

The Underground Marketer – Episode 2 - Transcript

Introduction 00:00:03 Marketing explosive growth and revolutionary secrets that can catapult your business to new heights. You're now listening to the Underground Marketer podcast with your host, Tudor Dumitrescu. The one podcast devoted to showing businesses how to market themselves for high growth.

Tudor Dumitrescu: 00:00:22 Welcome to this new episode of the Underground Marketer. This is the place where we deliver the real truth about marketing and explore big ideas that can help new businesses thrive and grow into big ones. I'm your host, Tudor, and today in our new episode, we'll discuss the question of how you can find opportunities and see opportunities everywhere. And seeing opportunities is essential when it comes to marketing and to growing your business. That's how it all starts. So do you remember the story of Midas where basically everything he touched, turned to gold? Would you like to have a similar ability to be able to basically find opportunities in everything and to find the gold that is already there in everything? Like, imagine for a moment what that would mean for your business. If you could start seeing opportunities in all the problems that you have, all the market trends that are going on, in what your competitors are doing, and even in what other markets that are related to your business are doing. Imagine how much growth you could tap into and what that would mean for your business.

Tudor Dumitrescu: 00:01:45 And I guess that for most of you, the answer is that you could scale your business much faster than you ever thought possible before. If you only learned to train your eye, to basically see these opportunities and then have the knowledge to take advantage of them. So first let's start by understanding what opportunities are. So very simply, opportunities are the possibilities of win-win exchanges between market participants. So, whenever there is the potential for a win-win exchange, that's an opportunity and it can be actualized by actually making the exchange. So the fundamental idea here is that any kind of trade or exchange that is win-win is not going to be zero sum, but rather it's going to be a positive sum game and both parties are going to gain out of it. And this sort of turns the thinking that most of us have been trained to have, and that we've learned to have on its head, because usually we think of an opportunity as being something that where one party is going to profit and the other parties are going to lose out, or they're not going to profit.

Tudor Dumitrescu: 00:03:13 If we think of it as a zero sum game, where one of us is going to win then, basically everybody else is going to lose. But that's not really how our economy works. And our economy actually works by, having us win when we make others win. So really the competition, the competition is not over who can get access to the limited set of resources that we have, but rather who can most expand the resources that we have and thereby create new wealth and new prosperity for everyone involved. And that's what the real competition has evolved around. And in order to take advantage of this, you first have to understand that that's the case. You have to adopt this mindset of basically asking yourself, where is it possible for a win-win exchange to take place? Where are there inefficiencies? Where can I come in or, can I help somebody do something better?

Tudor Dumitrescu: 00:04:17 And that's how you're going to uncover the opportunities that you're basically looking for. So how does that actually happen in practice? Well, I would say that the reason why we trade an exchange is not a zero sum game and we can have win-win exchanges is because we are comparatively better at some tasks than others. So we can take a simple example to see how this works in economics. It's known as a comparative advantage, and it's a huge deal. Basically it tells us that through trading and through exchange, we can both

be richer, even if we don't increase our own productivity just by trading alone. And here's how that happens. So let's take a simple example. Let's say that Bob can produce two breads or six chocolates in six hours, and I can produce one bread or two chocolates, in six hours.

Tudor Dumitrescu: 00:05:24 So as you can see, Bob has an absolute advantage over me, right? So he can produce more of each, meaning breads or chocolates, in this six hours. However, I have a comparative advantage compared to Bob because basically in six hours I produce two chocolates or one bread. So for me, two chocolates is equal to one bread. Whereas for Bob bread is equal to six chocolates. So basically one bread, three chocolates, whereas I am one bread, two chocolates. What that means is that I have lower opportunity cost when it comes to making bread. I only have to sacrifice two chocolates to make one bread. Whereas Bob, he has to sacrifice chocolates to make one bread. So basically if we were to work, each one of us, the six hours producing bread and six hours producing chocolate would end up with two breads from Bob and six chocolates from him and then one bread for me and two chocolates from me.

Tudor Dumitrescu: 00:06:34 So that's a total of three breads and eight chocolates. So now let's see what would happen if we actually traded. And if we actually sorted our production so that we would maximize our returns here. So because I'm comparatively better at producing bread than bobbies, I can focus my 12 hours in producing bread. So I will produce two breads in 12 hours. Whereas Bob, he can focus basically nine hours to produce chocolates and then just the rest three hours to produce bread. And the result of this is that he's going to produce one bread and nine chocolates. Right? So think about that. So now if you add the total products, we have three breads. So two from me, one from him, and then we have nine chocolates from him. So three breads plus nine chocolates. Notice that compared to the previous example, we have one chocolate extra.

