

NOTES FROM: *No B.S. Marketing to the Affluent*, by Dan S. Kennedy

SUMMARY: Dan Kennedy is the legendary marketing genius standing behind virtually every *future* marketing superstar you and I follow today. He's the guy *they* all learned it from, and before everyone had a copy of *\$100M Offers* or *\$100M Leads* sitting behind them as their Zoom background, people displayed Dan Kennedy's books behind them.

His "*No B.S.*" series contains more than a dozen volumes (18 at last count) and I'm rapidly working my way through *all* of them. *I'm inhaling them* one after another, just *ravenous* for the principles, strategies, and tactics that are changing my financial future before my very eyes. It seems like I enter a new tax bracket every time I finish and apply a new Dan Kennedy book.

This book, unsurprisingly, is about how to get rich people to buy your stuff. There are, understandably, only a few books on this subject, partly because there are relatively few people who are *qualified to write* about it. Dan Kennedy *is*. His demonstrated competence and multimillion-dollar track record speak for themselves, and have helped establish him firmly among the top business professionals thinking, writing, and speaking today.

The fact is that we are living and working and selling in the New Economy, a time where consumers demand more: demand what is specifically for them, demand competence, demand politeness and excellent service, and know that *they* are the ones with the most power. "Low ticket" is becoming less and less sustainable as well, forcing the smart marketers and the people who like money to go where the money actually *is*. In other words, to market to the affluent.

This book covers the psychology and buying behaviors of the "Top 1%" of the consumer base, how to find them, sell to them, what they like and what they're looking for. All the strategies and tactics are right here, and in an economic environment where blending in with the masses means poverty and death, this book will help you stand out, command attention and respect, and both *protect* and *expand* your bottom line in *any* economic environment.

"No matter what external conditions occur, you need a bastion of customers with both constant, uninterrupted ability and willingness to buy. Such customers can only be found among people of affluence - not just in income, but in their net worth and emotional state. Organizing a business around any other population is, bluntly, self-sabotage."

“My own earning capability has a dial like a thermostat on it, that I can adjust by my own hand. I always have options: writing three books in a year instead of two, accepting a few more speaking engagements I now turn down, promoting more, and attracting more clients. Some top income earners have reacted that way. Others did not - but didn't need to, and their discretionary spending capability and willingness still remained intact. They had ample money.”

“All of this can happen again. Never lose sight of that.”

“There are two considerations that should govern your strategy, dictate where you sell and who you sell to. One is Comparative ABILITY to Buy. The other is Comparative WILLINGNESS to Buy. Nothing else matters more.”

“If you are going to choose your customers - as you can and should - why not choose ones with strong ability and willingness to buy, broadly, in diversified categories, with price-elastic decision-making, and imbued with optimism or, if need arises, resilience?”

“Middle-income earners are least reliable with willingness to buy.”

“In the particular year I analyzed for this chapter, 2018, 241 of the 400 basically made their fortunes from scratch, and another 36 made a large portion of their money even if also inheriting some wealth. Translation: 71% of the ultra-rich got there through ambition, initiative, drive, grit, ingenuity, hard work, and entrepreneurship. Their wealth has not separated them from those values.”

“Make all your marketing to the affluent mirror the way they see and think about themselves.”

“When asked by Johnny Carson why Arnold Schwarzenegger was rich and he was not, Burt Reynolds answered: ‘Number of wives.’ Still, as many, including former General Electric captain Jack Welch, have observed, the reason divorce is so expensive is it's worth it. My own affluence was wounded significantly by divorce, helped by remarrying the same wife. Finally, I got to marry rich.”

“What so many of these Forbes 400 members share in common is the startup of a small business, expansion of that business, then leveraging the wealth created to that point into diversified investments as well as multiplying the core business or brand through one or more means, such as franchising or licensing. These ultra-rich wind up with a unique mindset also held in common from this experience. Among other things, they are methodical. They view everything through the prism of process. They are also deeply suspicious of anyone or anything not symbolic of hard work and methodical development. If you set out to sell them, as example, an exotic safari or fishing trip, the story of your background and how you made yourself into the reigning expert on such travel and the extent of the research, planning, and preparation invested in designing and delivering the experience is essential and carries more influence than the most persuasive description of the trip and its amenities. This same principle applies to whatever you might sell to the ultra-rich with this startup background.”

