Everything You Know About Marketing is Wrong!

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There is nothing like running a pawn shop profitably while being fed a continuous stream of highly qualified new customers. Having the right marketing systems in place will provide this for you. If you receive no other benefit out of this seminar, I would like you to walk away with this one thing. That thing is the realization that you are not in the pawnbroking business. You are in the marketing business. You are in the business of marketing pawnshop services. When you embrace this fact and comprehend its importance to your business, it only makes sense to learn to do all of your marketing activity for your pawnshop exceptionally well.

MARKETING; The commercial processes involved in promoting, selling and distributing of a product or service.

Let me start out by stating that most pawn shop advertising and marketing stinks. These pawnbrokers are wasting enormous sums of money and losing many great opportunities. Most pawn shop owners don't seem to know the difference between "good" advertising and marketing, and "bad" advertising and marketing. So begin by accepting the fact that pretty much everything you think you know about this subject is wrong.

Over the years I've closely studied marketing and advertising done by pawnbrokers. I've done this for the purpose of hoping to discover successful methods I could steal and deploy in my own marketplace. It never happened. If you've ever studied pawnshop marketing I'll give you one solid piece of advice. Take a look at what the others are doing and do exactly the opposite.

After this seminar ... if you really get it ... you'll probably thump yourself on the head for not seeing it all sooner on your own. I predict you will be totally amazed at how much sense it makes. I also predict you will rush to make major changes in your own advertising and marketing. This is a good thing, however I must warn you. When you do this, prepare to be disparaged by your friends and colleagues. You will probably even get laughed at. Most likely, they will think you've lost your mind. Don't worry; you will experience such astounding results that you will find the courage to ignore them. How do I know you can ignore them? You'll be too busy counting money.
Follow the Rules

As with all successful activities, effective marketing comes with rules. You are probably breaking most if not all of these rules currently, but if you choose to implement highly effective marketing systems in your pawnshop business anything you do must adhere to these rules. In all fairness, these rules are quite simple and there are reasons to violate them in certain situations. But for now, stick to them as closely as possible so you can begin to fix what you didn't even know was broken.

Rule number one:

My marketing message will always pass the "so what" test.

Once you program your mind to perform the "so what" test it will become second nature to you. You'll find yourself doing this when observing anyone's advertising and marketing. Here are a few examples. "Ace Pawnbrokers takes pride in serving the metropolitan area of Baltimore with fairness and trust." So what? Why should anyone give a damn what Ace Pawnbrokers takes pride in? Here's another one. "Ace Pawnbrokers carries watches diamonds and jewelry from all over the world." So what? Why should I care? I hope their arms don't get tired.

Or how about this one. "Ace Pawnbrokers is Baltimore's largest pawnshop." Oh that's great; I'll probably end up waiting in line. Wait, there's more. "Ace Pawnbrokers specializes in jewelry, guns, watches, all electronics, cameras, musical instruments, vintage guitars, tools, collectibles, antiques... or just about anything of value." Wonderful. The statement basically means they specialize in NOTHING. And even if they did, so what?

Bear in mind these are real examples. I made up the store name and changed the city but otherwise these examples are taken word for word from different pawnbroker's marketing. When you think about it, there's a pattern here. These marketing messages are all about them, Ace Pawnbrokers, and the size of their ego. How do you get your marketing message to pass the so what test? Write your marketing message to be about your customer. It will pass the so what test nearly every time and will be considerably more effective. It's not about you; it's about how you can benefit your customer.

Rule number two:

Marketing that cannot be accurately measured is useless.

This rule reminds me of the time a new yellow page book came into my marketplace. The fresh young salesman with all his scripts and flip charts was really impressed with the quality of advertising in his phonebook and the polished nature of his presentation. I wasn't. I told the kid if he really wanted to prove the effectiveness of his book to me, he...
would leave my business out of it completely for the first year. No listing at all. He seriously questioned my sanity. He just didn't understand.

I let him know if he would do this and I had even one person in the next year tell me they couldn't find me in the phone book, the following year I would advertise with him. Measurement. So much for measurement, he wouldn't do it. Maybe it wasn't on his flip chart. Had I really wanted to test an ad in his book I would have purchased a unique telephone number for the ad. That's the only way I could have easily and accurately measured the effectiveness of the ad and calculated my fixed cost per lead. My programs get into this in much greater detail.

