

Direct Creative

Copy & Design for Direct Marketing



Getting Response in a Down Economy

4 Key Principles to
Boost Your Direct Mail Profits
in Today's Difficult Market

by Dean Rieck



The Challenge of Today's Market

There's no doubt about it. Business is tough out there. Every day brings more unsettling economic news. And even though direct marketing companies tend to be "smarter than the average bear" and far more efficient than most other business types, our industry is feeling the pinch the same as everyone else.

If you're a business owner, you're concerned about lagging sales. If you're a marketing manager, you're struggling with an ever tightening budget. If you're a vendor, you're at the mercy of clients who are putting projects on hold or bringing them in-house.

The result has been budget cuts and a general pull-back of advertising and marketing efforts. "How can we make a big profit?" is being replaced with "How can we avoid a big loss?" It's a natural reaction. However, are knee jerk budget cuts the best answer to this challenging market?

What's REALLY Happening Out There

The market is more resilient than some pundits would have you believe. All we need to do is look to the past to see that this is true. Economies run in cycles. Boom and bust is a natural and inevitable process. Because this has happened so frequently, history shows us that economic downturns do not signal the end of business as we know it.

Quite the contrary. History shows us two important facts: markets always recover and those who panic end up losers.

Nothing has fundamentally changed about the marketplace. Resources, infrastructure, and a robust consumer population still exist. Yes, there are real problems out there, such as a high unemployment rate. But what gets lost in the conversation is that if the unemployment rate is, say, 8%, this means 92% of the population IS working. And even those who are between jobs are not living on the streets.

In other words, the sky is not falling. What's really happening is that:

1. Fear and uncertainty underlie many decisions now.
2. People are postponing many buying decisions.
3. More decisions are being made on price.

So it's not that people aren't buying. They ARE buying, it's just that they're slower and more cautious, so it's harder to sell to them. Harder, not impossible. That's an important distinction, because if you assume people don't want to buy now, you will make less effort to sell to them than you should and may end up suppressing your own profits.

Understand Your Customers

Each morning when you wake up, say this five times: “It’s ALL about psychology.” This is true for the economy and it’s the key to direct response advertising as well. Your customers are uncertain and afraid, but they are still essentially the same customers you’ve always had.

All the same psychological principles apply, though some are now playing a more prominent roll. By understanding this and allowing this knowledge to guide your selling strategy, you can give yourself a powerful advantage now and in the boom years to come.

- **People love to buy.** They love to discover wonderful new products and experiences. In America, and increasingly around the world, people see commerce as a natural and appealing activity.
- **People make buying decisions emotionally.** They decide based on a feeling, need, or emotion. That’s why intangible benefits are generally the key to persuasion. For any given promotion, you should ask yourself, “What is the emotional hot button here?”
- **People need to justify decisions logically.** While people make emotional decisions, they justify those decisions with logic and facts. You should always give people the appropriate justification for making a purchase.
- **People want to avoid risk.** People pursue gain, but the urge to avoid loss is more powerful because it works on a more basic level. In direct marketing, people usually can’t see you or the thing you’re promoting before they part with their money. So there is always a level of distrust and suspicion you must overcome.
- **People seek value.** Value is not a fixed number. It is a subjective relationship between the thing you are selling and what people perceive its worth to be. The greater the value relative to the price, the more likely people will respond to your offer.
- **People buy direct because of convenience and exclusivity.** Don’t fool yourself. If your customers could easily find the things you offer at a nearby store, that’s probably where most would buy them because the perceived risk is lower.

Has any of this changed? No. People are still people. However, while a well-written headline and eye-catching photo can still make someone want what you’re offering, your customer’s fear and logic circuits are now operating on overdrive. They need stronger justification and greater value than ever before. They also need more assurance that their financial risk is minimal or even that the purchase will save them money.

These aren’t foreign concepts. We know these ideas well. Today’s market simply requires more attention to them than when the marketplace was flush with cash.

So if you are savvy enough to sell with one set of psychological conditions, you are savvy

enough to sell with another set. In fact, as a direct marketer, you are better equipped to adapt to these modified conditions than virtually any other type of business.

The Hidden Opportunities of a Down Market

Coming into the 1940s, Sears, Roebuck and Co. and Montgomery Ward were rivals with fairly equal footing in the marketplace. But as they entered the rough era of World War II, these companies took very different approaches to economic conditions. Ward's played it safe and decided to wait it out while Sears adapted to circumstances and continued to acquire and satisfy customers. When the war ended and the market inevitably boomed, Sears hit the ground running and Wards got left behind. Today, Sears is huge and Ward's is a shadow of its former self.

The Sears story is just one of many showing that hunkering down isn't a good strategy in a down economy. A study of 700 businesses in the 1991-92 recession showed that 20% entered the recession behind competitors but came out of it ahead. Likewise, 20% who were market leaders came out at the bottom. It shows that while tough times present challenges, they also present opportunities.