"In many respects, the ultra-rich have the very same concerns and buying motivations as the more ordinary affluent. They are pressed for time and eager for efficiency, competence, and convenience to be provided to them - and they're very willing to pay for it. Other than those intangibles, they have few if any needs. As a matter of fact, even income is pretty much irrelevant to them; they have risen to the point of concern only with net worth. They worry about loss - of money, power, status, or security. They seek approval, recognition, respect - some only from peers, others from the world at large, all from those they conduct business with."

"Fast forward to 2017, and more than 80% of married affluent women make financial decisions jointly. Of those with one making financial decisions, it's now split almost evenly: 7.9% of these households have the man in charge of the money and 8.3% have the women in charge. These facts must be heard by marketers to the affluent. Buying decisions once thought of as gender specific no longer are. The interest in one thing or another may be held only or principally by either the husband or the wife, but the decision releasing the money for the purchase won't be in 80% of the households. Make a BIG note."

"Any purchase can and most purchases do relate to filling the need for dominance. The more affluence, the more ability there is to make buying choices driven by this, so the more important it is to advertise, market, and sell into it."

"Any marketer who finds ways to convey comparative and competitive status to his affluent male customers and clients has advantage. This is why visible tiered pricing and attached privilege is such a powerful price strategy in catering to the affluent in general, and affluent men in particular. Many will choose the higher price option, some the highest price option purely because of its conveyed status, whether they actually want the differential goods or services in those higher level options or not. This works best when a customer's 'level' is visible and seen by others."

Voltaire: "When it is a question of money, everyone is of the same religion."

Sam Goldwyn: "He's living beyond his means, but he can afford it."

"By 2030, Boomers are expected to inherit \$8.4 trillion. For marketers, the good news is: They are spending their money! They are responsible for more than half of all consumer spending in the U.S., outspending their children and grandchildren by two-to-one or more, and in virtually every spending category. They have from 8 to 12 years of this level of active spending ahead, so companies from financial firms to cruise lines to Disney have been scurrying to build products and services for these customers, yet, surprisingly, only 5% to 10% of all advertising and marketing is specifically aimed at them. There is a common mistake in much of that: being condescending, a crime committed by Gen X and Millennial ad and marketing people when usually grudgingly addressing this group. There is a decade of great opportunity here for the business owners and marketers who can and will match themselves to this market."

“Within the Boomer population, there is a historically unprecedented percentage of affluent and ultra-affluent consumers coupled with a historically unprecedented willingness on their part to spend their money on themselves. This is a terrific dynamic for us marketers!”

“I recently had a conversation about this with a half dozen clients and coaching group members, all, like me, 60+ and absent any need to earn money. The consensus was: We could all quit tomorrow, but none of us know how. I have twice failed at retirement before. One of the effects of this ‘staying in the game longer,’ after wealth is created and secure, is more people with more discretionary spending power. With zero need to add to their ‘nest egg,’ they can spend all the current income without guilt or anxiety about doing so. Rolls-Royce recently rolled out a \$350,000 SUV, and it’s not for Millennials or Gen X’ers!”

Ken Gronbach: “At this point in their lives they want only three things: Life made easy. Time saved. Not to be ripped off.”

“If you examine most ads aimed at Boomers, though, you won’t find these basic appeals straightforwardly addressed. *Here’s how I’ll make your life easy. Here’s how I’ll save you time. Here are solid proof and guarantees.* And if you’d like a good copywriting checklist for a 4-by-6 card, there it is.”

“It’s also worth noting that affluent Boomers already own a lot of stuff. Their needs are fewer and get increasingly fewer with passing years, thus they are less interested in or seduced by *things*. Many of us now have the experience of paging through a favorite catalog or visiting a mall, able to buy just about anything we might want without second thought but finding nothing to buy. Consequently, Boomers are *service consumers* more than *product buyers*. We want nothing as a thing; we want a thing that gives us time, convenience, freedom, or ease.”

