the greatest marketing idea I ever had, used and continue to use.

It's a bizarre story, but it's as effective as anything I've ever done, seen done, or can imagine. It is the "secret" as to how I have grown from a $150,000 a year business to a multimillion-dollar operation. The strangest part is that I got the idea from a casual conversation with my brother-in-law. He's not a marketing guru like you might have expected—he's a meter reader for the electric company.

It all started when my brother-in-law stopped by my small frame shop to pick me up for a Cubs baseball game. As we left the store, he turned to me and said, "You know, it's funny. I go into about fifty houses a day, and I notice that only five or ten have nicely framed art on the wall. Before I married your sister and met you, I wouldn't have ever noticed." (I've known since starting my business that most people have never had anything custom framed, and most customers come from five to ten percent of the population.)

And that was it. It hit me like a ton of bricks. I was spending tens of thousands of dollars on advertising, trying to find those five to ten percent of the population getting custom framing. But my brother-in-law knew who they were!

It occurred to me that my best potential customers were already having framing done somewhere else. I knew that if I had the names and addresses of those people with nicely framed pieces in their house, I could do direct mail with 100 percent accuracy. While the typical response rate for direct mail is usually one percent, I figured the rate for a list this qualified would be many times higher.

My plan was simple. My brother-in-law would forward to me the names and addresses of the highly qualified potential customers, and I would send them a personalized letter inviting them to visit my store with the enclosed $20 coupon. For his trouble, I would give my brother-in-law one dollar for each name. I reasoned that I had little to lose, and was excited about the possibilities.

We started the program in April. By the end of July, I had 300 leads. I did the mailing in August and got an astounding 26 percent response.

At this point, my brother-in-law was getting used to making some extra cash, and was telling his co-workers about it. Since I wanted more of a good thing, I signed up ten of his friends, which gave me coverage of about a five-mile radius.

I began generating close to 700 leads per month, and the rest, as they say, is history. I discovered this windfall, and my business has grown 4,000 percent. My little army of meter readers have made tens of thousands of dollars, and I'm planning to expand this program to include cable TV installers and exterminators (even rich people have bugs).

So there it is. The secret to my company's growth. I hope you're happy. And speaking of happy—have a happy April Fool's Day!

I wish it were that easy. ■