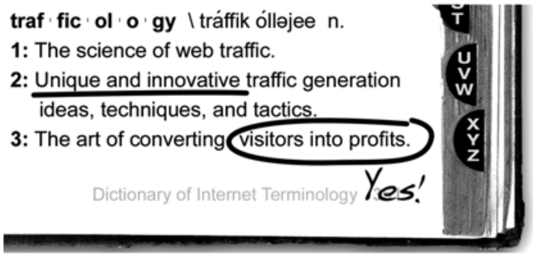

Trafficology

Innovative & Unique Web Traffic Techniques

Lesson #49

"Marketing to the Affluent: Selling to the People That Have Money To Spend" featuring Dan Kennedy

Dan Kennedy once said to me: If you're going to spend your time and energy to bring people through the door, why not make sure to bring in the people who have money to spend. The fact is, no matter what the economic conditions are like, good or bad, there are always people who have money to spend. And once you learn how to intentionally market to people who have large disposable incomes, your business becomes virtually recession proof.

As Dan Kennedy says—it really does matter who you bring through the door. And that's why this issue of Trafficology, featuring Dan Kennedy, is focused on teaching you exactly how to best tap into the amazing opportunity of marketing to the affluent.

If you don't already know of Dan Kennedy, he is the provocative truth teller of thirteen business books, a multi-millionaire entrepreneur and the undisputed king of the direct marketing world. He is the guru all the other marketing gurus turn to for sales and marketing advice. And today Dan is going to share why and how we should market our products to the affluent...

Direct Marketers: The Only Ones Who Know What We're Doing

There's an old story about legendary ad man David Ogilvy. He chewed out his own agency people at one point, screaming at them that only the mail-order people know what they are doing. While mail-order is an outdated term, the modern equivalent is direct marketing. I would argue that we're the only ones who know what we're doing. We think in terms of cost per lead, cost per sale, short-term customer value, and long-term customer value. We know these are the numbers that matter rather than the vagaries of readership, eyeballs to a TV show, visitors to a website, or even response percentages. Our kind of marketing is all about dollars and cents and measurable ROI.

Talk with Russell Brunson, Yanik Silver and other top Web marketers about what they're doing to get more traffic sales right now, and you'll get the same response from all of them. Almost unanimously, they'll tell you they're making it a priority to market to the affluent. After all, during tough economic conditions, there is nothing better you can do for your bottom line than to focus on marketing to people who have money to spend.

"Demographics Is Our Destiny"

That quote by Harry Dent is at the core of why marketers should learn to focus on the affluent. You want to be in sync with demographics, not fighting them. The traditional middle class in America has begun to shrink. The process has been temporarily disrupted by the current economic upheaval and recession, but it's still happening. Roughly two-thirds of the disappearing middle class is moving up and one-third is moving down. This movement is creating a wave of what most demographers or marketers have termed Mass Affluents, middle-class millionaires or the almost-rich.

There is a swelling of the affluent population (somebody with a household net worth in excess of $1 million and annual household income at $300,000 and

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up.) And while it's been temporarily halted, we're also seeing an upward growth trend of the ultra-affluent population.

This demographic shift coincides with the growth of the "Boomer" population (aka Baby Boomers). We're looking at the greatest ever transfer of private wealth from one generation to the next. Wealth is transferring from Boomers' parents to Boomers, and we can expect an even bigger generational transfer coming from Boomers to their kids.

In marketing you want to follow the money. Ideally, you want to be a little bit ahead of the movement of the money to end up where all the growth is – in today's market, the growth of disposable income is in these three population groupings: Mass Affluents, Affluents and Ultra-Affluents.

Mass Affluents tend to be aspirational buyers, meaning they buy things that move them up in status or earning capability. Some people call them middle-class millionaires, some "the almost rich." They are in progressive movement up the economic ladder in a very active way. Their incomes and networks are increasing. A good percentage of them are entrepreneurial. It's where you find the highest number of home-based businesses and second-income home-based businesses. It's also where you find the highest percentage of sales people.

Different people put the financial benchmarks at slightly different places, but generally speaking, you're talking about somebody who is almost at or in a six-figure income, so roughly between $85,000–$200,000 a year.

This group tends to be homeowners who are heavily mortgaged. Their net worth has not yet caught up to a reasonable ratio of their incomes, although they are very tuned in to personal finance. They're moving up from one home to a better home. They're moving up from one car to a better car, a progression highlighted by the near-death of General Motors.