“‘Buying healthy’ is also an emergent status symbol, and that, too, pairs with the affluent customer.”

“Age-appropriate nostalgia anchors are extremely effective in marketing to Boomers.”

“Making fortunes in any single category of business being replaced by multichannel, multimedia, multi-category businesses based on high customer value is the coming trend.”

“A very significant percentage of the affluent population did, in fact, pull themselves up by their bootstraps, and they strongly identify with that cliché. Many came from stark or relative poverty or other difficult circumstances and still very much governed by having been poor or put down. They never disconnect emotionally from this past, no matter how successful and wealthy they become. Some romanticize their past struggles. All keep them as touchstones. I doubt it’s a coincidence that Jay Leno’s star on the Hollywood Walk of Fame is located precisely at the street corner where he was twice arrested for vagrancy. Can’t help but think he had something to do with that placement. Or that his massive collection of classic cars may have roots in his having to sleep in his car while homeless, when starting out.”

“Walt Disney was once driving home from Disneyland when he saw and stopped briefly to admire a particular new car in a showroom window. Then driving home, he said aloud to himself, ‘Gee, I wish I could afford one of those.’ It was a half hour later that it occurred to him - ‘Hey, I can afford that’ - and he turned around, drove back to the dealership, and bought himself the car. This reveals a little something about self-made affluents: They may have nearly unrestricted spending power in reality, but not necessarily mentally and emotionally. Most are conflicted about money. They know they need to think, feel, and act rich to remain attractive to money, as I explain in my book *No B.S. Wealth Attraction in the New Economy*. But they also battle guilt, fear, anxiety, and abhorrence of waste. Those who have worked for their wealth, rather than inherited it or gotten it in some amazing windfall, as a movie star or athlete signed to a \$50 million contract, can be self-indulgent and profligate, but are not casually so. A yacht salesman told me, ‘I always show them an outrageously pricey one first, a very expensive but slightly smaller and less luxuriously equipped one second, and a stripped-down bargain model third. They buy the middle one and are able to feel good about not spending as much as they could have. They feel like they acted responsibly.’”

“The self-made affluent are great admirers of the qualities that got them where they now are. Every one of them is doing business with someone who reminds them of themselves when they were starting out.”

“These people reward ingenuity, drive, persistence, and salesmanship. They have a *spiritual reverence* for these virtues.”

“If you seek to go where the money is, you will find yourself unwelcome if you lack and fail to express an attitude of optimism. I have long told my clients, ‘Whatever else you are a merchant of, be sure that you are also a merchant of good news.’ There is a simple principle I teach about marketing relationships with customers of any and all kinds that applies trebly to affluent customers who nearly always have ample ability to spend, but are subject to mood swings affecting their willingness to spend: After every encounter and communication, leave the customer feeling better about himself and the world around him than he was when you got there. *Lift*.”

“Create the tribe your desired customers are eager to be a member of.”

“As a marketer to the affluent, it is vital you fully understand tribalism in general, and the affluent’s devotion to membership in smaller and smaller, seemingly more and more elite and therefore profoundly exclusionary tribes. The affluent tribalism is simply an extreme variation of all tribalism. The most important thing to understand about it is its emotional driving forces, so that you fully incorporate those same forces into your marketing. Those forces include those common to all tribalism: acceptance, recognition, peer approval, like-mindedness, and elitism. *But the overriding driving force of affluent tribalism is validation of superiority.* The affluent believe - whether through heritage or achievement - that they are inherently and profoundly superior to all others.

The majority have arrived through accomplishment born of ingenuity and innovation, discipline and persistence, work ethic and related behavioral characteristics, as well as a philosophy they see lacking in the masses, so they do not view their affluence as luck or a gift but as a product of and then as proof of their superior character. In short, their affluence is a special form of moral authority and superiority.”

“If you are an affluent by accomplishment yourself, this may seem an unflattering glimpse in the mirror. Be that as it may, accurate, honest, realistic, and pragmatic assessment of the deep-seated beliefs of those you seek to sell to is valuable beyond price. Even the price of turning one’s self-portrait to face the wall. We are what we are.”

