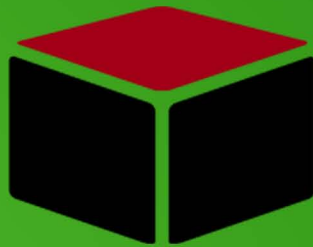


SPECIAL REPORT #4

The 8 Components of Irresistible Direct Response Offers



Presented by
Clayton Makepeace
and *The Total Package*
www.MakepeaceTotalPackage.com

The 8 Components of Irresistible Direct Response Offers

By Clayton Makepeace,

Billion Dollar Marketer, Publisher and Editor, [The Total Package](#)

Dear Business-Builder,

Let's take a look at one of the most often-overlooked and under-appreciated part of every direct response promotion: The offer.

The way I see it, "The Offer" is much, *much more* than the price you're charging for your product or service. In fact, I count EIGHT major components that great offers share — and we're going to take a detailed look at ALL of them in this week's issue.



This is crucial stuff: While most marketers and copywriters spend most of their time developing major themes, headlines and opening copy, we often sleepwalk through the copy that showcases the offer.

We're all guilty of it -- and that's a big, BIG boo-boo: A compelling offer can easily boost response and average sale amount by 20 percent, 30 percent or even more!

In contrast, an ill-conceived offer can depress or even kill response -- and it can also drive your fulfillment costs into the stratosphere, leaving your ROI in the dirt.

So grab a cup-o-Joe and get comfortable. Unless I miss my guess, just *thinking* about the offers you make on the Internet, in direct mail, in print and in your TV and radio promotions is about to add big bucks to your bottom line.

**Welcome to the days of ...
"But Wait -- There's MORE!"**

In the old days, merchants and customers hammered out most purchases face to face. The buyer haggled for the best price and asked the merchant to sweeten the pot by adding something extra.

The advent of mass marketing changed all that, of course. Today, direct response consumers are accustomed to having your best

offer presented to them on a silver platter.

And now as never before, the pressure is ON. With every passing day, our prospects are exposed to ever-more-amazing offers — especially on TV, in the mail and on the Internet.

Click on your TV and you're likely to see Ron Popeil giving away what seems like a whole kitchen-full of free gadgets when you buy his rotisserie oven — or Billy Mays cutting his price in half, doubling the amount of Orange-Glo you get AND giving you free squee-gees and other goodies.

It's getting ridiculous and ridiculous.

When I first launched Health & Healing back in the early 1990s, we offered a total of four free gifts: Two with your one-year subscription, one more if you signed up for two years, and one more if you responded within ten days.

Last week I submitted sales copy for a health newsletter that offered a total of SEVENTEEN free gifts!

What's that you say? You don't *sell* kitchen gadgets, cleaning products or health newsletters?

Doesn't matter. The simple truth is that your prospects are being *conditioned* to expect the moon — not just by your competitors, but by every direct response marketer out there. Any marketer who ignores this sea change in consumer attitudes does so at his own peril.

What's more, if the number of free gifts prospects expect you to offer has more than quadrupled, the rest of every great offer has also become more intense and complex.

Anatomy of a Power-Packed Direct Response Offer

Just about every great offer you'll see is comprised of eight major components:

1. Rationale: Great offers begin with a clear, credible explanation of why you're about to give away the farm.

Maybe it's a "Special Introductory Offer:" You're so sure that once the prospect experiences the benefits your product provides, he'll be a customer for life.

Or, maybe you're so worried about a current or impending crisis in his health, finances, happiness, — whatever — that giving him all this good stuff is the only *ethical* thing an ethical person like you could possibly do.

Whatever your rationale for the amazing, astonishing, truly spectacular offer you're about to make, put it up in lights!

Better yet, use it to position yourself as a concerned advocate and your new customer's greatest champion.

2. Discount: Several things to think about here ...

FIRST: It's important to establish your regular price and make it seem like a really good value.

To make your regular price believable, specifics are crucial.

Tell your prospect where your product has been offered or sold for full price or even how many thousands of folks have paid the full price for the product. (In his Internet promotions, one of my buddies even includes a link that opens a separate web page on which the product is offered at full price!)

Then, demonstrate why even at full price your product is a screaming deal. Show how your product will save them or make them many times your regular price.

SECOND: Present your discount in a way that dimensionalizes your role as your prospect's advocate and champion.