Interestingly, GM was structured in the fifties as a vertical ascension ladder company. The first car everybody bought was a Chevy; as their income and status increased, they bought a Buick, Pontiac, or Oldsmobile en route to a Cadillac. We still see this pattern as today's buyers move from driving a Toyota to a Lexus. This group moves up in almost everything they're doing: homes, cars, clothes, technology, and knowledge.

Affluents, on the other hand, tend to be validation buyers. They spend in ways that reinforce their affluent status. Not only have they moved up into higher income brackets, they've been there for a few years. Their net worth is increased and catching up to a rational ratio. For example, in studying this segment, we see equity in homes because they've been in them and paying on them long enough to chip away at the principal. We start to see paid-for assets rather than all debt. There's a more sophisticated approach to career, business and finance.

There is some correlation with age here. It's not iron clad, but generally speaking you're going to find a lot of Mass Affluents in the 30–45 range. A lot of Affluents are 45–60. Virtually all Ultra-Affluents (with the noticeable exceptions of dotcom millionaires Bill Gates and LeBron James) are in the 65–75 year-old range.

Ultra-Affluents' net worth is in the multiple millions and up. In many cases, they have a seven-figure income. They are lifestyle buyers, buying to suit themselves.

If you think about another ascension ladder, you have Mass Affluents still flying coach, at least part of the time. Affluents are flying First Class and Ultra-Affluents are almost all flying in private jets. It's important to understand that each group has profoundly different ways of buying.

All of these affluent groups spend more dollars per capita in most product and service categories than any other demographic group, in part, because they have it. This trend began five or six years ago, and marketers began doing intense research into understanding how to appeal to these groupings because that's where the money is. These groupings are where premium pricing is the norm because the customers crave the opportunity to get elite access to expert-level services and exclusive products and experiences.

Direct marketing is about math and behavioral psychology. It's important to understand each affluent group buys very differently and to be able to customize your marketing approach accordingly. I have clients who have three different business faces, selling fundamentally the same products or services, but presenting a very different face to Mass Affluents, Affluents and Ultra-Affluents.

In addition to the three main groupings within affluence, there are also multiple sub-groups under each. Each group can be further broken down based on marital status, whether they have children, and geographic differences. Almost everybody understands that people who live in South Carolina are very different from people who live in Chicago. They could have the same level of affluence but their psychology, behavior, language and customs are different.

Most marketers ignored those differences pre-recession and still got satisfactory results. In the emerging new economy they are discovering they can't afford to ignore these differences.

Monkey Watching For Fun And Profit

Observing monkey behavior is easy. You can go to the zoo for the afternoon and come home with a solid understanding of what monkeys do and why. Observing and understanding the affluent is not much different. These affluent groups are tribal, in a sense. So, like with any tribe there are cultures, customs, bias, language, things that arouse suspicion, and things that indicate to a tribe this is somebody to be trusted. Much like an anthropologist observes a tribe, marketers learn a lot just by observing the affluent.

Because so much is known about these affluent tribes, it's simple to tailor products, services, and marketing messages to be powerfully effective. Regardless of which category you're selling in – health, fitness, diet, nutrition, chiropractic care, hearing aids, financial, investments, financial planning, insurance, health insurance, prepaid funeral and burial care, opportunity, income opportunity, business opportunity, franchise opportunity, and websites – you can reach the affluent if you craft your marketing message to their preferences.

If you're going to sell to distinctly different tribes, the dumbest thing in the world to do would be to drive them all to the same store front, physically or virtually. Doing that is a sure way to miss with all of these tribes. With marketing, the reaction you want from your prospect is that they feel like they've arrived at the right place. They've found the right person for them. This matches up with their biases and their culture and this person speaks their language. Understanding how each of these tribes functions and then matching up your marketing to them is a very deliberate, conscious, scientific, and sophisticated approach to selling anything.

Let's look at an example. Let's say we're talking about a 65-year-old Affluent who discovers or finally comes to grips with the fact that they're having hearing difficulties or health problems related to weight. The affluent individual is almost certainly going to go one of two places to take care of this problem. They're either going to go to their physician and be referred by the physician somewhere, or they're going to have a discussion with a very close peer in their community, in their company or at their country club. If we want to reach that Affluent, our two primary paths require us to market to and through physicians, and to focus on peer referrals.

A Mass Affluent, however, is much more likely to be swayed by direct response advertising he sees on television. He is much more likely to go search on the Internet to shop on his own for a solution. That doesn't mean the Affluent won't do that, or that the Mass Affluent won't go to his physician. But if you're playing the odds and you understand these tribes, then these behaviors will help you win as you play the odds. This pattern exists for every product and service category. Different levels of affluence literally predict different behaviors. If they decide they have a need, interest, or desire, their level of affluence greatly determines how they will go about searching out someone to fulfill that need or desire. An effective marketer studies these groups to understand which needs, desires, or interests to plant in the heads of the affluent.