“I could go on. I tell you this so that you don’t somehow miss the importance and usefulness of this chapter.”

“In addition to the E-factors affecting everybody, the affluent have a particular set of E-factors to consider, some of which may surprise you: insecurity; fear of being found fakers; desperate desire not to commit a faux pas; today, not passe; feeding emotional emptiness; giving selves gold stars; after all, what’s the point of being rich.”

“The affluent are insecure in many ways. They certainly worry about going backward, about losing their money, status, or privileges. If you’ve never been rich, you have no frame of reference, but if you’ve been rich then poor, you know what you’re missing! They are acutely aware of the aggravations, inconveniences, and financial difficulties endured daily by ordinary mortals that they have left behind - and lose a few winks every night worrying about waking up *back there* again.”

“It is true that a lot of affluent customers’ purchasing is done as a means of showing themselves respect and giving themselves recognition for their hard work and accomplishment that they don’t feel they are getting from others. Being told, subtly, that ‘you deserve this (and most others don’t)’ and ‘owning this signifies accomplishment and status and commands respect’ is extremely persuasive to the affluent.”

“Make owning your product or being your client signify something.”

“The mass-affluent also have their own special E-Factors:

- The Aspirational Acquisition

- I Own Therefore I Am

- Knowing the Secret Handshake and Having Those Who Know It Know You Know It

This is all about being part of the clique. It once was all about having stepped up. The affluent seem to mature in their attitudes about owning things, and the longer they are affluent and the more affluent they are, the more they choose and buy luxury goods and services for practical and functional reasons regardless of symbolic statement made. But for the mass-affluent, the things they buy and own and their self-images are tightly linked.”

“Ownership equals being. You can profit significantly by giving serious thought to how you may present your products, services, and business in sync with these E-Factors.”

“Raising your aim to more affluent clientele makes perfect sense in good economic times when there is robust spending from top to bottom of the money pyramid. Even when spending is flowing from the middle class and even lower earners, there’s still more price and profit elasticity with affluent customers. But the case for going there now, not later, is also founded on sensible, responsible prudence. When an economic ‘adjustment’ comes - not if; when - it is always too late for most to abruptly move up to higher, safer ground. Desperate need may be motivational, but it is rarely helpful in practical terms.”

“Somewhere in the process there is an opportunity to alter the experience and the way the buyer feels about it. It begins with determining the feelings you want to create for the buyer.”

“The most successful marketers learn not to question how the public or their customers get value - only to strive to find out about it, recognize it, and capitalize on it. To be of service means offering and delivering what customers value; that’s the role of the businessperson. Should you feel a need instead to impose your value criteria on others, you ought to exit business and enter politics or ministry.”

“In truth, what De Beers did for diamonds, anyone can do for anything. You’re aware there are wines that sell for hundreds of dollars per bottle. But there is a Samuel Adams beer that sells for \$140.00 per bottle. How can beer be worth such a price? You may answer: It can’t. Or answer: Why not? To make a giant income marketing to the affluent, you must erase your own deeply ingrained insistence at connecting price to worth and worth to function.”

“Another way to look at this, as a marketer, is a choice between selling things with ham-handed, brute force, typically against resistance, or selling aspirations and emotional fulfillments with finesse, typically with little resistance. Which seems like it might be more pleasurable? More profitable?”

The Elements of Value Pyramid:

Significance: Esteem

Life-Changing: Provides Hope | Self-Actualization | Motivation | Legacy | Affiliations/Belonging

Emotional: Reduces Anxiety | Rewards Me | Nostalgia | Design/Aesthetics | Badge Value | Therapeutic Value | Wellness | Fun/Entertainment | Attractiveness | Provides Access

Functional: Saves Time | Simplifies | Makes Money | Reduces Risk | Organizes | Integrates | Avoids Hassles | Reduces Cost | Quality | Variety | Sensory Appeal | Informs | Connects | Reduces Effort

“The typical mass-affluent person seeks little steps up in a lot of things, makes major steps up in only one to three things, and remains unmoved by luxury, brand, experience, or other factors in many other purchase categories.”