Tudor Dumitrescu: 00:07:40 So just by trading and by exchanging with each other, we have created more and more wealth for both of us. So we could split that extra chocolate, right. And we would both be better off. So this is what comparative advantage is. And there's a really good book. If you want to go in more detail about this, it's called Not a Zero Sum Game and it's by Manuel F. Ayau. I hope I'm pronouncing that right. And what this basically tells us in terms of our topic, finding opportunities, is that you have to look for these situations of comparative advantage when you or somebody else is comparatively better at a certain task than at another. So perhaps this seems very abstract to you. So let's bring it back down towards. The point here is that when you are, I'm looking for an opportunity, you're looking for these asymmetries, these imbalances, where somebody is more efficient than somebody else at a certain task, is comparatively better.

Tudor Dumitrescu: 00:08:48 So let's take a practical example. Let's say that you have a very good analytics software that tracks website visitors very well. And it does it better than Google analytics, it enables the people who use them, the customers, to get a lot better data and make better decisions. So it has better reporting. So you have the product, but you don't have an audience, right? So you don't have anybody to sell this to, you know, nobody trusts you and you actually want to grow your business really fast. You know, you don't want to start talking one-on-one with some people, you know, write some cold emails, make a sale here and there. No, you want to jumpstart that growth and get really, really big because you deserve it. You have a great product. And if you could just get this product into the hands of a lot of people, they would benefit from it.

Tudor Dumitrescu: 00:09:46 They would create more value, you know, in ever expanding circles. And we would all be a lot more prosperous. We would be in this win-win exchange where we're all richer as the result of the trade. So how can you do this? Hosting company, so you are comparatively better to them simply because you have the product and they're comparatively better to you. They have a comparative advantage because they have the audience. And so you're going to trade. You're going to create more wealth for both of you. So you could approach, for example, a hosting company and the hosting company has to provide some sort of an analytics to their users. But basically this analytics is not very advanced. It's kind of outdated and it's not really good. It doesn't even compare with Google analytics, but with your software, you know, if you licensed it to them, for example, or you gave them a cut out of sales, you know, they could create more wealth for them and also for their customers.

Tudor Dumitrescu: 00:10:56 So yeah, you reach out to them and you try to strike a deal. You say, look, I will license this software and I will let you use it for all your, your customers. You know, you can offer it as an additional package that they can pay for. And, and basically any additional customer that you onboard on this extra analytics service that you're going to offer. And you can even tell them that I'm going to let you brand this under your own company, if you want, whether you do that or not depends on your larger marketing strategy, but it's certainly something that you could do, you know, so you basically tell them, take it, you know, sell it. And all I want as a result of this is a cut of the sales that you make, right in exchange for that not only will they let you license the software, but I'll always make it better.

Tudor Dumitrescu: 00:11:50 You know, I will improve it. I will take your, I will take the feedback of your customers and I will actually add those features that they want and make sure that you retain an advantage out of it. So just like that, you are able to basically structure a deal that will give you access to a massive number of cases, customers. And since those customers already trust the host, you'll also get access to the goodwill that the host has built with the customers, right? You can, I certainly see how by spotting this opportunity, you can tap into a massive growth opportunity for your business that you wouldn't be able to do, you know, just by running PPC ads or whatever, because that's just an inch by inch approach, which is much, much slower. And whereas this is super quick, you can easily reach a vast number of customers, you know, and this, these kinds of deals and these kind of opportunities are exactly what you need to actually get there at growth to the next level and really power it up, you know, and your business reach that next level of success and prosperity.

Tudor Dumitrescu: 00:13:04 And I mean to do this, the beauties that you don't even need a product and you don't need an audience and you don't need any money. So literally if you are good and you train your eye at sporting opportunities, you can simply identify somebody who has an audience, identify somebody who has a product and then broker a deal between the two of them. And it's the same thing. So literally in this case, you could identify the guy who has the analytics software and the hosting company, and then broker the deal between them and get a cut. And remember, you're not profiteering of them. You're actually creating wealth by doing this, you know, by identifying this opportunity. And remember, an opportunity is just the possibility for a win-win exchange. And by helping them actualize that possibility you're creating new value that didn't exist there before. Remember in our initial example with the chocolate, it's that extra chocolate was created and your cut, your pay will come out of that.

Tudor Dumitrescu: 00:14:08 So you're going to create a lot of value for a lot of people by being able to spot opportunities and actualize them. And I mean, that's what marketing at its core is going to be about. It's going to be about having this eye, that is basically trained to spot opportunities and then bringing the buyers and the sellers. And it doesn't mean matter if you are

the seller or somebody else is the seller together and making the exchange possible. That's how money is made. And that's what you're going to have to do in order to market your business or your product, or really to make money. That's how it's going to go. And remember here that the big thing is that you have to look for comparative advantages and not necessarily absolute advantages. Because many people, when they get started as entrepreneurs or in business, or even if they've been in business for a long time, they tend to think that the guy who has the most resources is basically always going to win.