You have to learn which media, environments, and venues will get the best response from your market.

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Quite literally, you need to determine trends like whether they'll come to a webinar, whether they'll watch the DVD, whether celebrity endorsements matter. The level of affluence has a great deal to do with all of these behaviors. So, this is one of the things we study intently, experiment with, and test. I'm fortunate to be sort of a clearing house for this body of research, so we can all make intelligent choices about who we're going to sell to, what we're going to sell to them, and how we're going to sell to them.

It's All About Who Comes Through The Door

During tough economic conditions, it is more important than ever to pay attention to whom you bring through the door. While you'll spend just about the same amount of money and effort bringing affluent customers through the door as you might spend attracting people who can't or won't buy. The results are massively different depending on who you bring through that door.

You're faced with a seemingly endless round of questions: Can they spend? Will they spend? Will they spend now? And, can they spend, will they spend, and will they spend now on what we're selling? We want the person who is most likely to have a yes answer to all four of those criteria. The cost of getting precisely that person versus a much more random and diverse group of prospects, customers, or clients is not exponentially greater, nor is it proportionately greater to their value.

Marketers who purely use media got lazy and casual about these distinctions. They started saying, "Well, it doesn't cost us anything more. We can just run everyone through a website and whoever buys, buys," or, "Gee, we've got this restaurant here anyway, so what difference does it make who comes in, as long as they eat?"

Now marketers are catching on to why these questions are so important to ask. If you've got a restaurant with a hundred tables, you could fill them with a bunch of people who will come and eat food but not buy high-priced wine. Or, you could have twenty percent of those tables occupied by people who *will* buy high-priced wine, will buy it now, and will buy it from you. The profit difference on that night is enormous.
It's the same story when you deliver 200 people to a website. Especially if you're an Internet marketer doing online plus offline front-end and back-end products, you have to pay attention to your cost of sale and cost of maintaining a relationship afterwards. Overall, marketers are being forcibly reminded that selection matters and the values of customers vary dramatically. It's much better to have high-value customers than low-value customers.

The Process For Targeting The Affluent Market

Step #1: Select, Attract and Market

Selection is crucial, meaning who you reach out to by whatever means you use to reach out to them. In offline media, we talk about obvious and unobvious choices. The concept carries over to online media.

As an example, let's think about some sort of high-end investment information sent by someone who is predominantly an online marketer of fairly sophisticated asset protection and legal services. It's actually a law firm, but the overwhelming majority of his marketing, the actual lead-to-prospect part of the process is done online. A lot of the lead generation is done offline, but some is done online. He's selling an investment, really. It's a finance-related service, asset protection law for affluent entrepreneurs.

The obvious places to build a presence would be publications including *The Wall Street Journal*, *Investor's Business Daily*, WallStreetJournal.com, InvestorsBusinessDaily.com, *Worth*, *Robb Report*, *Forbes*, and Forbes.com. Today, every offline publication has an online equivalent.

The unobvious places are often more effective because there is less clutter to distract the prospect. They are places where those same people congregate, but with an even higher level of interest in what they're looking at. They pay closer attention in these places.

An example would be magazines read only by people who travel by private jet – and their online equivalent.

Or, magazines read only by people who collect classic cars and go to classic car auctions – and their online equivalent.

The savvy marketer to the affluent is increasingly aggressive and sophisticated about expanding the range and diversity of sources for lead generation. The most effective marketer selects highly appropriate client prospects based on their affluency and drives them into his online system. Selection is important. It means not only thinking about demographics but also understanding the psychographics of the prospects you're targeting.

You have to understand that in marketing to the affluent, the higher the level of affluence, the more likely they are to require that you come to them, rather than them coming to you. Integrating online and offline media becomes extremely important.

Consider doing offline marketing and follow up to put them on an online event. Remember, the more significant the transaction and the more sophisticated and affluent the customer is, the likelihood becomes greater they will expect a far more personalized approach. Single-media marketing will draw increasingly disappointing results as you reach higher up the affluence ladder to engage prospects.

Step #2: Customized Online Media

The dumbest thing a marketer could do is to drive affluence-diverse prospects into a one-size-fits-all online experience. That immediately translates to a one-size-fits-nobody online experience. Either by directing your prospects from certain sources to specific landing pages, or by setting up a system for self-selection when they reach your site, you must recognize and accommodate their differences.