After stating and justifying the regular price, I often say something like, "But it's so crucial that you get this help now, I don't want you to have to pay that much ..."

How BIG a discount should you offer? In cases when my client allows me to establish pricing, I always go for the 50% Introductory Discount.

"You SAVE HALF!" and "HALF-PRICE OFFER" and "HALF-OFF!" have great visceral appeal. Anything else feels kind of stingy -- anything more strains credulity.

THIRD: Take the time to marvel at the piddling amount the prospect will pay. Here again, comparisons will serve you well.

When possible, quantify the monetary benefits the product will deliver and compare it with the almost insignificant price.

Break the regular price down to a daily or weekly figure and compare it with something far more trivial that they spend more on without even thinking about the expense: A gallon of gas, a cup of Starbucks, etc.

3. Purchase Options: Depending on what you're selling, determining how many purchase options you offer the customer can be a thorny decision to make.

The key is to offer a low-end price point that will get you maximum numbers of new customers, PLUS one or more higher price points to increase your average sale and return on investment.

In the newsletter industry for example, we typically offer a one-year and two-year subscription. (As a rule, the two-year subscription costs somewhere around 1.8 times more than the one-year subscription. That gives prospects a strong incentive to choose a two-year subscription.)

On some occasions, a three-year option is also offered, usually as an impulse item: "Join me for two years for just \$179 and get a third year for just \$19.95!"

When selling nutritional supplements, I've found that a maximum of three quantity options is generally best. Prospects may be invited to order a one-year supply, a six-month supply or a three-month supply, for example.

The key here is to avoid presenting prospects with too many choices. Your chances of losing the sale increase with every extra second your prospect spends trying to decide which offer to go for.

4. Payment Terms: For most of my clients' new customer acquisition promotions, cash with order is king. But once a year or so, I also work with Boardroom on a "bill-me" promotion.

On the other hand, when crafting promotions for my clients' customer files, I often consider other types of payment plans -- here are just a few options you may want to consider ...

Payment Plan: When your key price point -- the level at which most of your customers will respond -- is relatively rich for prospects' blood, consider a "ThreePay" or "FourPay" offer.

You collect the credit card number with the order, then bang it for one-third or one-fourth of the total amount each month for three or four months.

By doing so, you effectively lower the perceived price point in your prospect's mind and should appreciably increase response.

"Til Forbid:" When your products are delivered regularly -- weekly or monthly for example, this can be a great way to go.

You collect the credit card information up front and then bill the card at regular intervals (monthly is most common) until the customer tells you to stop.

Negative Option: You've seen this kind of offer most frequently in book club and CD club promotions.

Each month, the customer is notified of the "Monthly Selection" and an "Alternate Selection." At that point, one of three things happens:

If he fails to respond, the Monthly Selection is automatically

sent and his credit card is billed.

If he indicates he would rather have the Alternate Selection, it is sent and his credit card is billed.

And if he indicates that he does not want any selection that month, nothing is sent and his credit card is not billed.

The key advantage to all three of these offer types is that each one lowers the perceived price point.

Instead of signing up for \$348- worth of books per year for example, the prospect perceives he is only signing up for \$29 per month.

5. Premiums: These are the free gifts that prospects receive along with the product they are purchasing.

Typically, in newsletter offers, premiums are timely special reports that provide important information and advice on topics closely related to the theme of the promotion.

Why are special reports such great premiums? Two reasons:

A) Timely special reports that can promise tremendous profit potential have a far higher perceived value than a hard-cover book (perceived value: \$29.95) or any other free gift you could possibly offer, and ...

B) Printed reports cost only pennies to print and mail, and they can be delivered as PDFs or eBooks on the Internet for free!

When choosing the topics for the premiums you offer, it's important to make sure that each one emphasizes and clarifies your main theme and/or your product's USP.

It's also crucial to create a premium structure that makes the highest-priced purchase option far and away the most appealing to the prospect.

In a campaign for an investment newsletter we just completed, our main theme focused on tremendous opportunities in natural resource stocks — gold stocks in particular — and our main premium was a list of the editor's 7 hottest gold stocks.

Two-year subscribers were offered additional reports listing the 7 hottest silver and platinum stocks ... the 7 greatest energy stocks ... and the 7 best alternative energy stocks to buy now.