Tudor Dumitrescu: 00:15:17 And they don't even stand a chance against this guy because this guy already has massive amounts of capital and resources and he can do everything right. So how could they do any win-win exchange with them? And that's actually a fallacy. Like, you saw in the example with Bob and I and the chocolates. Bob could out produce me, if you wanted to both in terms of breads and in terms of chocolates, but it was actually to his advantage to trade with me because I had a comparative advantage. I could produce one bread by sacrificing less chocolate than he could, right? So that's why it was to his benefit to trade with me. And obviously to my benefit to trade with him, we would both be richer and produce more results and more production as a result of that. So these concepts are very important. And if you start applying them to, whenever you think about your marketing and you start using them, and you start asking yourself, you know, which parties here have a comparative advantage, and what is that advantage?

Tudor Dumitrescu: 00:16:28 You're going to start seeing opportunities everywhere. You know, basically you're going to start seeing new ways to utilize already existing resources, to create greater wealth for everybody involved. And once you start approaching deals in this way, with your customers and with your partners, you know, you can turn your business into hyper-growth mode. And what that means is that you'll start gaining new customers and new wealth at a pace that you never dreamt possible before. And it's all the reward of being an opportunity seeker. The people who are best rewarded on the planet, they are the best opportunity seekers. There are those people who can see what the market needs, and then they make those deals possible. Whether by producing something, by inventing something, by brokering a deal between two other parties, you know, whatever it is, there's certainly many people on the planet who are making millions of dollars, you know, just by brokering deals between other people.

Tudor Dumitrescu: 00:17:37 And that's how a lot of the wealth around the world is created. And in order to accelerate your marketing to the next level, you need to tap into growth and partnerships are going to be essential for this. So especially if you're a newer business, the fastest way to grow is by partnering with existing businesses who already have access to your market. And they may even have access to capital that you don't have. And that's how you can put your growth on the fast track. You know, you don't have to run some Google ads or whatever to grow your business one customer a week or whatever, that's too slow, right? Like, think about it. How much will it take to grow like that? How much will it take to grow just by word of mouth, you know, from one person to the next, when you have a critical mass, that word of mouth growth, it can really take you to supreme levels of growth, right?

Tudor Dumitrescu: 00:18:40 But until you reach that critical mass word of mouth has a very small effect, you know, and you need something else. You need the capacity to reach a large number of people preferably all at once. And that's what you can do by partnering. Partnering is a way to create a win-win exchange for both sides and create wealth that both sides can access. And as you saw it, doesn't take much. All you have to do is learn to spot a comparative advantage, a way for resources to be used more efficiently, to be allocated basically more efficiently. And if you can do that, you can profit. And it doesn't matter if you just have the

audience, you know, it doesn't matter what side of the deal you're on here, right? So you could have the audience, but you don't have the product, or you could have the product, but you don't have the audience, or you could have neither, right?

Tudor Dumitrescu: 00:19:35 But you just spot the opportunity and you broker the deal. So it doesn't matter on what side of it you're on. But if you can do that, you're going to grow much faster. So remember that on this podcast, we talk about these little known ways to really take your growth to the next level. You don't, we don't want those, you know, grow by one or two customers a week or whatever that slow. You know, it's going to take you ages to expand your business and deliver all the value that you can deliver to the world. Because thinking about it every moment that you're not reaching out to the maximum number of customers that you could be reaching out to is a moment when you are depriving those customers of value that they could have access to, but they don't. And remember this because it's, it's very important.

Tudor Dumitrescu: 00:20:30 A lot of people, they don't realize that actually trading with you and buying your product is going to make their customers much, much better. It's going to create more wealth for them, and it's going to be a win-win exchange. So you really owe it to your customers and you owe it to yourself and to the world to create more wealth and more production for everybody that is involved. And by becoming this person who can spot opportunities everywhere and like Midas, everything you touch can turn into gold. You can have this seemingly magical power and it can be all yours. You know, if you just train your eye and you have the vision required to see opportunities and to see ways for society to allocate its resources, even better. In fact, it can work even if you are an employee. I mean, so this, you don't even have to already have launched your business.

Tudor Dumitrescu: 00:21:32 If you're an employee, for example, and you went to your boss and told them that you found this opportunity, and you're going to, you want to do it for their company and it's going to cost them nothing. You're going to do all the other work that you did before. You're going to continue doing it the same way you're going to basically not use any of the company's resources. And all you ask for this is that the new profits that are generated, if they are generated, you get a cut, you know, what do you think your boss is going to say? No, you know, he's going to say, no, no, I don't want more money. I don't want more wealth. I don't want my business to grow more. Of course not. If he really understands that, that you're going to do everything and it's not going to come at a cost to him, then of course, he's going to say yes to new business.