Getting Your Mind Right

Let's be clear. No one is suggesting that you ignore cash flow and spend foolishly in today's economy. Budget cuts are inevitable. The point is that slashing the budget arbitrarily is a losing strategy. The same fear causing your customers and clients to tap on the brakes is causing you to do the same thing. There are a lot of factors beyond your control, but your mindset and the conscious strategy you implement aren't among them.

Successful sales organizations are those that are able to adapt to the realities of the marketplace, see new opportunities as they appear, and have the courage to forge ahead. The smart direct marketing organization should:

- **Plan for success, not failure.** Just as the market is driven by psychology, so is your business strategy. A positive attitude is a must for success in any economy, but even more so when things get tough.
- **Be flexible, not stubborn.** Doing the same things in the same way over and over and expecting different results is irrational. This is not the time to take big risks, but it's also not the time to be rigid.
- **Be proactive, not panicky.** The "wait and see" approach will lull you to sleep. The market is what it is and you have to deal with it. Profits come to those who DO something, not to those who wait for something to happen.

- **Get back to basics.** Buyers want to buy. Direct marketing works. When your business started out, it took time to find the right formula for success. Now it's just a matter of taking a step back and finding the right formula for today's situation.

The 4 Key Principles

So, fear and uncertainty are affecting buying decisions, people are putting off purchases, and more decisions are being made on price. That's the situation. What can you do about it?

To maintain or improve response to your direct mail in today's difficult economy, you must consider four key principles:

1. Economy – You need to make an extra effort to maximize the earning potential of every element of your direct mail. This means knowing what makes a difference and what doesn't so you can trim the fat. However, this does NOT mean being a cheapskate. For example, if you have a direct mail control piece, it would be wise to test more economical formats. If the cheaper formats deliver results, meaning better ROI, use them. If not, keep using your more expensive control. If cutting costs also cut profits, that is false economy.

2. Clarity – Marketing messages must be persuasive and crystal clear. Always important, this concept is now imperative. Confusion kills sales. Top-notch copy is more important than ever. This is another area where false economy can hurt your bottom line. Good copywriters are not cheap. And the really good ones will help you save money by suggesting smart ways to economize without stabbing your message in the heart. Your creative budget is generally a one-time cost that pays for itself with every marketing effort.

3. Credibility – You must eliminate fear and reduce perceived risk. A trusted brand is a valuable asset now. Money follows certainty and flees from doubt. Who you are and your reputation is everything. Are you dealing with customers in an ethical and fair way? Are you emphasizing and honoring your guarantee? Do you provide customer service that lives up to your promise? Are you using your testimonials to ease doubts? There are plenty of ways to establish and maintain credibility. You simply have to go the extra mile now.

4. Value – Sales are more about value now than ever before. The value must go beyond appearing "fair," it must appear to be so good that it's "unfair" to your organization. It's not a matter of giving away the store or hurting your brand with fire sales. It's just a matter of presenting your offer in a way that makes the purchase seem like a smart thing to do and overcomes buying inertia.

All the usual best practices still apply, of course. But these are the four areas to emphasize in your strategy and in your message. Now is the time to put more effort into economizing promotions, communicating clearly, building credibility, and providing value.

The Takeaway

The economy has people scared. They're still buying, but they're moving slower, postponing some decisions, and focusing more on price. They need a powerful reason to buy, a solid justification for spending the money, and assurance that risk is minimal.

You can't change these facts, but you can adapt to them by applying basic, tested direct marketing methods. If you act on these ideas while your competition hibernates, you can improve business now and set yourself up to capture a larger piece of market share later when the economy inevitably rebounds.

Resources

Now that we've covered the theory, let's get down to some actionable information. In the following pages, you'll find a wide variety of tips and techniques you can start using today to improve your direct mail response in this difficult economy.

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Getting Back to Basics

Direct Marketing 101

Just as customers are more prone to avoid risk in these uncertain times, you should try to avoid unnecessary risk in your marketing efforts. This is the perfect time to remind yourself of a few basic principles that drive direct marketing.

- **Sell things people want.** In general, direct marketing is not about creating markets but locating existing markets. It is a business-to-buyer avenue of selling that is streamlined, efficient, and profitable — but only when a market wants what you are offering. A few decades ago, only hard-core geeks would buy a computer by mail. Computers were not understood nor wanted by the general public. Now, such purchases are common because a wide market exists.
- **Sell solutions to problems, not products.** No one cares about your widgets. What they care about are their own needs and wants. Bob doesn't want a drill, he wants a hole. Mary doesn't want a dress, she wants to look thin at the party this Friday. Alice doesn't want an investment newsletter, she wants to find a great investment that will let her retire at 45. Ted doesn't want a recipe book, he wants new ways to impress his friends at dinner parties and generate the compliments he thrives on.
- **Appeal to emotion first, reason second.** Most direct marketers are number-crunching, logical people. It's easy for us to fall into a cold, left brain, bullet-pointed, 714 reasons why type of sales pitch. But people make decisions in their right brain, based on emotion. Then they "justify" that decision with logic. To set up a sale, appeal to emotion first. Then, to close and confirm a sale, use logic.
- **Use proven techniques.** While there is no set of universal techniques that works best in all circumstances, there are a few that are nearly universal. According to Bob Stone, the guru of gurus in direct marketing ...
 - A yes/no offer usually out pulls offers without a no option.
 - A negative option offer usually out pulls a positive option offer.
 - An offer with a time limit usually out pulls an offer with no time limit.
 - An offer with a free gift usually out pulls discount offers (especially when the gift closely matches your prospect's self-interest).
 - Sweepstakes usually increase order volume, especially for impulse items (though sweepstakes customers will not be loyal).