“Denying the existence of cash registers or being a critic of them is guaranteed to be unprofitable. The best thing to do is make sure you are on the right side of them!”

Aristotle Onassis: “If women didn’t exist, all the money in the world would have no meaning.”

“Is there any sum some men will not spend to attempt impressing, delighting, or seducing women? No, and many marketers grossly underestimate this sexually stimulated price elasticity.”

“Today, the affluent customer can get just about anything he can imagine - and will buy many things he didn’t imagine on his own - in the experience category.”

“The crass word ‘bonus’ is never said, but this is a gift with purchase.”

Christopher Morley: “There is only one success - to be able to spend your life in your own way.”

“There are, I think, *three* kinds of liberty: day-to-day liberty, lifestyle liberty, and mental or emotional liberty. I’d like you to consider each one as something you may be able to deliver through your products, services, or business.”

“On the rare occasions desperate affluents find someone of demonstrated, proven, reliable competence to whom they can transfer some responsibility, they will do so eagerly and pay generously for the relief. These desperate affluents often overpay people by normal or traditional standards but consider the liberty being purchased a bargain.”

“In all these instances they are not just attempting to buy a little time or convenience - they are seeking to buy lifestyle liberty. Not just a reality of minutes freed up or tasks done, but a *sense* of liberation from the mundane and time-consuming.”

“Not necessarily in any priority order, there are three big things to do. One, develop, display, and convey a profound position of expertise, good judgment, understanding, professionalism, and competence. Present yourself as the most trustworthy of advisors. The most trusted advisors relied on by the affluent automatically and certainly become very affluent themselves. Almost next to, or only a step behind, every famous person for wealth and power stands an almost equally wealthy - in some cases wealthier - trusted advisor. Two, relieve your affluent clients of time pressure, anxiety, stress, day-to-day hassle, tasks they'd rather not do or even think about or that should be below their own time's value. Create privilege and luxury-level convenience for them. Make standing in lines, filling out forms, mere mortals' normal burdens go away. Three, give them acceptance, approval, and applause. They are extremely responsive to those who celebrate their success and respect it as earned. Become known as a supporter and advocate of achievement and affluence. Take philosophical positions that counter the constant criticism they receive from most other quarters.”

“What is most predictive of human behavior is human behavior.”

“There are only two certain facts we can always start with. One, that everybody is much more enthusiastic about spending on what they want than on what they need - however, huge numbers of consumers are extremely restricted in this by lack of money for anything but bare necessities. Two, the more affluent the consumer, the more they can, and the more they do, spend on wants. When marketing to the affluent, it is essential to understand your target consumers' desires, not their needs. Sometimes they overlap, sometimes not.”

Harry Browne: “Every individual lives in a world of their own. And the only way you're going to make the sale is to enter the world.”

“Here's the formula:

1. Decide *exactly* who you want as a customer - notably, deciding on the level of income, net worth, overall affluence, lifestyle and ambitions, aspirations, interests, and attitudes about spending you want him to have.
2. Be sure you have crafted products, services, a business, its positioning - everything - for that consumer.
3. Go to that consumer wherever he is.

That third point is succinct, but far beyond most business owners' comprehension. Most business owners act as if they are trees with deep roots, at the mercy of whatever fertility or infertility, favorable or unfavorable environment exists and evolves around them. Today, consumers, especially affluent consumers, can be found, identified, effectively communicated with, attracted, and sold to at any distance near or far.”

“Most invest in mass advertising that reaches five in five and hope to be noticed by the one in five. Hope may be a laudatory human emotion, but is a very poor *strategy*.”

“More wealth has been created through the use of mailing lists than any other media.”

“All wealth derived from business is based on systems.”

“The most valuable asset is a list of high-value customers and prospective customers who invite and welcome communication from you.”

“The follow-up is where the giant opportunity is, because most businesses do little or no follow-up whatsoever. Response develops through follow-up. Whatever the response from a single attempt, it tends to as much as double with the second and third follow-up attempts, and double again with the fourth through whatever follow-up steps.”