While it almost doesn't even matter the specifics, here's an example to help explain this concept of customization. One great lead generation source we've discovered is affluent donors to political causes. Obviously, that market splits into two different segments – conservative and liberal. One market segment may be just as valuable to us as the other in this case.

We could do lead generation by advertising online on NewsMax.com, American Spectator, Newt Gingrich's site, or the site where I write a political column every week, BusinessMedia.org. These sites skew very conservative. But we might also do just fine with lead generation on the equivalent liberal political publication sites and MichaelMoore.com instead of NewtGingrich.com. Even though our lead generation campaign may yield prospects with identical levels of affluence, coming from these very different sources means they will also have a very different psychographic.

If we talk about politics, we either aggravate everybody or we speak with nobody. If we happen to have a picture of us standing next to Ronald Reagan, we only want to use that on the site the conservatives are going to. If we happen to have a picture of us standing next to Barack Obama, we only want to use that on the site the liberals are going to. Never the twain shall meet.

Think about matching prospects with media and the online experience they're going to have. If you want to be effective with the affluent, you need to create customized online experiences that match up precisely with who you are bringing there.

If you can't discriminate in the "bringing there" process, the next best option is to let them self-select one way or the other. When they get to your site, have them fill out a little survey or pick what they want to hear about. This way, you can splinter them off and talk to them differently.

Step #3: Speak Their Language

The final step is having a high level of sensitivity to your market's language. You have to understand how it is heard and read by an affluent customer, an ultra-affluent customer, and a mass affluent customer.

The language is different for each of the three tribes. Again, if you're generic, you're not going to resonate with any of them. But if you get it right, it helps you enormously because ultimately buying is about trust. This is especially true of buying online, sight unseen, physical presence unseen.

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Anybody over the age of thirty has an inherent and significant level of distrust for the Internet. This unease creates a pretty big threshold to get over. A great rapport builder, a great trust builder, is me speaking to you in the language you are most comfortable with, the language you use with your peers. A great distrust builder is me speaking to you in a language very different from what you use conversationally among your peers.

Piercing the Veil of Invisibility

There is a whole set of media specifically targeted to the affluent that's almost invisible to the rest of the population. Just about every sub-culture has online media, offline media, and physical venues that if you're not, for one reason or another, in tune with that sub-culture, you may go your entire life without even recognizing they exist.

People who breed, raise, and show Vietnamese pot-bellied pigs are a great example. You might not even know this niche exists. Unless you had some sort of affiliation with that market, you'd certainly never know there are local clubs all across the country under the umbrella of a national association with a membership list, website, newsletter, and even an annual convention. You also wouldn't know there are two or three magazines devoted to this interest.

That same phenomenon of invisibility exists with thousands and thousands of sub-cultures. Many of them are very affluent sub-cultures. One that everybody would understand would be frequenters of certain exclusive resorts. Another is collectors of automobiles or fine wines. Even though most people can easily recognize these tribes' existence, they might not know the depth of media available to reach these enthusiasts, or the splinter off-groups within them.

You could easily go your whole life and not be aware there is a very significant sub-culture of people who collect – not to wear, just to collect – very expensive, rare, and unique wristwatches. Again, with this tribe, there is online media. There is offline media. There are social communities. There are physical events and venues only they participate in and are closed to and unseen by the outside world. These can be profound markets.

How Old Is Grandpa?

Part of speaking the language your prospects speak involves understanding the different sub-cultures. It's important to recognize the affluent demographic tends to skew toward the more mature.

In my book, The No BS Guide Marketing to the Affluent, you'll find a very interesting pop quiz about "How old is Grandpa?" In this quiz, you get a quick lesson in Neuro-Linguistic Programming (NLP). NLP uses the term 'anchors' to describe points of reference. Somebody who is fifty years old has a very different set of references than does somebody who is thirty. With age always comes nostalgic fondness for life's earliest references.

Think about life a hundred years ago – a time span that could easily cover most adults' grandfathers. There were 8,000 miles of paved road in the whole country. Only one out of five homes had a telephone. In a relatively short period of time, almost everything, culturally, politically, economically, technologically changed dramatically in this country. The rate of change in the last couple of decades has been enormous. People have different cultural icons. They have different experiences growing up. They have different attitudes about technology.

It's easy to take for granted that everybody is conversant or comfortable with tools and terminology you use everyday. The fact is, in many instances, they may well be completely turned off by much of what is a huge part of the younger generation's daily experience. If your only way of marketing to these prospects pushes them into a realm they're uncomfortable with, it only causes them to associate you and your offer with things they don't like, with changes in the world they do not like, with people they don't like, or with a generation they don't like.

