

SPECIAL OFFER

How to make an offer
your audience can't refuse

What's in the offer? Everything, when it comes to direct marketing and driving response...

Behind, knowing your target audience which is number 1, the Direct Marketing "Offer" is the next most critical factors in the success of any direct marketing program.

[The Direct Offer Strategy](#)



The Direct Marketing offer is one of the most critical factors in selling by direct response advertising and in determining the success or failure of program. What is the offer? Simply put, it is the proposition you make to the prospect or customer. It is everything that goes into making the prospect or customer respond to your offer... either requesting additional information or actually making a purchase, which is the end goal of all offers. It's not just the product or the product benefits.

Besides product, the other components of the offer might include a free gift, special credit terms, an introductory discount or low rate finance, to name but a few. The total offer has a major impact on the success or failure of getting the prospect or customer to respond. Strong offers can increase response rates and weak offers can reduce them. In fact, the wrong offer can result in zero responses. Whatever makes up your offer, you have to make sure that it meets your response and financial objectives.

If response in droves is what you are after then a really generous offer will secure that response. If you actually want to attract qualified leads from really interested prospects then you need to make a lesser offer that will prevent deadwood or junk applicants. The balance needs to be struck.

You need to check that your offer is relevant to both your target audience and the product in question. If you mismatch the offer to the audience, it will not

be attractive and may dissuade fence sitters from responding.

Before working up your offer look at what your competitors do. Draw up a checklist to compare your offer with those of your competitors.



For example, many marketers default to discounting a primary component of their offer strategy. It's the easiest and quickest solution to structuring your offer, but it's not necessarily the best solution. If you can make offers that do not obviously reduce the price of your product, it is worth trying and you're better off not doing so. You may bring the customer on board by reducing your margins and offering discounted pricing, but doing so can have long term negative impact on your ability to make that customer profitable. When you discount, there is every chance that the customer will expect the same come their next order or renewal time. Don't forget to look at the future, because if discounting is an important part of your offer, you will have to build it into your pricing structure so you can achieve your revenue and profit goals. In direct marketing as in retail selling, you can trade a customer down, but it's almost impossible to trade them up once they have gotten used to and expect discount pricing.

Discounting has gotten to be a game between marketers and consumers, where consumers expect to see 50% offs and begin to think of that as regular pricing, and marketers inflate their regular prices knowing full well that they will sell very little or none at those prices. I receive email offers every day from multichannel marketers offering 30 - 50% off and they have trained me and other buyers not to pay regular price for anything they are selling. Discounting or special pricing can be a strong part of your offer strategy, but it can also be overused. Where a retailer has the advantage of possibly selling other merchandise at regular pricing to offset the margin loss of the discounted product, direct marketers can't depend on the consumer buying a

mix of regular and discounted products to generate an acceptable average order margin.

The offer is crucial because the right offer can sell almost anything. The offer is one of the simplest and most dramatic ways to improve Direct Marketing results. All other things being equal, it's the most crucial of the three parts of response creativity. It's important to think of your market as you are structuring your offer. What are their sex, age, educational level, special interests, and social-economic status?

How you state the offer counts. It both selects and involves the prospects. It determines the quality of the customers who respond. It's important to find new ways of stating your offer and also finding new offers to make to prospects and customers. Overuse of the same offer can bore the consumer and reduce response rates. Overuse of the same offer can also increase competitive pressures. If your competition knows that you offer 35% off on every promotional offer that you send, they can offer better discounts on the same merchandise or they can strengthen their offer in other ways, such as adding free shipping to the mix.



Dr. Abraham Maslow's theory of human motivation has direct application in the formulation of an offer strategy in Direct Marketing. It says, in effect, that all human beings are motivated by their own needs and that once these needs are satisfied they no longer motivate the individual's behavior. The levels of need in order of importance are physiological needs, safety-security needs, social needs, ego needs and self-fulfillment needs.

A direct response offer cannot hope to succeed unless it starts out by addressing and fulfilling the individual's security needs. Two basic offers

that are used to address these needs are the money back guarantee and the free trial.

Product/Offer Strategy - Making The Sale

Take nothing for granted about the product. Attributes or selling points missed could make the sales. Turn negatives into positives. Review product features and selling points in terms of their benefits to the customer. Watch expressions of pricing and price breaks because they can have either a positive or negative impact on sales. Be aware of elasticity of pricing for a product and its limits and be careful about add-on pricing (any service charges such as shipping and handling) and how it is expressed because it will also impact response rates.