- Benefits out pull features.
- The more involved you can get people, and the more they read, the greater your chance for success.
- Envelope packages usually out pull self-mailers.
- **Value content over form.** One of the primary reasons advertising fails is that ad creators too often get caught up in a creative vision or concept without having anything to say. One agency has repeatedly sent me mockups of mailers and brochures with tiny blank spaces they want me to fill in with copy. When I ask about the purpose of the piece or point out that the design should be based on what needs to be communicated, I am gently told to just write something of the right length and everything will work out fine. This is nonsense. Don't start with a "look." Start with content. Allow your form to develop naturally from what you want to say.
- **Make sure you're doing direct marketing.** Every direct marketing message includes three basic elements. 1) An offer. 2) Enough information for immediate acceptance of the offer. 3) A mechanism for responding to the offer. Without each of these, you are not doing direct marketing but merely using media associated with direct marketing.
- **Consider two-step sales.** There are two basic ways to make a sale in direct marketing. 1) the single shot, where you get an immediate order or 2) the two-step, where you generate an inquiry then attempt to convert those inquiries into sales. If your product is expensive, complex, new, hard to understand, or requires a major commitment of some kind, two-step sales may net you more profit in the long run than single shots.

Economy:

Put your marketing on a diet and stretch your budget wisely.

3 Simple Ways to Reduce Direct Mail Costs

Smart direct mailers should always look for ways to cut costs. In today's economic climate, cutting costs is a must. Paper, postage, and printing are all on the rise. Prospects have become more choosy about responding to offers. And marketing departments are being asked to tighten their belts and stretch their dollars.

Here are three simple tips for trimming costs.

- **Talk to your printer.** You may have a well-designed direct mail piece, but is it efficiently produced? Can you make small changes in the layout that will allow you to use more of the paper stock and create less waste? Are you using an odd shape that is making production or postage more expensive? Is the piece printed on unnecessarily expensive stock or stock that requires a special order and extra freight charges?

You should also look at the piece from a creative point of view. Do you really need UV coating or die cuts? Can you eliminate a piece or combine two pieces to lower weight and cut postage? Would a lighter weight stock work as well with your design? Often features you like don't affect results and are unnecessary.

- **Consider digital printing.** There was a time when you had to print on a standard four-color press to get full color. But today, digital presses are common. The final product looks good for most commercial purposes and it's generally faster and cheaper.

Digital presses also let you do personalization and versioning for more targeted and relevant messages. If that doesn't cut your cost directly, it can certainly improve your return on investment with potentially better response.

- **Test into smaller formats.** Testing is something you should be doing anyway, but there is a tendency for many businesses to cut testing programs when the budget gets tight. That's a mistake. When times are good, you should be testing. When times are tough, you **MUST** be testing.

What should you test to reduce costs? Try removing your brochure. Sometimes it doesn't affect response if you have a strong letter. Try turning a 6" x 9" package into a #10. If you're generating leads, have you tried a postcard or flyer? Could you remove an order form and send customers to a Web form? Does your letter have to be 8 pages or would it work just as well at 6 pages? There's almost always something you can cut, shrink, or modify.

Boost profits by testing cheaper formats

In addition to the standard envelope package, there are plenty of alternative formats you can test. Often, your response will be lower with these formats, but the idea is to lower your costs while maintaining enough response to offset the difference with more net profit.