“Once again, it’s the combination of list, copy, and offer all working together that gets these affluent investors to respond.”

Adam Witty: “The higher up in income you go, the more you’re paid for *who you are*, rather than *what you do*.”

Adam Witty: “This is a critical point to grasp. If you are trying to attract the business of affluent individuals, they will not be drawn in by *what you do*, but by *who you are*.”

Adam Witty: “Affluent people are readers, much more so than non-affluent people. You may have heard the saying, ‘Readers are leaders.’ If you casually observe any company, any organization, in most cases, you will find the leaders of those organizations have a habit of reading.”

Adam Witty: “If you are like many, you may be hesitant to have the spotlight shine upon you. However, if you want to sell to the affluent, there is no way around it - you have to be seen as *the* indisputable Authority. For that to happen, you must take the reins and deliberately create your authority position, because no one else is going to do it for you. Figuratively speaking, when you spot a beautiful crown sitting on the sidewalk, you need to have the tenacity to pick that crown up, dust it off, and squarely place it on top of *your* head.”

“Authority = Expertise x Celebrity”

“Authority accelerates trust.”

Adam Witty: “Keeping in mind that affluent people value books, a book is an objectively powerful medium that will elevate your credibility and get you noticed by that audience. Not to mention, affluent people tend to stay more informed than non-affluent people. Again, given a choice between a guy nobody’s ever heard of and a professional who has written five books and been on TV, a reasonable person will choose the professional who wrote five books.”

Adam Witty: “The more you sharpen your target demographic, the more you can tailor your brand image to appeal to that audience, becoming the exact professional they’re looking to work with.”

Adam Witty: “No matter what business you’re in, if you are asked to speak to an audience of your target customers, then the paycheck is largely immaterial. When you speak, if you’re resonating with your audience, you’ll have a line of people at the back of the room who want to do business with you as soon as you step off the stage. If you’ve written a book, and someone sees you autographing books and taking pictures with people in the back of the room, it establishes your Authority and credibility in their eyes.”

Adam Witty: “When you are the Authority, your customers *want* to refer you because it enhances their status for making the referral. A concept most people fail to grasp with referral marketing is that your customers, especially affluent ones, never want to feel like salespeople. When they pass out your business card, it makes them feel like a salesperson. A book, on the other hand, is not traditionally seen as a marketing tool. So, if your affluent customer is able to hand their friend a copy of your book, brag about how they ‘know the author,’ and help their friend secure a ‘celebrity dentist,’ it serves to enhance their status level in the eyes of the person they’re referring to you.”

“When your clients go out to dinner with their friends, do they brag about you?”

“Authority is not an accident, it is built in a strategic and systematic fashion.”

“Being boring and ordinary is a choice, not something forced on you by your particular business.”

J. Paul Getty: “If you can actually count your money, you are not really a rich man.”

“One of the most interesting lines of copy I’ve seen aimed at the affluent is: ‘Reassuringly expensive.’”

“In short, price does not exist in a vacuum. It exists in context. You can control that context. Price strategy does not operate separately either. It comes along with the context you create and control.”

“Applying the affluent marketing principles has allowed Dr. Burleson to increase his margin, allowing him to do more for his patients, which has resulted in tremendous feedback. Patients looking at spending \$6,000 versus \$4,500 say, ‘It’s not that much more considering everything that you have to offer.’ We hear things like, ‘Man, I wish other doctors’ offices would run like this.’ Burleson is relentless about running on time and he hires the best people he can find and pays them well. ‘I think everything good comes from margin and we have a significant amount of it because of this principle.’”

Conor Heaney: "I made the business about something more than the core deliverables. I made it about style, individuality, exclusivity, expertise, personal service, and relationships."

Conor Heaney: "What I'm most proud of is creating an exclusive and aspirational business that is expertly balanced with 'real' relationships. In my experience, most affluent customers enjoy dealing with real people and being treated as real people themselves. They don't want to be seen as a walking wallet. We talk colloquially with clients. Just because they desire the finer things in life doesn't mean they want a stiff, posh, snooty, impersonal service. Yes, the service standards are world class - but they are delivered in a 'real' way."