

The Perry Marshall Marketing Letter

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Secrets of the Power Triangle

You should always be suspicious of complicated things.

You should be even more suspicious of people who make simple things complicated.

Einstein knew he was onto something big when his idea that mass and energy are interchangeable produced such a simple equation:

$$e = mc^2$$

Even a 7th grader can deal with that, with a little help from his science teacher.

Things that are *true* and *correct* tend to have that sort of simplicity.



So when **Jack Born**, my Affiliate Manager and Director of Alchemy called me on the phone after a run one day and asked me to sketch out a little triangle, I instantly fell in love with it.

The thing that stimulated him to create this was a survey of Mastermind Club members, asking them:

“What’s the #1 thing you’ve learned in Planet Perry?”

While he was jogging, the answers he’d gotten suddenly snapped into place and thus was born the Tactical Triangle.

The Tactical Triangle always takes you where you need to go, and the 80/20 in the center always focuses you on the points of highest effectiveness.

I’m going to show it to you.

Before I do, I need to warn you that most people, even the very sharpest students, will not instantly “get it.” It will not be at all apparent how many things you can do with it. But let me assure you, it’s one of the most powerful tools anyone’s ever given you.

I suggest you read this report about 5 times – then re-read it again, a week from now – and see if this doesn’t become one of the most useful tools you’ve ever been given:

Perry’s Ladder of Success: Memberships & Coaching Programs

New Renaissance members receive this newsletter each month, call-in consulting days several times a year, access to my monthly mastermind webinar, access to my private members-only online forum & cutting edge FB advertising training via Keith Krance’s Facebook University (a \$59/mo value). PerryMarshall.com/new-renaissance

Roundtable is my highest-level coaching group, for advanced marketers and mature entrepreneurs only. Roundtable members get access to all the above. Plus intensive interaction in three 2-day private meetings with about a dozen members in attendance. Members fly in from around the world and iron sharpens iron as each member presents his/her game plan to the group. www.PerryMarshall.com/roundtable

Private Client Group: Confidential consulting time & direct accountability with me. www.PerryMarshall.com/pcg

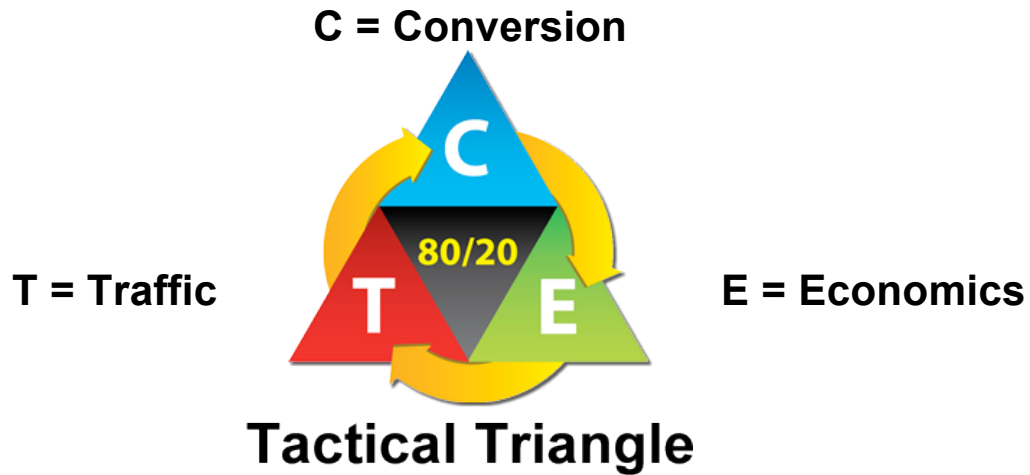
SIMPLIFY: Richard Koch and I take an equity position in your company and guide you in your quest for total ascendancy in your market. Requires a SIMPLIFY Scorecard Discovery. Details at www.Simplify.fm



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Stick with me for a few minutes as I harness the power of this.

The triangle says: In order to sell something, you have to get Traffic; then you have to Convert the traffic; and Economics means you have to make some money on what you sell – which is why you’re in business.

If you make a profit you can re-invest it in getting more Traffic and Converting the traffic and further improving your Economics. And so it goes, clockwise in a circle. It’s a spiral of never ending traffic, conversion, and economics.

That’s the essence of marketing. It describes *every* human transaction. You can apply it to romance or volunteering for the Peace Corps or trading favors with your fishing buddies. Today we’re going to focus on sales and marketing use it to develop a Grand Theory of Everything.