- **Reduce costs with a self-mailer.** It offers low-cost and a quick read, good for quickly-recognized content. It also helps speed response, because it's not as in-depth as a full package and looks more urgent and newsy. To make a self-mailer work at peak efficiency, combine elements of a standard direct mail package and a print ad, including:
 - A strong headline in bold type
 - Copy in easy to read sections
 - Bullets, boxes, borders, and subheads to convey information quickly
 - Strong visuals
 - A clear offer
 - A reply card and toll-free number for easy response
 - A message or mini-letter printed near the recipient's address
 - Plus, a feature list, testimonials, guarantee, and other elements
- **Signal exclusivity with an invitation.** To make an offer special, you can issue an invitation in the appropriate format, usually a smaller envelope and letter on higher-quality paper with an RSVP. This works best for offers targeted to higher-income prospects, professionals, and executive level positions; for events such as conferences, meetings, and presentations; or for offers that need a quality feel.
- **Add urgency with a telegram.** This is a good idea that is, unfortunately, wildly over-used. It can be little more than an envelope design, such as "Urgent Gram," "Speed Gram," or some variation. Or it might be an envelope and letter combo resembling an actual telegram printed on yellow paper with tractor-feed holes down the sides of the letter. One way to make this format work is to create your own urgent-looking envelope for fulfillment materials. This allows the envelope to get noticed — which is the whole point — and assures that the contents will be relevant and interesting, instead of boilerplate.
- **Create an official look with a snap-pack.** This format is often used for official notices or statements, so it gives your ad message the same feel. And because the recipient has to rip open the edge of the envelope and pull out the contents, it is naturally involving. It's good for generating inquiries or for organizations with recognizable and trusted names. It has been used with particular success in the nonprofit sector to deliver what appears to be an urgent, cheap appeal for funds. Remember, a snap-pack is basically a direct mail package with a special envelope these days, so you don't necessarily need to shrink your contents to one or two sheets as in the old days.
- **Generate quick leads with a postcard.** Direct sales are possible with postcards, but only for simple offers, such as magazine subscriptions. They are much better for building

traffic for local retail, driving people to a Web site, or for generating inquiries for familiar services, such as real estate or carpet cleaning. However, because response is so easy, lead quality is often low. But it's worth testing. Just remember to telegraph your message: clear benefit headline, strong offer, a picture of what you're offering, lean copy, and a bold call to action. One downside is that nearly everyone is testing postcards now.

- **Use dimensional mailings cautiously.** Boxes, bags, tubes, folders, and other unusual formats are great for getting attention. But while there are plenty of examples of successful campaigns, these formats are usually misused, wasting money on a novel format when a standard format could deliver a more powerful message and net a greater response or profit. Most of the dimensional mailings I have seen are simply a way for ad agencies to jack up their fee. One way to use dimensional mailings effectively is for small, highly targeted lists coupled with a high-priced product or service.
- **When in doubt, use an envelope package.** The classic direct mail package consists of an outer envelope (usually #10, 6" x 9", or 9" x 12"), a letter, brochure, reply card or order form, maybe one or more inserts, and a reply envelope. The reason this format is a standard is that it has been developed, tested, and perfected over many years. And it works. Test other formats, but don't be different just to be different. You can cut costs with smart sizing and printing.

A Short Course on Testing

Success in direct marketing is all about testing. Until you have verifiable data, your ideas and theories remain in question. Testing is the only way you can ever know anything for sure. Here are a few ideas you should keep in mind whenever you run a direct mail test.

Questions to Ask Yourself for Every Test

Good testing starts with careful thinking. Before you rush into a test, take out a pen and paper and write down the answers to a few questions:

- Why am I testing?
- What are my objectives?
- What do I hope to learn?
- What questions do I want answered?
- Which questions are the most important?
- How complete do my answers need to be?
- What will I measure with this test?
- What are the variables?
- What variables are most important?
- How will I design the test?

- How much time do I have for a test?
- What is my budget for testing?
- What restrictions are there? Talent? Money? Other?

What to Test

What you test should reflect what you believe will make the most difference in your results. There are many formulas for the relative importance of elements in a direct mail program, and naturally they are all different:

Bob Stone breaks it down like this:

- 20% marketing strategy
- 20% lists or media
- 30% offer
- 20% creative
- 10% analysis

For a new program, Ed Mayer slices the pie thus:

- 40% list or audience
- 40% your company and your offer
- 20% format and creative

And for an established program, where you know the lists and offers that work best, Pierre Passavant turns the tables with this breakdown:

- 10% list and media
- 10% offer enhancements
- 80% creative

What and how you test will depend on many things, including your budget, your objectives as a company and for a particular campaign, the size of your mailing or media plan, and your view of the risk. What you spend on testing should directly relate to the benefits you expect to gain.

Here are some things you can test, in no particular order:

- **Offer** — The offer is a combination of the price with terms, premiums, commitments, guarantees, and other elements of the “deal” you are making.
- **Product Positioning** — This is about how you present your product or service. For example, offering “The Complete Business Startup Kit” suggests an easy-to-use, comprehensive collection of business information and resources. “The Small Business Study at Home Course” suggests ongoing training, education, and perhaps some kind of certification. Which one works depends on your customers.

- **Creative Execution** — Self-mailer or envelope package? 9” x 12” or #10 envelope? Long copy or short copy? This letter or that letter? With or without a brochure? Personalization or generic? Four-color or two-color? Creative execution covers a lot of ground, from formats and size to copy and graphics.
- **Incentives and Premiums** — Free gift or no free gift? This gift or that gift? Gift featured up front or buried in the copy? Gift that prospects keep with a trial or a gift they get when they pay? Discount for early orders?
- **Payment Options** — Bill me or cash up front? One payment or installments? PayPal? Electronic funds transfer? Visa?
- **Price Presentation** — If you believe an attractive price will drive a sale, you might offer it up front. If price isn’t a major concern, you may want to bury it in the copy or de-emphasize it. Does it cost \$100 or about 27 cents a day? Do you offer the gadget for \$30 or \$29.99?