At this point you may be asking yourself how you can accurately measure the effectiveness of your marketing. How do you know for sure that yellow page ad is working? What kind of a return on investment did I really get from that radio spot? My cable TV ad is costing me $600 per month, but what is my return? Easy, follow rule number three.

**Rule number three:**

*My marketing message will always contain an offer.*

From this moment forward I want you to forget about the plain vanilla marketing you've been using. If you look at the ads in your local newspaper you will find many businesses who advertise with no offer. Nothing. Their ad appears to be nothing more than an oversized business card. Damn, how boring is that? Not only that, but the effectiveness is impossible to measure. Useless. Same thing for the yellow pages, television, radio, Internet, and direct mail. No offer always equals no reason to respond.

Making sure there is an offer (or offers) in your marketing accomplishes several things. First off, your marketing message asks for a response from the person viewing the message. Secondly the offer gives them a reason to respond. And most importantly it makes your marketing message stand out from the all too common and horribly mind-numbing "here's who we are and here's what we do" type of message. If you want to experience unusual success you must be willing to be unusual. No marketing message leaves your door without an offer. And make it a good one.

**Rule number four:**

*My marketing message will not seek brand identity.*

Not that you won't get it, but the rule is you won't seek it. There's a difference. You are not in a Coke versus Pepsi scenario with a huge budget vying for store shelf space and customer recognition. Don't kill your own marketing with a big fat logo and a happy slogan in an attempt to try and build your brand. "Ace Pawnbrokers where we always
loan more money." Bullcrap. If you develop brand recognition accidentally along the way, good for you. But don't spend a nickel solely and exclusively on creating it. You're wasting money. Leave the brand identity up to the major drug companies.

Reminds me of the time one of my competitors decided he needed to compete with my ads on local television stations in our marketplace. This was his first crack at it and I give him credit because his ads contained an offer. What he didn't realize is how little most people really pay attention to television advertising. I'd been advertising offers on television for so long that when he started running his ad I had to quickly replicate his offer is in my pawn shops. Why? Because the prospective customers weren't paying attention. They were coming into my shops because of his offer. Did I ever set out to build my brand? No. Did it eventually happen? Yes.

**Rule number five:**

*My marketing message will contain clear instructions.*

This rule is frequently violated and it's quite costly if you do so. The fact is, if you confuse a potential customer they will not respond, at least not in the manner you would like them to. The good news is most people are pretty good at following directions. You just need to remember to give them. Many businesses are frequently disappointed with their marketing efforts until they analyze their marketing message and realize it contains confusing directions or even worse, no directions and all. Keep it simple; tell them what you want them to do and how to do it.

This reminds me of a marketing campaign I ran early on in my pawnbroking career before I knew what I was doing. This was at the beginning of the metals boom of the late 1970s. I ran a series of radio spots and the marketing message basically said "we pay more, metal prices are up, we're nice guys, do business with us." Yawn, it was horrible. The spots weren't working so I sought out some professional marketing help outside of our industry. The marketing message in my new spots stated "clean everything out of your jewelry box you no longer wear and call this telephone number for an appointment with one of our professional appraisers." They did, and in droves.

**Rule number six:**

*My marketing message will contain strong copy.*

Let's face it; timid salespeople have skinny kids. Timid marketing messages provide skinny results. Sales and subtlety rarely go hand-in-hand. There's also an enormous competition to get your message to cut through the clutter but luckily it's not as difficult as you may think. All you really need to do is keep a few things in mind. First off, a proper marketing message for a pawnbroker is all about selling. Whether you're selling merchandise, selling loans, selling yourself, or selling our industry. Nothing happens.
until something gets sold. Who would you rather have selling for you? Pee wee Herman or Arnold Schwarzenegger? Send Arnold in with your message and you'll realize much greater results. Sorry Pee wee, I just don't want you selling my business for me.

Here's one example of what strengthening the copy in my marketing message did for me. Early on in my pawnbroking career I was designing a marketing campaign to help bridge the slump in the loan base between the time the kids go back to school after their summer break and the holidays. I designed a campaign around a splashy slogan stating "we are the areas collateral lenders" and went on and on ad nauseum about how great a pawn shop we are. As you can see the campaign violated many of the marketing rules I'm presenting to you. Because of this the results were predictable, they sucked.