The first thing to notice about the Tactical Triangle is the 80/20 principle is in the center.

That’s a pretty prominent place. I put it there because I believe 80/20 to be the most important thing there is to know about business, period.

It is so fundamental to the operation of people and the world in general, it’s right up there with gravity and the laws of physics. It applies to customers, products, companies, employees. Roads, real estate, rabbit populations, tree branches and the size of craters on the moon.



80/20 is fractal: there’s an 80/20 inside each 80/20

80/20 is in the center because everything revolves around getting more out for putting less in. **Leverage**. And finally, 80/20 is fractal. Inside every top 20% is another top 20%.

Putting The Tactical Triangle To Work

You come to me and say, “I’ve developed this cool new invention and it’s going to make millions of dollars. How do I sell it?”

We’re instantly in Marketing 101. Before we begin some lengthy discussion about Pay Per Click or autoresponders or infomercials or any other technique, I’m going to ask you three questions:

1. *Who* would buy this? (that’s T)



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2. Can you reach them *affordably*? (that's E)
3. What can we say to *persuade* them to buy? (that's C)

The second thing I want you to notice about the Triangle is: **You needed to go *counterclockwise* to figure out how to sell something.**

Which means the primary skill you must master in marketing is *thinking backwards*.

When I was a young pup marketer writing sales copy, I would say to myself, *Perry, you're not you, you're them. You're not sitting at your computer, you're sitting at theirs. You're not interested in what you're interested in, you're interested in what they're interested in.* I pictured myself physically doing a 180.

I would do that exercise every time. Now it's second nature.

To build a sales funnel, you begin with the end in mind, to use Stephen Covey's famous words. You start from the end and you work your way to the beginning.

Then traffic comes into the funnel at the beginning and goes clockwise to the economic end.

But since selling starts with traffic, *advanced* marketers don't begin with the invention (i.e. the final transaction). We begin with traffic and ask ourselves: "What would these people want to buy?"

In other words, advanced marketers watch for situations where they don't have to think backwards.

So yes, we all have to begin with the end in mind but it's even better if you can begin at the beginning and decide what want the best possible end might be.

That brings me to the 2nd thing I want you to notice about this, which is:

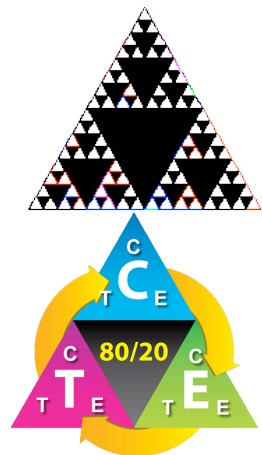
There is a customer's perspective on the Triangle. He's standing in front of the Triangle and he sees all this happening clockwise. It all starts with the traffic because he IS the traffic.

The marketer is standing on the backside of the triangle. You want to envision all this happening counter-clockwise. It all starts with the economics because that's the whole reason you started your business in the first place.

The third thing I want you to see is that there's a Tactical Triangle inside each element of the Triangle. The Tactical Triangle is *fractal*.

It's true on every scale. Zoom in, zoom out, it's still there. It's true on the micro level and it's true on the macro level. Let's say that your traffic is Google ads, your conversion is a website sales page, and your economics is you sell shoes.

Inside those Google ads we find another Triangle:



It's fractal: zoom in, zoom out, the Triangle is the same. Each element always contains all three elements.





Traffic = people who see the ad
Conversion = ad copy and the clicks it attracts
Economics = bid price

Let's say your visitors land on a page that offers a white paper in exchange for name, company, snail mail and email address. There's a Tactical Triangle there too:

Traffic = people who land on your page
Conversion = people who opt in, and the reasons why they did
Economics = what they get in exchange for their email address, and the value of that email to you

(I don't think I need to explain the *economic value* of an email address.) And there's still an 80/20 inside the Google ad: 3-4 words swing most of the response. The most influential element is the offer made in your ad.

Your visitor buys a pair of shoes from your website. There's a Tactical Triangle there too:

Traffic = people who bought the shoes
Conversion = emotional & practical benefits of buying the shoes
Economics = what they paid for the shoes

You send an email to your email list.

Traffic = people who get the email
Conversion = those who do what the email asks of them, and the benefits to them
Economics = WHY they respond and the benefit to you

Someone clicks on a Google ad (traffic) and lands on your opt-in page (conversion) and gives you their email address (economics). Later you send them an email (traffic) and now they're on your sales page (conversion) and you're asking them to buy something (conversion).