General Rules for Running a Good Test

Testing is the scientific part of direct marketing. Just as in any science lab, a direct marketing “researcher” (that’s you) must follow certain rules in order to get good results. Here are a few rules and suggestions to get the most out of your direct mail testing.

- **Have goals for every test.** What do you want to learn? What response would you like to achieve? Write down the questions you would like answered and run a test for each. Every test should answer one specific question.
- **Develop a hypothesis for every test.** Each test you run should be a test of a specific idea. Every hypothesis should be based on a sound rationale. For example: “This is a test to see if adding a lift letter signed by a well-known doctor will lift response to our package. Our rationale is that since people respond to authority figures, such as doctors, adding a lift letter will increase credibility and boost response.” Your test, then, will prove or disprove this hypothesis for a particular product marketed to a particular audience.
- **Use hypotheses as a platform for creative work.** Hypotheses can help you create genuinely different ideas for testing rather than retouched versions of your control. For example, if you have five hypotheses, you can test a series of five direct mail pieces, each incorporating one hypothesis.
- **Test one element at a time.** Testing more than one element will make it impossible for you to know what makes a difference in results. For example, if you’re testing price, change only the price. I call this the Evolutionary Testing Strategy.

- **Test all-new direct mail pieces.** There are some disadvantages to testing elements individually. It takes a long time and conditions change. So for some, it may be better to test totally different mail pieces against your control in hopes of a big breakthrough. I call this the Revolutionary Test Strategy.
- **Track results meticulously.** Keep detailed reports on the number of pieces mailed, the number of responses you get, response source, the conversion percentage, the income those responses generate, the average order, the percentage response, your income per thousand, your cost per order or cost per response, your net dollar return, returns, bad debt, and every other fact that you need to calculate specifically how your piece performs.
- **Use your tests to determine strategy.** Mathematical results are the best way to end debates on issues such as creative approaches, formats, and offers.
- **Keep using your control until you beat it.** Never shelve a control just because you're tired of it. If it's making money, keep using it. Until you have the figures in black and white that conclusively demonstrate that you have a new control, keep that old one going.
- **Keep testing.** Testing is a long-term commitment. It's not something you do once and forget about. It's not something you do only when you have a little extra in your budget. Testing should be part of your routine. You want to follow what I call the Testing Loop:
 1. Run a test.
 2. Analyze the results.
 3. Act based on the results.
 4. Repeat.

Clarity:

Deliver selling messages that are simple and direct.

Copy in Direct Marketing

In the real world, sales people deliver a sales pitch to make sales. It is through their spoken words that people are convinced to sign on the dotted line. In the direct mail world, the sales people are copywriters who also deliver a sales pitch to make sales. The only difference is that prospects will *read* the sales pitch.

In order for copy to work, it cannot be ordinary writing. It must be a true sales pitch that engages, interests, and persuades the reader to take action. Specifically, good copy must:

1. Establish your objective.
2. Clarify the benefits to your prospect.
3. Show how the benefits will be delivered.
4. Prove your statements.
5. Add sweeteners and facilitators.
6. Tell your prospect how to respond.

Here are a few tips for making copy work in your direct mail.

- **Select your audience.** People do not read direct mail for pleasure. They read based on personal relevance. Your copy, especially headlines and teasers, should select your audience with key words that identify the copy as relevant to your ideal prospect. A letter for veterinarians might have the headline “New book shows you how to double your veterinary sales in 60 days!” This selects the ideal audience: vets who are interested in building their practice.
- **Make a strong offer.** An offer is not simply presenting your product and mentioning the price. An offer is a deal you make, a special low price, an exclusive premium, or maybe the opportunity to try the item free for 30 days. Your offer is the crux of every promotion, so you should make it as strong and appealing as possible.
- **Focus on one clear, big benefit.** Most products have a variety of benefits, but you should always put the spotlight on one central benefit to simplify your message and differentiate your product from others. For example, if you are selling a computer design program, your big benefit might be that it can automatically translate any print design into a Web page. There may be other benefits, such as low cost and speed of operation, but these would be secondary. Usually, your big benefit is the subject of your primary headline.
- **Provide enough information for a decision.** In general advertising, the purpose is to create a brand preference to influence purchase decisions at another time. It doesn't re-

quire complete information. But the purpose of direct marketing is to make transactions by communicating directly with prospects. You must provide all the information necessary to make a decision immediately.