Luckily I realized if I was going to design any more marketing campaigns without going broke I had better learn the proper way to do it. I also realized the people who were assisting me on marketing at the time didn't know what they were doing either. So I studied, I learned, and I tested. The following year I designed another marketing campaign aimed at targeting the same slump in loan base. That year my message was "If you stop borrowing money from your friends and family you may even get invited somewhere for Thanksgiving." The message went on to humorously explain why it's better to borrow money at our pawn shop then to hit up friends and family for the cash. The difference between the two campaigns was like day and night all because of a stronger message being about the customer. It kicked butt.

Rule number seven:

*My marketing systems will be designed to allow follow-up.*

This rule is broken by many businesses and it costs them a fortune. It's rare to find any business that has a sensible follow-up campaign with their customers, and it's nearly nonexistent to find such a thing in the pawnbroking industry. That's why it's so important to you. Sure it's different for our industry, but you must do things differently in order to achieve different results. By implementing sensible follow-up campaigns in your marketing you will experience higher customer retention, increased business, and greater profitability, all for little or no cost to you.

I go into detail about follow-up campaigns in several parts of my programs, and if you choose to you should study them carefully. The thing that amazes me the most is even though most businesses will spend plenty of money to attract new customers, damn few will lift a finger to follow up with these customers and keep them. It's a criminal waste of marketing dollars not to. If you choose not to follow up with your customers here's what I want you to do. Reach in your wallet and pull out the biggest bill you have. Hopefully it's a $100 bill. Walk into the bathroom, tear the bill into little pieces and throw it in the toilet and flush. That felt pretty bad didn't it? Good! That's the feeling I want you to get every time you refuse to follow up with your customers because it truly is the same thing.
Rule number eight:

_in my marketing systems only results count._

This was a tough one for me to learn and you may find it difficult too. There are a lot of marketing systems in my programs that may look or feel wrong to you. That doesn't matter; it's just your old view coming out to fight. Get rid of your old view right now and realize that what you think about your marketing doesn't count. You don't get a vote because you don't put cash in the till. For that matter, your employees, your friends, your family, your business partners, your competition, and even your spouse don't get a vote either for the exact same reason.

The only votes that count on the effectiveness of your marketing is the cash, checks, and credit cards coming into your till every day. Results count, everything else is hot air. You shouldn't care about how much another marketing person knows, how much you think you know, or how critical anyone may be of your marketing message. Either your message sells or it doesn't. No guesswork. Either you see results or you don't. It doesn't matter what anyone else thinks, especially you. I know this is a tough one to swallow but it's true. Quantifiable results are the only things that matter.

I'll list these eight rules for you one more time because they are so important. I freely admit they were difficult for me to learn partially because I've never been too good at following rules to begin with. I strongly recommend you make a copy of this page, cut these rules out, and tape them up where you'll see them every day while working on your marketing. Once you fully understand them and implement them into the fabric of your marketing, then you can feel free to experiment a little if you wish. But learn these paint by numbers rules well before attempting freehand watercolor.

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Pawn Shop Advisor(tm) Marketing Rules

1. My marketing message will always pass the "so what" test.
2. Marketing that cannot be accurately measured is useless.
3. My marketing message will always contain an offer.
4. My marketing message will not seek brand identity.
5. My marketing message will contain clear instructions.
6. My marketing message will contain strong copy.
7. My marketing systems will be designed to allow follow up.
8. In my marketing systems only results count.
Use a strong foundation.

The next three things I’ll cover with you will always be your strong foundation for any marketing system you implement in your pawn shop. These three things are:

- Your market
- Your message
- Your media

By getting all three of these correct your marketing is guaranteed to click. Screw up one or two of them, or even all three, and you’re flushing more hunskis down the toilet. Nearly every pawnbroker I’ve ever discussed marketing with has loved to insist his business circumstances are somehow different than mine. This is not true. Not just in the pawnbroking industry, but every business on earth requires these three things to be correct in their marketing in order to be effective.

Your market.