Generally speaking, the further up the affluence ladder you go, the further up the age scale you go, for obvious reasons. For most people, it takes time to accumulate wealth. If you want to do business with millionaires, you're going to be doing business with a lot of fifty year-olds and up. If you want to do business with multi-millionaires, you're going to be doing business with a lot of 60 year-old people and up. You've got to understand they have very different sensibilities and references.

That little game of what do you know about what Grandpa knows and doesn't know is just one way to point out the assumptions and differences in our frames of reference. It's important because if you want people to buy from you, they have to be comfortable with you. They have to be comfortable in whatever environment you create in which they are supposed to buy, whether that's an auto showroom, retail store, restaurant, catalog, newsletter, website, or webinar. If you do things that create discomfort for the target audience from which you want to get your money, you set up a very difficult threshold.

It's so easy to forget how much has progressed so quickly and to not realize how different things are in today's world. Think about something like a GPS navigational device, generally standard in a new luxury car. Most people now have them in their cell phones. If it's not built in, people buy a Garmin at RadioShack and stick it somewhere. However, that's a fairly recent development, but it's taken for granted by some people.

Here's how that plays out with advertisers. If you follow a trend in Yellow Pages advertising, there's a lesson there that also applies to local businesses with website advertising. If you go back five, six or seven years, almost every Yellow Pages ad for a business had a little map in it. It showed just some landmarks and cross streets. We see the same thing on many websites for restaurants, chiropractic practices, spas, and other local businesses – there's often a little map on the site.

The trend now is to dump the map. The thinking is, "Everybody has a GPS. What on earth would they need maps for?" However, if your market happens to be reasonably affluent, 55 and up, while they may have a GPS in the car, they may also very well not be using it. If you assume everybody uses a GPS, that's an erroneous and dangerous assumption. You run the risk of offending people by assuming their usage and opinion of tools you use every day is the same as yours. It's a similar conversation among marketers in a debate about the best way to market to affluent women. Especially in the investment services arena, the affluence tribes are further segmented by how involved women have been with their money – a distinction that generally shows up along age and net worth lines.

Just as many marketers are learning the importance of choosing media, methods, and words that chime with women's voices, it's every bit as important to create a message to market match to the tribes and sub-tribes within the affluent population.

Meeting Them Where They Are

While half the battle of marketing to the affluent is in the offer, benefits, and pricing, the other half involves effective connecting. Learning to speak the tribes' languages is a big first step that can open gilt doors. However, fluency in the language of the affluent has no benefit unless you're able to find them to start the conversation.

Online and offline, the affluent tribes congregate in certain predictable places. They join exclusive clubs, attend high-end events, and are involved in charitable causes. In many cases, gaining access to this market is as simple as buying your way in.

In the marketing world, there are a handful of events each year that are so expensive, exclusive, and advanced the list of attendees reads like a Who's Who of the rich and famous. Access is restricted only by the price tag. Resourceful marketers to the affluent find a way to make their attendance at events like these happen. Once there, they may find the best profitability yield comes in the hallways and VIP room rather than in the seminar itself.

Because the attendees have gone through a self-selection process, they may relax a bit in the assurance that everyone there has gone through the same admission requirements. "If you're here, you must be someone who should be here," is the assumption. With that common ground, there's a greater opportunity for building a true personal connection that leads to doing business together.

Live events, clubs, and charitable fundraisers are also a good way to make connections with other people who are marketing to the same tribe. Because referrals carry double the effectiveness with the affluent –

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invoking competition and exclusivity – successful marketers to the affluent strive to build affiliations together, knowing cooperation will benefit everyone involved.

Pricing Matters

When marketing to the affluent, it's about creating an overwhelmingly positive experience for them. Your product’s pricing is an integral part of their experience.

Think about it. The more affluent you are, the less you are spending your money on basics, essentials, and necessities. Because you have more money to spend, you automatically have more choices. The percentage of your income that is being spent on basics and must-haves decreases. The percentage of your spending that is being spent on optional things goes up.

Therefore, the buying experience becomes increasingly important. Let’s look at food as an example. Take a family where the mom has a fairly low-wage job.

It's Friday night. Mom comes home from working all week at the factory or on her feet at the store. She’s tired and she doesn't want to cook. But she’s also got two kids and a husband to feed. Dinner is all about the food. It's all about getting them fed. Price is the biggest issue, but speed and convenience are also priorities. Those are the governing issues. In all probability, she's going to stop at a fast-food joint on the way home and bring home a bucket of chicken. Or, they will all get into the car and go to McDonald's, or call and have a pizza delivered. Experience be damned!