- **Dramatize the value of your product.** Good copywriting creates perceived value for products and services. Your fishing lure isn't just worth the \$19.95 price. Show how this lure replaces over \$200 in other less effective lures. Demonstrate how \$25 fish dinners at fine restaurants will now be free at home. Throw in a booklet with fishing tips that would cost \$15 in stores and a set of deboning knives worth \$45 dollars. When you're done, you've turned a simple fishing lure into a \$285 package for only \$19.95.
- **Guarantee complete satisfaction.** Because people usually cannot see or handle your product before buying, there is always the risk of disappointment. A satisfaction guarantee reduces the risk and removes a major barrier to saying "yes." Don't treat your guarantee as a legal element, but as an essential part of your offer.
- **Provide a good reason for immediate response.** Studies show that people are far more likely to respond to requests when a good reason is given for that request. Is there a limited supply? A seasonal rush on the way? Can you sell only a limited number to each customer? Do you have to plan your production by a certain date? Find a logical reason why people should respond now.
- **Make it easy to order.** Exclusivity and convenience are the two primary reasons people make transactions via mail. So it is imperative that you make ordering as quick and effortless as possible. Make your offer easy to understand. Give short, simple ordering instructions. Provide toll-free numbers, postage-paid envelopes, and the ability to respond over the Internet.
- **State a clear, specific call to action.** Never make people guess or assume. If you want a phone call, say so. If you want a completed order form, give instructions for it.

7 Proven Copy Formulas

There are an infinite number of ways to structure a direct mail package, but there are a few general approaches that work again and again. Each gives you enormous creative flexibility.

- **The Straight Offer** — This is especially good for a new product, a strong offer, and business-to-business mailings. With this approach, you simply state your offer, benefits, and premiums up front without any creative frills.
- **Problem/Solution** — When your product or service solves a common problem, this is a powerful approach. First, establish the problem, then show exactly how you will help solve that problem. This approach is also perfect for fundraising, since every organization

is trying to solve a problem of one kind or another.

- **The Invitation** — When you want your offer to feel elegant, important, or exclusive, try an invitation. For new products or old products introduced into new markets, this works particularly well. You don't have to have an invitation format, just build on the idea of extending an invitation to your prospect.
- **The Story** — People are naturally attracted to a good story. In a lift letter for a magazine promotion, I told a story about a teacher who was looking for craft ideas for her elementary class. After searching unsuccessfully in the usual places, she drops by a friend's house, sees this magazine on the coffee table, picks it up, and instantly discovers the ideas she needs. The entire story is only a few lines long but makes the product more interesting and relevant.
- **The Quotation** — This was once more popular than it is now, perhaps because it has a literary feel that most people do not identify with anymore. However, if you have a good quote, one that is connected to your big benefit, it can be an interesting way to begin your copy.
- **The Testimonial** — A variation on the quotation is to use a testimonial within quotation marks. This gives you both a creative approach and a natural connection to testimonials and success stories. In a newsletter mailing, I printed the word "Wow!" in large type on the envelope. The letter began with the same word, handwritten, followed by an explanation that this is what one person said about the newsletter. This lead naturally into the trial offer and how the prospect would say the same thing once they tried it.
- **The Question** — Asking a question instantly involves your prospect. Do your feet hurt? Would you like to retire at 45? Want to save money on groceries without the hassle of coupons? As long as your question is clear and related to your big benefit, it's hard to go wrong. Variations include quizzes, tests, self-evaluations, and questionnaires.

Basic Appeals — What People Want

People are neither as complicated nor as simple as we might believe. Yes, there are some basic, even universal appeals that work over a broad spectrum of markets. But every person has his or her own reasons for responding to a given message. There are lots of appeals, and they each take many forms. More than one is usually at work in any message.

People want what they don't have:

- **Time** — for themselves, their family, their interests
- **Comfort** — ease, luxury, self-indulgence, and convenience
- **Money** — to save, to spend, to give to others

- **Popularity** — to be liked by friends, family, and significant others
- **Praise** — for intelligence, knowledge, appearance, and other superior qualities
- **Pride of accomplishment** — doing things well, overcoming obstacles and competition
- **Self-confidence** — to feel worthy, at-ease, physically or mentally superior
- **Security** — in the home, in old age, financial independence, provisions for adversity
- **Leisure** — for travel, hobbies, rest, play, self-development
- **Fun** — feeling like a kid again, doing something for no good reason, goofing off
- **Prestige** — feeling of importance, a member of a select group, having power
- **Enjoyment** — food, drink, entertainment, sex
- **Health** — strength, vigor, endurance, longer life
- **Better appearance** — beauty, style, physical build, cleanliness
- **Exclusivity** — being in on something special
- **Envy** — having something others have
- **Ego Gratification** — to support or enhance self-image
- **Business Advancement** — feeling successful, getting a better job, being one's own boss
- **Social Advancement** — keeping up with neighbors, moving in desirable social circles

People want to avoid loss of what they have:

Just as people seek to gain what they don't have, they also seek to avoid losing something once they have it. The potential loss of any item on the previous list is a strong motivator.

People want to avoid unpleasant experiences:

While people are driven to seek out pleasant things, there is an even stronger drive to avoid unpleasant things. This is not to say that negative appeals are always best, just that they work on a more basic level. When a negative appeal is appropriate, it can be potent.