This one is of utmost importance but has actually confused many pawnbrokers I’ve spoken with about marketing. They stand in front of me and complain like hell about their no good lowlife bottom of the barrel customer base, and every time they’ve gone on a tirade like this I’ve had to laugh. They ask me what’s so funny and I let them know they’re getting the exact type of customers they are trying to attract. In an attempt to clear up their confusion I ask them some very simple pointed questions. Who is your market? What does your ideal customer looked like? Who do you want to attract into your pawn shop? And their answer is usually ... well, everybody.

Let’s get something straight right now. If the only thing you require out of a customer is breath, let me inform you of something very special. Some customers have bad breath. And if the customer you’re really trying to attract is everybody, then the truth of the matter is you’re really going to attract nobody. Every marketing message you send should be accurately and precisely aimed at the WHO you wish to attract. And if you don’t know who that WHO is, you’re attempting to hit a bull’s-eye with your eyes closed. This should go without saying, but I’ve seen so many in the pawnbroking industry who use a shotgun approach to all of their marketing. Let’s just grab the gun and shoot wildly and blindly and maybe we’ll hit something.

It doesn't work. Do yourself a huge favor. Before you begin to implement new marketing systems in your business, before you begin to craft a marketing message, before you begin to develop a marketing campaign, ask yourself this very important first question. WHO do I want to attract by doing this? If nothing else, utilize this train of thought to think more about your customers, the ones you'd like to have, not necessarily the ones you already have. Most pawnbrokers think about themselves when it comes to marketing. They think about their products, they think about their services, and they
think about what all they want to say about them. It's a grave error. Start out by thinking about the WHO and how they will benefit from the products and services you offer. The only way you can intelligently go after your market is to know WHO they are.

**Your message.**

Most pawnbrokers get very poor results for their advertising and marketing because they're lousy fishermen. Any good fisherman knows when you're fishing for a specific type of fish (THE WHO) you have to use a specific type of bait. Or as author Dan Kennedy* puts it in many of his business and marketing books; match the bait to the critter. Dan says: "If you want a yard full of deer, do not put a 50 pound block of cheddar cheese outside. Put a big block of salt. If you want rats and mice, try the cheese."

- * If you are seriously interested in expanding your marketing knowledge far beyond the scope of this marketing seminar, I strongly recommend anything written by Dan S. Kennedy. You can get his books at any bookstore or online bookseller, or at least get information about his highly valuable information free at www.noBSbooks.com or www.DanKennedy.com.

In the advertising industry this is called a market to message match, but all too many times I've witnessed pawnbrokers sending an entirely inappropriate message for the type of customer they wish to attract. A simple example of this is from a pawnbroker I recently assisted in a marketing campaign. This pawnbroker had secured additional storage for pawn goods and wanted to market for customers to pawn their motorcycles. Motorcycle pawn is a fairly easy sell in the upper Midwest, seeing that at least three months out of the year you can't ride them anyway because of the weather. But when I met with this pawnbroker his mind was obviously on his product and his basic message was "We Pawn Motorcycles."

I asked him who he was trying to attract and he asked what I meant. I told him his message was going to attract people who want to borrow money and happen to have a motorcycle sitting in the shed they're not riding. I went on to say his simple message would probably attract cheap crappy motorcycles and a very high default rate. Not quite what he had in mind. I asked him if he'd rather attract clean late-model Harleys and BMWs. With that in mind, changing the WHO, we repositioned the product. The message he sends out now basically says "Who else will pay YOU to store your motorcycle this winter? The finest and most secure storage facility in town will put extra holiday cash in your pocket. Pawn your motorcycle this fall and pick it up in the spring with your income tax return." He now has customers pawning their motorcycles that would never have considered the option had his message not changed.

**Your media.**

The list of your media choices is considerably longer than you may expect. There are many things to consider when choosing your media to deliver your message to your market. Don't get frustrated, it isn't an exact science, although one thing you should want to remember is to not rely too heavily or become totally dependent on only one or two choices. Most importantly, choosing your media properly has to do with the WHO you
are trying to reach. This is covered further in my programs as I discuss a wide variety of both conventional and unconventional media choices.