Tudor Dumitrescu: 00:22:22 So this idea of seeing opportunities and finding opportunities, you can really train it at every single moment. And if you're building an organization it's even more important to train it in your employees because of the culture that exists in many large corporations, where each employee, as a very small part in that it, and you know, that's not the culture of a startup. That's not the culture of a new business who is just making it happen. And you have an advantage because that's not your culture because you can train your people from the very beginning to be opportunity seekers. You know, you can train them. If they create more value for the company, they can have a share of it. You know, and the law of innovative and smart companies is already doing this. You know, they are offering their employees a chance to share in the profits created by, a new innovation or buy new value that's created within the company, precisely as a way to motivate them, to create this value and to take initiative because employees, we started from a position where they're not really motivated to, and they don't think that if they do something extra, they're going to get rewarded for it.

Tudor Dumitrescu: 00:23:45 And it all comes down to this scarcity mindset where we don't actually realize that wealth is he's not actually money. You know, that's, that's not what wealth is. Wealth is production, right? It's services. It's the, we have the houses that we have, the food that we have. And so on, we could have all the money in the world, but if no food was getting produced we would starve, you know, and the whole money in the world wouldn't help us. So fundamentally wealth is about production, right? And it's about the exchange of these, this production. And of course that exchange happens via the mechanism of money because it's just easier, but it could just as well happen directly, you know, by just exchanging one product in exchange for another. When you think about comparative advantages, you can also think about that kind of advantage because you may often find situations where two companies may want to trade the products that they have with each other, sort of a barter.

Tudor Dumitrescu: 00:24:52 And that's another place where you can find opportunity and where you can create new opportunities. And obviously everybody's going to profit out of it. And we're all going to be richer as a result of it. So to summarize a bit, what we've discussed about we've covered basically what an opportunity is. So an opportunity is the possibility for a win-win exchange, we've covered why trade and exchange can be win-win and not zero sum. And that's because of comparative advantage. And we've also seen that comparative advantage exists, even when somebody or one of the parties has an absolute advantage over the other, you know, so you can have a comparative advantage versus Coca-Cola, even though Coca-Cola can probably do and produce a lot more than you can in an absolute value term. So, these opportunities for comparative advantage where you can strike win-win deals exist everywhere.

Tudor Dumitrescu: 00:25:55 And when you start seeing them, you gain one of the most valued capabilities as a marketer, you know? Right. And in order to do that, you have to actually start seeing them, you know, you have to train them yourself and ask yourself questions, how can these resources be used more efficiently? What do these people need that they don't have? Does somebody else have these resources? Can I maybe link the two of them together? Or even in your case, what do I lack? You know, maybe I have a product. I lack an audience. Does somebody else have my audience? Is there any way that I can offer them what I have in exchange for the audience and stuff like a deal that's win-win. And if you start thinking, like, I promise you that your brain is going to train itself, and you're literally going to start seeing opportunities everywhere.

Tudor Dumitrescu: 00:26:52 And I mean, the rewards that you're going to get out of this are going to be huge. So, personally, you're going to be a lot more capable to see niches and to see chances that others are missing, you know, possibilities that others are not seeing. And then in terms of your business, you go into being able to grow at a much faster pace than, if you just did conventional, you know, marketing strategies like PPC or whatever. The rate of growth is just going to be spectacular. And this is one of the essential elements that can get you, because remember we talked earlier about that critical point, right? And critical mass of customers, where you can start growing very effectively by word of mouth. Well, this can help you reach that critical mass, much faster through partnerships. And once you reach that critical mass, you will literally explode, you know, your growth will just go through the roof and this is the fastest way to do it.

Tudor Dumitrescu: 00:28:00 I mean, you can grow slowly, slowly by PPC by bringing one client here and there. But you also have this resource at your disposal and you should make use of it. That's what effective marketers do, effective marketers, remember, bring buyers and sellers together. And the reason that they can do that and they can get them to trade is because of comparative advantages. And they know how to exploit those comparative advantages to

make everybody richer and to create win-win deals for everyone. And that's what you can do as well. So, I leave you with that for now. And I'm just going to tell

Tudor Dumitrescu: 00:28:42 You stay tuned for the next episode. And until next time, as I said before, keep your business growing and provide massive value to the world. And remember, you are the reason why we're all growing richer. Our freedoms are expanding and we're living in greater prosperity than ever. So it's all thanks to entrepreneurs like you who are putting it all on the line and who are making it happen, who are creating wealth, literally out of nothing, you know, out of identifying opportunities and seeing opportunities everywhere, and then tapping into them. Stay tuned.