- Embarrassment
- Offense to others
- Domination by others
- Loss of reputation
- Pain
- Criticism
- Risk
- Work
- Effort
- Discomfort
- Worry
- Doubt
- Guilt
- Boredom

People want to act in a particular way:

People usually have a specific, emotional reason for doing something, though they may not be conscious of it. Remember, though, that most people want others to think they act logically and unselfishly — and they resent any suggestion otherwise.

- Express what they view as their unique personality
- Satisfy their curiosity about some subject
- Feed their appetite for something — physical, emotional, or spiritual
- Act or appear like their heroes
- Attract the opposite sex
- Acquire beautiful or rare objects or trappings that “say” something about them
- Improve themselves in some way, physically or mentally
- Gain affection of family, friends, and others whose feelings are important to them
- Be accepted into another social circle
- Get ahead at work
- Add beauty or elegance to their lives
- Impress others, build and reinforce their reputation
- Fulfill what they view as their duty
- Enjoy themselves or just play
- Create or accomplish something they can be proud of, to make their mark
- To get rich or make money
- Reward themselves for something
- To protect themselves from harm of some kind

People want to see themselves and “be seen” in a favorable way:

People genuinely want to be good people with desirable qualities, which is why they are constantly trying to improve themselves and their lives. Perhaps even more important, they are sensitive about what others think of them.

- Smart or savvy
- First or best at something
- Unique, one-of-a-kind
- Creative, either generally or in a special area
- Good parents
- Efficient
- Recognized authorities
- Up-to-date, well-educated, or “with it”
- Gregarious and sociable
- Influential, able to get things done
- Independent and individual
- Popular, well-liked
- Part of a group, “one of the boys”

Credibility:

Build trust, eliminate fear, and reduce perceived risk.

How To Build Credibility with Testimonials

People expect you to say wonderful things about your product, service, or cause. But when they hear other people saying wonderful things, that's when they really start believing you. Testimonials support your claims and build credibility.

Another benefit of testimonials is that they engage the “bandwagon” effect. We all take cues from others to help us guide our behavior and to determine whether something is right or wrong. The more people doing it, the more correct it seems.

- **Use testimonials from people similar to prospects.** This increases identification and the feeling of relevance. A teacher will believe other teachers. Business owners will believe other business owners. Older people will believe other older people. Testimonials are also more effective when they are from experts, those with relevant experience, or people on the same level or in the same situation.
- **Use real testimonials.** Don't try to rewrite or fabricate testimonials. No matter how poorly phrased, the words of real people are almost always more believable than anything a writer can come up with. If you must edit, do so carefully and honestly. Don't change the meaning. Don't enhance. Don't present words and phrases out of context.
- **Many short quotes work better than one or two long quotes.** Remember, testimonials show that people — lots of people — buy your product, use your service, or support your cause. The more people who praise you, the more credible you are. However, don't allow your testimonials to degenerate into meaningless, one-word blurbs like those used to promote Hollywood movies: “Incredible,” “A Blockbuster,” “A Must See.”
- **Don't be afraid of long testimonials.** Sometimes, you get a gem that says it all. It may be a story, an emotional revelation, an authoritative remark from an expert, or just an honest comment that hits the nail on the head. Use it.
- **Group testimonials.** When possible, highlight testimonials as an insert in a direct mail package. In a brochure, group testimonials to enhance the bandwagon effect. If you use a headline to introduce the testimonials, don't use an empty statement, such as “What people are saying about XYZ company.” State a benefit or say something meaningful, such as “Over 88,000 smart people like you trust XYZ for long-lasting thingamabobs.”
- **Use full names, titles, locations, and photographs.** Testimonials are a form of proof, so whenever you have a chance to increase the credibility of that proof, do it. Full names are more believable than initials. An appropriate title is an indication of a person's experience

or expertise. A city and state helps prove the person is real, as does a photograph. A photo also helps people identify with the person if that person looks like your prospect.

- **Choose relevant and persuasive testimonials.** Don't use testimonials to entertain or fill space. Use them to help prove your promise and lead your prospect to a decision. In addition to customers, you can use testimonials from experts in a particular area, celebrities your prospects are likely to respect, or organizations such as the American Medical Association or whatever group is related to your product.

Clever Ways to Build Credibility

Testimonials are not the only way to establish credibility. Once you understand the underlying psychology of testimonials, you can find endless alternatives.

