

Hi ,

Making and creating the right offer - strategically

They say advertising gives you a reason to buy, an offer provides the motivation to buy. That's great, but how does one know which is the right button to push and what will be the most effective? (A note of caution: be aware that continuous promotional campaigns may be detrimental to your brand positioning as they condition the consumer.)

The most effective proposition will always be the most relevant and the most personalised to the prospect. Ideally if there has been awareness created (through some form of media campaign for example – although this is an expensive strategy) the offer will then yield higher results than with a stand alone offer/direct campaign.

"Opportunity is missed by most people because it is dressed in overalls and looks like work".

Thomas Edison – inventor of the light bulb (and 1000 other patents)

There are three components to use in creating the best offer – the core proposition, the formal proposition and the symbolic proposition. The core proposition is usually some generic abstract benefit – greed, status, fear reduction, etc. The second part turns the abstract into function, ie: the functional benefits of the proposition – the nuts and bolts that support the core proposition and differentiate your product or service (and thus offering). Examples are product features, packaging, price, terms, customer service. Finally there is the symbolic – the imagery, aesthetics and branding that encourage recognition and enhance the offer. Note that all the components to create an offer are described in terms of benefits – this is important in increasing effectiveness of the offer - what the element will do or help the customer.

"Next in importance to having a good aim is to recognize when to pull the trigger".

David Letterman – talk show host

Just to promote, develop an incentive and create a response mechanism, does not mean a prospect is going to pick up the phone or walk into the shop and purchase. Like many initiatives in marketing, it's the sum total of the parts that's greater than the individual. So, you have to look at the product or service being offered and answer some questions to develop an offer and format that will yield a desirable return – what are they market segment dynamics? (Age, location, habits, characteristics, gender, etc) What would be the best channel for the segment? (Phone, direct mail, sales call, etc) What are the motivators and drivers to purchase? What are the influencers to purchase (other people, family, timing, etc) Is there a current or perceived need? Why do existing customers purchase? What will the pricing be? Is there a time frame?

"Success seems to be connected with action. Successful people keep moving. They make mistakes, but they don't quit."

Conrad Hilton – founder of Hilton Hotels

Once these questions are answered and established, you can then create a metric or framework of target market segments (on one axis) and incentives criteria (on the other). An extrinsic promotional campaign (something that is not a permanent feature of the product or service itself) can then be developed

based upon the completion of the metric.

Below is an extensive list of incentives to use in the creation of an offer, once the initial analysis has been completed.

"Make your product easier to buy than your competition, or you will find your customers buying from them, not you."

Mark Cuban – US billionaire (Broadcast.com sold to Yahoo! for \$2 bill)

- Discounts – varying levels (individual product, category)
- Free trials
- Added value – extra merchandise or service for half price
- Product bundles
- Gift vouchers
- Purchase quantity (the more you buy, the less you pay)
- EDLP (every day low pricing)
- Price matching
- High/Low pricing (the perceived value principle)
- Trade ins
- End of stock lines
- Free gift(s)
- Sale offers
- Easy terms – financing
- Sample offers
- Time limited
- Exclusivity (memberships and first 50 purchases)
- Guarantees (risk reversal is very powerful)
- Competitions
- Coupons
- Referrals (rewarded)
- Direct consumer to different (lower cost) channels to purchase

"If you wait until all the lights are "green" before you leave home, you'll never get started on your trip to the top."

Zig Ziglar –sales guru

Your level of success is only limited by yourself.

Best wishes

Vaughan