Contrast that with someone higher up on the affluence ladder. Their decision about dinner on Friday night is governed by an entirely different set of imperatives. They may have worked, but they probably didn't do heavy lifting that day. It may very well be that this person’s spouse doesn't work outside of the home – and most definitely hasn't done heavy lifting, this family views Friday night dinner an entirely different way. In this case, the imperatives are not price, they're not speed, and they're not convenience. They are rewarding themselves for a week of productive, successful activity. In their thinking, reward may be an imperative. Celebration may even be an imperative. Socializing with friends may be an imperative. Doing something interesting for a spouse may be an imperative.

McDonalds, pizza, or a bucket of chicken doesn't accomplish any of those things. Food now becomes only a very minor part of this whole buying choice. They may seek out ambience and environment that’s outside their everyday experience so they’re not bored by doing the same thing all the time. Showing off to any friends who join them for dinner may also become a motivating factor in their buying choice.

The overall experience of dining out is much more important to this affluent person than it was to the first person. The most significant difference between the two is their level of income and net worth. The same dynamic exists in every purchase people make – from clothing to entertainment to travel, or anything else.

There are different imperatives that change dramatically depending upon affluence. So an ultra-affluent family, an affluent family, a mass affluent family, and a low-income family may all go to Disney this weekend, but they’re all going with a different list of imperatives. Their satisfaction is all going to be based on very different imperatives in order to attract them, appeal to them, convince them they should be there, satisfy them once they're there, and create repeat business or referrals from them after the fact.

As marketers, we have to treat them differently, speak to them differently and have different deliverables for them. In the Disney example, mostly we're talking about physical deliverables. However, we’re also talking about the people on the staff at the hotels. A much higher, concierge-level of service is expected.

The affluent tribes, because they already have the easy ability to have their basic needs taken care of at every moment, have different expectations about what they spend their money on. They are far more likely to take into account not only their buying experience – they are also more likely to buy the experience itself rather than just more ‘stuff’.

If you transfer this concept to managing their online experience, you have exactly the same issues. Driving diverse tribes into the same online experience makes it virtually impossible to satisfy these different imperatives.

Clearly part of the experience affluent tribes demand involves a white-glove level of customer service that goes way beyond chicken in a bucket. That level of attention does not come cheap for the marketer. However, by increasing the price, providing a much higher level of experience becomes doable.

There is essentially a closed loop. Premium pricing allows you to deliver a better experience. That more satisfying experience allows you in turn to attract, appeal to, and satisfy better quality customers.

If you offer Holiday Inn pricing, you are operating under handicaps. If you're doing Ritz-Carlton pricing or Four Seasons pricing, a lot of those handicaps go away. However, you can still maintain a better margin with the Ritz-Carlton pricing and Ritz-Carlton customers than you ever could at the Holiday Inn level. In all probability, your loyal Ritz-Carlton customers are coming back more often than the typical Holiday Inn customer.

If you're running the Ritz-Carlton, you can afford to have enough bellhops hanging around so if a guest needs to run over to the shopping mall, you can immediately snap your fingers, have a bellman available, put the guest into a Mercedes and drive them over to run the errand.

If you're running the Holiday Inn, you've got one bellman and he's driving the shuttle bus to and from the airport, taking bags up to rooms, and delivering room service. There may be a van you could use to shuttle a guest over to the mall, but you'd be left saying, "Maybe now, maybe not, maybe later, maybe not tonight." There would be nothing to be done about that hole in your customer service capacity because you couldn't afford to have six bellman hanging around all the time. There is a very significant closed loop to price.

There is a prevailing myth about how affluent buyers buy – they have so much money that they become indiscriminate with their purchases. One car gets dirty, so they buy a new one. Spilled some champagne on that $500 necktie? Throw it out. Have a friend who bought a ski chalet in Vail? Buy a mansion in Aspen.

While the myth makes for a good story, it's completely inaccurate. If anything, the affluent are more discriminating and money-conscious buyers than their broke counterparts. Likely, that's one reason they are affluent. They are willing to pay a hefty premium for exceptional value and personal service, but they don't just throw their money around.

Even the most affluent love to get a good deal. In fact, even the prestigious *Robb Report* bears subscription mail-in cards that offer a discount off the cover price.

Just one of the benefits of marketing to the affluent is the exponentially higher fees you can command – but the pricing can't just be arbitrarily inflated. It must make sense. There must still be a direct connection between the price paid and the value received.

There are three links that go together: price, power, and profit. Power in the marketplace has a relationship to price. Profit, obviously, has a relationship to price. When you are marketing to more affluent clientele, there is a thing called being reassuringly expensive. If you are priced too low, you arouse distrust and suspicion. You don't necessarily encourage purchasing.