What Makes Up the Offer?

In constructing the offer, you must consider the following factors:

- The product(s)/service(s)
- Product/service pricing and unit of sale
- Payment options/terms
- The way the offer is worded or pictured
- Ordering options
- Shipping and handling options
- Any special fulfillment options - free shipping
- Optional features
- Any incentives, bonuses, extras, premiums
- Other options including; future obligations, time limits, guarantees and quantity limits, free literature or booklets

Planning Your Offer

The design of the offer will be affected by the marketing and sales objectives

that have been set. For example is the goal to maximize the number of new customers in the shortest amount of time, maximize profits as soon as possible or to maximize customer name value and generate repeat business.

The 1st step in planning your offer is to think about your objective. Are you trying to get orders by mail or through your website? Are you trying to produce more sales leads? Are you trying to sell subscriptions? Or, are you trying to raise funds?

The more attractive your offer, the better the response to it will be. Your goal is to come up with the most attractive offer you can afford to generate immediate action.

The economics of your offer involve both fixed and variable costs. You want to sweeten your offer and make it more effective without increasing your fixed costs. You want to keep your cost-per-order or cost-per-inquiry down and increase response without increasing your fixed costs which raise your cost-per-order or cost-per-inquiry. To do this, you need to increase response more than enough to offset the added costs involved in improving your offer.

Types of Offers

There are eleven general categories of offers. Each of the offer categories includes a subset of offers which are too numerous to mention here, approximately 99 and



counting. What you must keep in mind is that you must not over use a particular offer technique and that the net result you are trying to achieve is to make it easy for the customer to order. Visit our website to see a complete list of offers. <http://www.dwsassociates.com/marketing-tools/>

[promotions/direct-marketing-tools/templates-checklists/direct-marketing-offer/](#)

The types of offers in that Direct Marketers use include:

- Basic offer
- Free gift offers
- Sale offers
- Discount offers
- Sample offers
- Time limit offers
- Guarantee offers
- Sweepstake/contest offers
- Build-up-the-sale offers
- Club and continuity offers
- Specialized offers

Business-to-Business versus Consumer Offers

Is there any difference between structuring a B2B offer versus that of a B2C offer? The answer is “No.” The issue is what are you selling (the product (s)/service(s)) and what are you trying to accomplish with your direct response promotion. Are you trying to generate a sales transaction? Depending on the product/service you’re trying to sell and get an immediate order for, sales offers, discount offers, time limit offers, guarantee offers, etc., all work for B2B and B2C selling and product pricing can vary from dollars to millions of dollars. Are you trying to generate an inquiry or lead? In B2B lead generation, specialized offers (e.g., white papers, e-books, webinars, etc.) work well. Depending on the product and product pricing, sample offers work well for B2B and B2C promotions. Club and continuity offers tend to lend themselves to and work well for B2C offers. Bottom line, how well an offer is suited for B2B and B2C selling is industry and product related and dependent.

About DWS Associates

Founded in 1982, DWS Associates is a full service marketing firm that develops and implements multi-channel marketing programs for organizations targeting business-to-consumer and business-to-business audiences in global markets. Our focus is on data-driven, innovative lead generation, lead nurturing, retention, and referral programs that attract, engage and retain profitable customers. Our staff is highly experienced in market research, competitive intelligence, business intelligence and analytics, strategic planning and campaign management - so we help you increase sales and marketing performance while building strong, unique, differentiated brands.

About the Author:

Dudley Stevenson, founder and CEO of DWS Associates, has over thirty-five years' experience in consumer marketing, business-to-business marketing, and direct marketing, including developing, planning, and implementing go-to-market strategies. He's also the author of "Marketing Direct: Breaking Through The Clutter." Working with organizations ranging from start-ups to Fortune 100 companies, he and his team have helped clients such as IBM, SAS Institute, Sony, Neiman Marcus, Arizona Highways, Marshall Field & Co., Mrs. Field's, UNICEF, SSA Global Technologies, Hartmarx, and Patagonia implement successful direct marketing programs. A longtime member of the Direct Marketing Association and the American Marketing Association, Stevenson is also a sought-after speaker. He's given hundreds of presentations and workshops on marketing and direct marketing. His "Marketing Planning 101" workshop alone has reached more than sixty thousand marketing and sales professionals.

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