Every move you make comes down to:

- Stimulus
- Response
- Payoff

Great mentors and marketers have said **Traffic + Conversion = Profits** and it's true, but it's incomplete.

Economics speaks to the importance of **value** and as you consider this you'll see it's really the most important thing of all. Economics drives everything else.



Inside your sales funnel, conversion still involves Traffic, Conversion and Economics.



This Means:

1) The core essence of marketing = how much are you willing to pay to acquire a client. How well you compete comes down to how much you can afford to pay. That's economics.

2) It's all math and psychology. Much attention is given to psychology... math is just as critical. Math can save poor psychology. Poor math will sink the best copy every time.

That's why most of the time when I do consultations, economics is the **first** thing I try to improve. *Begin with the end in mind.* Make every transaction more valuable.

Capitalize on the willingness of the top-shelf customer to spend money. Do upsells and cross-sells and sell 'em something else. *Sell results not procedures.*

Create. Invent. Imagine.

The greatest thing you could ever know about economics is: Economics = Alchemy.

In Paul Zane Pilzer's book *Unlimited Wealth*, he reports the textbook definition of economics: "The study of the distribution of scarce resources." The dictionary is slightly less onerous: "The social science that deals with the production, distribution, and consumption of goods and services."

These definitions are incomplete at best.

Pilzer explains that essence of economics is *alchemy*: Making lead out of gold; creating something from nothing. Turning sand into Pentium chips. Turning a grassy field into a farm and crops. Transforming immaterial ideas into software and websites. Converting chaos into order.

Even agriculture is alchemy. DNA, water and sunlight transform dirt into corn and grass. Corn and grass turn sperm into cows.

DNA is instructions for turning minerals into living creatures and food. DNA is information.

Information is the basis of all creative acts.

Thus the most important resources for modern alchemists – you and me – are *knowledge* and *imagination*.

An interior decorator walks into every house and considers how she'd re-do the furnishings, the paint and decorations. A contractor drives by a dilapidated house, re-arranges everything in his mind and says, "I fixed it!" And everywhere you go, every business you walk in to, you think of ways to improve their traffic, their conversion, their economics.

You're a builder, a developer, an improver, an alchemist. You can't walk into a pub or visit a website or buy a product or let the lawn service guy into your house without considering this.

True Marketing Maniacs and Economic Alchemists generate powerful ideas everywhere they go. And *you* are an alchemist. *Create. Invent. Imagine.*



Did you notice that the Triangle is really a CIRCLE? Amateur marketers are content to take just one trip around the circle and they think they're done. **True marketing professionals keep going around the circle.** Once they engage with a customer, they never stop.

80/20 is not just central to the Triangle, it's *Everywhere* in the Triangle

Traffic: 80/20 is in the keywords because a tiny number of keywords produce most of the traffic. It's in the ads because the 1st line and display URL influence most of the conversion, as do 3-4 words in the ad.

Conversion: 80/20 is in your landing page because the headline and offer drive most of the response. It's there because only 20% of the visitors will go to the next step.

Economics: 80/20 is in the transaction because of all the possible reasons for buying, only a few swing the sale. Because 95% of your profit comes from 5% of your customers.

Combine these three and the next 50% increase *in* your business will come from changing 0.5% *of* your business.

Which means: You don't physically have to do very much to punch up your sales. You need to be *focused* and *resourceful*.

You possess the secrets of the universe. Because you understand **Traffic, Conversion** and **Economics**.

Einstein's theory of converting matter to energy was simple – just three things. $E = MC^2$. All you needed to know was how much matter and the speed of light and it told you how much energy was available. In marketing, you just need to know three things. Even if you've got 100,000 options, to a Jedi Master, marketing is *simple*.

The golden key to improving your business or any other is:

1. **Boost the economics** – make the offer fundamentally more appealing, based on what people *really* want ('nobody wanted a drill, they wanted a hole')
2. **Boost the traffic** – starting with knowledge of what already works
3. **Boost the conversion** – starting with the reasons why people already buy

If you're a walking, talking Marketing Maniac buying groceries and buying insurance and updating your kitchen and going out for lunch and getting your car fixed and getting signs made for your shop and buying things from websites and getting fundraising letters and getting emails from people who *almost* know what they're doing, then you're in a place to spot lucrative consulting opportunities.

Watch your email box for a new program on securing agreements deriving maximum profit from those consulting gigs.

Please remember that altering the economics of your offer almost always involves doing something *audacious*. The list I just gave you is just a list in one sense. But if you apply it properly, the things you come up with will always be a little startling. They'll take your breath away. *That's how you know you're headed in the right direction.*