Prospects were faced with the choice of getting one free gift with a one-year subscription or FOUR free gifts with a two-year sign-up: A real no-brainer if you ask me -- especially since they take no risk whatsoever with your super-duper ...

6. Guarantee: The stronger your guarantee, the better. One-year guarantees tend to be the most common today. However, I have written Rodale promotions in which you could return a book at anytime *in your lifetime* for a full refund!

Cheaping out is the biggest blunder you can make in a guarantee. Offer a 60-day or 90-day guarantee and you're going to get a blizzard of refund requests two or three months out.

Delay your customer's decision date for a year, and you'll find that refunds fall precipitously.

Whenever possible, tie your guarantee to your product's performance. Set a specific benchmark: "XYZ will double your money in gold stocks every three months, or just let me know and I'll refund every penny you paid."

In cases where you have significant production costs -- or when there's a temptation for shady customers to take advantage of your generosity and get your product for free -- you may need to require that the prospect return the product or "the unused portion" in order to exercise his right to a refund.

If on the other hand, you're selling something that costs very little to produce -- a newsletter, for example -- you're better off telling prospects that in the unlikely event they decide to cancel, they can keep everything they've received from you completely without cost or further obligation.

7. Urgency Premiums: Prospects earn these additional free gifts by responding quickly to your offer.

Typically, these "Early-Bird" gifts are given to anyone who responds within 10 days. However, in Internet promotions, they can be for anyone who orders in the next ten minutes!

And I've used another type of urgency premium very successfully over the years ...

See, I figure that time is the essence: Every second that passes after I've presented my offer is an opportunity for my prospect to bail out on me.

Normally, in my direct mail promotions, some 60 to 80 percent of my orders arrive by telephone. That means 20 to 40 percent of my prospects are ordering by snail mail.

And *that* means they have to take time to fill out the order form, detach it, fold it, put it in the envelope and drop it into a mailbox.

Now, I'm willing to bet that significant numbers of prospects get part of the way through that process and then fail to follow through. In

short, I sold them, but I'm not getting their orders.

The truth is, I do NOT want them to order by mail. So why not offer an extra premium for using the phone instead?

Combining a 10-day "Early Bird" bonus PLUS an extra bonus to incentivize folks to order by phone has been a key component of some of my biggest winners ever.

8. Fulfillment Considerations: We Americans are not known for our patience. Instant gratification is big for us.

Giving out our credit card info and then cooling our heels for four to six weeks stinks -- and I'm willing to bet that millions of sales are killed every year in this country simply because the prospect assumes it'll be a coon's age before his product and free gifts arrive.

So if you can deliver faster, why not shout it from the rooftops?

I have a client who ships his product the very next business day. And I have reams of testimonials from customers who were amazed that their product arrived just three or four days after they ordered it.

Think I mention THAT little gem of a fact in my promotions for him? You bet your bippy I do!

Also: If you're not charging for shipping & handling of your product or premiums, why not put THAT up in lights? In an industry that routinely charges \$6.95 or even more for S&H, your customers will love you for it!

Get OUT of the Offer Box!

A few months ago, as I was happily reviewing the results a new control had produced on its first outing, I had an idea.

Funny how many little stones can accumulate in your shoes before you notice -- but as I looked over the piece, I realized that one of the premiums had been bothering me all along. Reason: It had almost no connection at all with the product or the main premium.

I quickly called the client and suggested a test: "Panel A" would be the control as-is -- WITH the oddball premium, and "Panel B" would be the control WITHOUT it.

To my surprise, Panel B won in a landslide. Not only did eliminating that premium lower our fulfillment cost, it also increased our response rate and average sale!

Turns out, the "HUH?" factor had been turning folks off!

The moral of the story: Always test your offers! Allocate cells

in every roll-out to test at least one component of your offer. Test a stronger, longer, more specific guarantee ... new titles for your premiums ... higher and lower price points ... new payment options ... the works.

I'll betcha dollars to donuts you'll be thrilled with the results!

Yours for Bigger Winners, More Often,

A handwritten signature in blue ink that reads "C. Makepeace". The signature is written in a cursive, slightly slanted style.

Clayton Makepeace
Publisher & Editor
THE TOTAL PACKAGE™

P.S. If you haven't already, go to www.makepeacetotalpackage.com to sign up for more response-boosting strategies for growth obsessed marketers and business owners.