Marketing Smarter

Years ago, marketers focused on direct mail. The shift to email marketing now makes it almost an unusual event to get a personal piece of physical mail. Some marketers have reverted to using snail mail, or a combination of online and offline media to reach their markets.

Because the affluent tend to be most impacted by having extremely personalized attention, this same combination of touches can be especially effective with them. Lumpy mail, thank you notes, and personal greetings on birthdays and holidays can have a very positive effect on the relationship you're trying to build with these tribes.

While sending valuable gifts may sound like a very expensive way to do business, a well-planned marketing campaign that is successful can end up costing less than what you may be doing currently. Because the affluent give so much weight to the

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recommendations made by their friends and colleagues, investing in making a single affluent client happy in their experience with you can pay off huge dividends in the near future. Better to take the approach of wowing a few affluent clients than leaving hundreds of them underwhelmed.

Who Do They Think They Are?

Popular perception of the affluent is grossly inaccurate. The shock and surprise in learning the true nature of the affluent was part of the appeal of the book *The Millionaire Next Door.* While many of the ranks of the affluent graduated from Ivy League schools, an even higher percentage attended far less prestigious schools or bypassed college altogether.

While many might assume the affluent reached that status through inheriting wealth, the fact is that 270 out of 400 in one study had created their own fortunes from scratch. Another 56 achieved their net worth through a combination of work and inheritance. The vast majority relied on ambition, drive and entrepreneurship to become wealthy. They carry those same values even still, and tend to be surprised and even offended when lumped in with the silver-spoon babies.

In many cases, some notable, ultra-rich parents see passing along their wealth to heirs as doing a disservice to them. Barron Hilton, Paris Hilton's dad, recently altered his will to make sure the bulk of his billions goes to charity rather than to his children. Others in the tribes have kindly but firmly pushed their children out of the nest saying, "If you like this lifestyle, go make your own money."

This connection with the value of work, ingenuity, and dedication shows up in philanthropic circles. Generally, the more affluent a person is, the stronger their opposition to handouts, except in the case of severe tragedy. When it comes to a cause deemed truly worthy, the money flows with shocking generosity. But especially for the affluent population who earned their station in life, the tie to the values that got them there is strong enough to keep them from preventing their children from having that shared experience.

What Do They Want?

In a couple of words, what the affluent tribes want most are exclusivity and efficiency. They tend to be pressed for time and have a low tolerance for wasting the minutes and hours they value so highly.

That's part of the appeal of the private jet for the ultra-affluent. Flying commercial, even in first class, is time-consuming and inefficient. Parking, checking in, checking baggage, going through security, and waiting to board can easily consume hours of time. All of that waste is eliminated by flying in a private jet, plus there's the added benefit of being able to schedule the flight when it's most convenient.

A wise marketer sees or creates parallels to the private jet experience to deliver time efficiency to their clients. Personal trainers begin to make house calls to their affluent clients. Coaches create a learning experience that delivers the most value possible in as little time as possible. Service firms strive for hassle-free, time-honoring delivery their clients can count on.

Exclusivity is the other keystone of the affluent buyer's desire. For most direct marketers, there's some familiarity with this concept, scarcity, and it's invoked in nearly every promotion they create. However, with the affluent, exclusivity as a benefit rises to a whole new level.

Through my research, I've seen that the affluent – especially males – are highly competitive. Many recount purchasing stories that reflect their drive to have the biggest, the best, and the newest that's available, or even better – that's not available. Statistics show that it's the highest end Lamborghini that boasts the longest waiting list. Some yacht owners will admit they chose their vessel based on a comparison with what their marina neighbors have more than an inherent desire for a certain footage. It's a grown-up version of "my toy is bigger than yours."

Effective marketers to the affluent capitalize on this drive to have what very few others can have. A waiting list can have a powerful effect on whetting the affluent appetite. Easy or immediate access can be the death knell in marketing to these tribes. This is where stratospheric pricing can come into play – as long as the benefits are clearly communicated in a way that they are irresistible to the buyer.

You Can Only Play So Much Golf

Many marketers would be surprised to learn there is a huge opportunity for selling lifestyle businesses to the affluent, like Internet businesses or information product businesses.

We're obviously living longer, so life used to be about three acts maximum: Act 1 was education, Act 2 was career, and Act 3 was retirement. Now, we've got five or six acts because we now have a few different careers.

We have a very different definition of retirement because we stay healthy and active much longer. We have people who need or want to continue to make money. But we also have those who don't necessarily need to make money, but they want to do something to make their time significant, meaningful, and interesting. You can only play so much golf.