The biggest problem I’ve witnessed with most pawnbrokers' media choices is their copycat marketing methods. Quit paying attention to your competition and start implementing the wide variety of choices offered to you. Just because your competitor has an ad in the local newspaper doesn't mean you necessarily need to be there. Just because your competitor has a TV spot running on the cable channels doesn't mean to pick up the phone and call the cable advertising rep. Just because you've been copying off of your competition's marketing for years doesn't mean they know what the hell they're doing; or you for that matter. Get it? I hope so.

*Applying your strong foundation.*

Hopefully at this point you're starting to get the idea there are much better ways to think about marketing your pawn shop. Over the years I've discovered that many pawnbrokers have a very difficult time distinguishing the difference between marketing and advertising. While advertising is an important part of the overall marketing system for your pawn shop, you can take this advertising component and make it as small or as large as what makes economic sense for your marketplace and still have a very effective marketing system in place. Let me explain the difference between the two.

Advertising is a specific one-way message that's delivered (or at least should be delivered) to a specifically targeted market of potential clients. Much like the fishing example, advertising is like dropping your line in the water in exactly the right place with exactly the right bait. However, advertising is simply one component of marketing.

Marketing sets the stage for what your customer experiences from the time they initially contact your company to the time they may actually do business with you and also what they experience afterwards whether they do business with you initially or not. In simpler terms, your marketing system determines every interaction between your pawn shop and the outside world. You can operate a pawn shop successfully without advertising by having an effective marketing system. The other way around however is a disaster.

With a serious effort on your part to implement marketing systems in your business you will be accomplishing three things. These three things are:

1. Attracting brand-new highly qualified customers you desire.
2. Bringing back existing customers with greater frequency.
3. Controlling what your customer experiences dealing with your company.

By systemizing your marketing and automating your campaigns you take much of the work out of the actual process. By relying on your creative energy you will suddenly, possibly for the first time, be marketing your pawnshop goods and services by knowing
what works instead of *guessing* what works. This fact alone should be enough to convince you to follow through and implement marketing systems into your business.

Will you make mistakes? Of course. But let me name some of the most common mistakes so you can avoid them. The most common is not budgeting an appropriate amount of resources and time to properly test your marketing ideas. Never underestimate the lifetime value of a good customer and never underestimate the expense and time involved in a fair advertising component test to get them. Don't be too cheap or all you'll attract are cheap customers. I don't believe that's the WHO you wish to attract.

Another common mistake is spending too much on advertising without properly testing it. Most companies where you purchase advertising will have something called a rate card. A rate card is like a pricelist but it is not set in stone. What the advertising salesperson will not tell you is when they deal with advertising agencies there is an automatic 20 to 25% discount given to the agency on the purchase. Just because you're not an advertising agency doesn't mean you can't receive the same discount. But you have to ask for it. Sometimes you can receive an even greater discount than that. Things like television and radio airtime, print ads, and billboards are just inventory for the company. If they have a considerable amount of inventory to sell, their prices may become very negotiable. If they're nearly sold out the opposite will hold true.

If you've been in business a while one of the biggest mistakes you can make is to sit down and draft out a new marketing system for your pawnshop and attempt to implement it all simultaneously. This would only be a good idea if you would like all of your employees to quit immediately, have your business partner or spouse start chasing you around with a knife, and have your customers being serviced in your parking lot by EMTs for heart palpitations. Whether you draft a simple plan or a very detailed plan for your marketing systems, you should put all of the steps on their own individual timelines. Implement one or two of the most important ones immediately, and when they are up and running properly and producing results implement a few more.

The final mistake I've seen made frequently is to take the time and expense to implement a new step in your marketing system and then to be too lazy to carefully monitor the results once it's up and running. Your marketing system should be an ongoing process, always testing, always measuring, sometimes changing when needed, and always seeking feedback from your customers and your employees. I feel obligated to give you one final warning in this seminar. Proper marketing attracts some serious profits. Once this happens there will be two tendencies for you to guard against. The first is the tendency to stop doing what you did to attract your newfound success in the first place. Don't let this happen to you. The second is the tendency to begin thinking you know-it-all. Once things start working you may experience the tendency to stop listening, stop learning new things, and cop an arrogant "know it all" attitude. Predictably, if this happens to you, you will also stop making progress. Do not allow this to happen to you. Good luck and good fortune. Keep your eye on the target and your mind on the goal.