That's where lifestyle businesses come in. They are businesses that do not re-anchor the person to a fixed schedule or to onerous responsibilities or liabilities. Businesses like these give them flexibility and mobility. These kinds of business opportunities are of ever-increasing interest with the early retirement bracket, Baby Boomers and up in age. The lifestyle business is of great interest, not necessarily to the ultra-affluent, but to the affluent.

This trend shows up in the second home building industry. Luxury homes, second homes, and retirement homes almost always now feature a home office. It's almost requisite because the homeowner plans to make use of it.

Information marketers would do well to design their offers with these tribes in mind. They want nothing to do with a business that demands a lot of their time and attention. But a very high percentage of the affluent would be interested in having a lifestyle business they can do when it's convenient, and for as long as it engages them.

Dan Kennedy's Top 10 Tips For Marketing To The Affluent

Tip #1: Fish In The Right Place

The affluent are far less likely to respond to email marketing, Pay-Per-Click, and other forms of mass marketing online that work well with non-affluent buyers. Feeling like they are just one in a crowd is a sure way to make your business unappealing to the affluent tribes. Anything you can do to customize and personalize their experience in doing business with you will help you connect more effectively.

Tip #2: No Fear Factor

Doom and gloom is not the angle to take when you market to the affluent. While they typically express some level of concern over the possibility of experiencing financial loss, pushing that button is likely to be counterproductive. Focus your campaign on what they do want: an increase in their freedom, their security, and their options.

Tip #3: No Hype

Hype-filled marketing is an immediate turnoff for the affluent. While they may be impressed by a rags-to-riches story angle, they are not likely to connect with it on a personal level and that connection is crucial.

They choose solution providers who speak their language, who understand them rather than those who are clearly coming from an entirely foreign perspective on life, money, and business. Nobody likes feeling like they've been "sold" – and this is even more true with the affluent markets.

Tip #4: Give The Personal Touch

The more you can customize your affluent customer's experience, the better. In business models that have traditionally been 100% online, launching some offline campaigns can be extremely effective. While everyone else sticks to email, a hand-written note, or small gift can stand out from the crowd and make a lasting impression.

Strive to make your customer service rival that of the Ritz-Carlton, and your affluent customers will feel right at home.

Tip #5: Provide Extreme Value

Remember that affluent buyers, if anything, are

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choosier about how they spend their money. While this is a booming and active market, they are not throwing their money away on junk.

As an Internet marketer, your mantra should be to over-deliver on the value. If you provide truly useful information (rather than just hype or filler), holding nothing back, your affluent buyers will notice and appreciate it – and they'll be more likely to take over some of your marketing efforts for you by becoming your raving fans.

Tip #6: Be Authentic

While it's important to learn to communicate in a way the affluent are comfortable with, you don't want to come off as fake and phony. The affluent are just like you in many ways – they go to the store, they watch TV, they look forward to vacations, they worry about their children.

They likely got where they are by working hard and being smart, and they will connect with these same qualities in you, even if your net worth is a tiny fraction of theirs. Be authentic and confident, and it will be much easier for them to see something of themselves in you.

Tip #7: Be The Expert

When money can buy the best, perceived expertise becomes even more important in your marketing. The affluent especially appreciate the opportunity to work with an expert who is in high demand. The velvet rope of anticipation adds to the sense of exclusivity and yields better bragging rights once they've gotten access. Books published, kudos and awards, and industry testimonials should be featured in your marketing to boost your credibility as an expert.

Tip #8: Be Connected

Networking is one of the most effective ways you can market to the affluent. Attending one golden event a year where you make authentic connections as you rub elbows with the affluent and those who market to them could easily outperform anything else you do all year for marketing. When you attend events, seek out opportunities to have genuine conversations, to be of service and to connect on a very real level.

Tip #9: Price Smart

Pricing either too high or too low is a problem with any market, but even more so with the affluent markets. Having a long history of spending, they understand and expect they will get what they pay for. If your product is priced too low, the perceived value takes a tumble – in fact, you might be hard-pressed to give your product away for free to the affluent. However, if you price correctly, not only will you make exponentially more money from each sale, you'll also have the means to deliver a thoroughly satisfying experience to your customers. This virtually ensures they will steer more business in your direction.

Tip #10: Study The Market

As the Baby Boomers age, the money wave will continue to shift. Their children are beginning to reach the super-earning segment of their career lives. Money from the Boomers' parents' generation is flowing down through inheritance. The market will continue to change and morph. Demographics are key to understanding how to reach any tribe, and this information takes a focused effort to stay current and actionable. ■

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