- **Use “indirect testimonials.”** You don't have to have a direct quote. You can, for example, list businesses using your services as an indirect testimonial. You can list the states or countries where you do business, the industries you serve, the percentage of Fortune 500 companies you work with, the types of professionals who trust you, etc.
- **Show pictures of people using your product or service.** Seeing is believing.
- **Provide case histories of some of your best customers or clients.** Studies show that tangible case histories can be more effective than impressive statistics.
- **Show people similar to your prospect using your product or service.** The more similar, the more effective.
- **Show the excitement of others who have discovered your product or service.** Popularity and enthusiasm: an unbeatable emotional combination.
- **Mention how long your company has been around.** This is a subtle indication of popularity.
- **Tout the number of products sold.** Another indication of popularity.
- **Display the number of customers or clients you serve.** McDonald's built an empire by displaying on their signs a running count of the number of burgers served.
- **Warn customers about limited product due to demand.** This is popularity plus scarcity, another powerful human motivator.
- **Announce the speed of your sales due to demand.** Popularity plus urgency.

- **Say how long your product or service has been a bestseller.** This says popularity, quality, and consistency.
- **Cite information on your market leadership.** Being first or tops in your market is unbeatable, as long as you make it relevant.
- **Reveal the seasonal demand of your product or service.** Not only does this show public acceptance, it also overcomes inertia and can encourage early orders.
- **Show important or well-known people using your product or service.** This invokes the “halo” effect, adding to your offer the good feeling people have toward the celebrity.
- **Display a seal of approval by a rating organization.** Approval from Good Housekeeping or an industry group puts an official stamp on public approval.
- **Cite favorable reviews.** Third-party information is always powerful.
- **Cite mentions in the media.** Newsworthy products and services are more trusted.
- **Associate your product or service with respected magazines.** “As seen in XYZ Magazine.” A very public approval of your product or service.
- **Associate your product or service with respected media.** “As seen on TV.” Television is considered very credible. If you appear there, you have instant credibility.

Reduce Perceived Risk with a Guarantee

If you have a good product, stand behind it. A guarantee isn't a burden, it's a boon. It's a powerful marketing tool. A solid guarantee is tangible proof that you're reputable, and it helps to lower the perceived risk your prospects feel when considering your offer and almost always boosts your response rate.

Guarantees can even be used in fundraising to assure that funds are used as promised. Don't be afraid of a guarantee. It will almost certainly create more profit than will be lost through the few people who will take advantage of it.

- **Include the elements of a solid guarantee.** Your guarantee should assure your customer of the quality of your product, clearly spell out your terms and conditions, and specify a generous time period for evaluation. It should also state clearly what you will do should the customer be dissatisfied.
- **Make any limitations clear.** You might have a time limit: “If you're not satisfied, return within 30 days for a full refund.” You might have usage conditions: “With normal use...”

or “When used according to directions....” You might have a liability limit: “Liability limited to the replacement cost of this item.” You might want to specify repair or replacement rather than return: “If it doesn’t work as promised, we’ll repair or replace it free.” Don’t use limits unless you must. But when you do, make the limit clear.

- **Make your guarantee legal.** Never, ever use a guarantee that hasn’t passed muster in your legal department. Make sure you’re not promising something you don’t intend to. Make sure what you do promise is legal. And make sure your guarantee will stand up in court if you have any customer complaints down the road.
- **Backup your guarantee fully.** If you say it, mean it. And make sure everyone in your organization understands the guarantee inside out, especially phone operators, complaint handlers, management, and anyone else who deals directly with your customers.
- **Avoid legal-looking teeny type.** Yes, your guarantee should protect you from unscrupulous customers. However, it shouldn’t look like a legal document, or you’ll alienate all your honest customers. Never use asterisks. Never list lots of exceptions to your guarantee. And never use little legal type. If you must go into detail, follow the lead of most financial direct marketers and bury the type elsewhere in the package. (Just don’t hide anything your customers should know.)
- **Keep your guarantee short and simple.** Don’t write a novel. Just say it clearly, strongly, with no questions left unanswered. Here’s the classic guarantee: “We provide the finest widgets in the world. If you are not fully satisfied, for any reason, just return your widget within 60 days for a full refund of your purchase price.” You can be more personal. Or stronger. Just keep it short and sweet and readable at a glance.
- **Keep conditions to a minimum.** Don’t beat up your customer with conditions. Treat them like an honest person. Most of them will act that way.
- **State your guarantee in the strongest possible terms.** Unconditionally Guaranteed. No-Risk Guarantee. 100% Satisfaction Guarantee. No-Questions-Asked Guarantee. As long as it’s believable, the stronger your guarantee, the better.
- **Strengthen your guarantee with a signature.** One of my favorite brochures was a piece I designed with the guarantee on the front cover. I spelled out the guarantee in strong, clear terms, included a picture of the company president, and surrounded the guarantee with a certificate border. Then I had the president sign his name to it. The headline even referred to the personally guaranteed offer. Nothing shows your commitment to a product like signing your name to the guarantee.
- **Extend your guarantee for as long as possible.** Short guarantee periods can help prevent returns, but the reverse logic often works better. Give your customers loads of time, and most will never make a return. First, there’s no rush to return. Second, after a while, most people forget about the guarantee or feel too guilty to return “used” items. Instead

of 30 or 60 days, how about a one-year guarantee? Or a lifetime guarantee?

- **Make your guarantee a benefit for your customer.** No one has to buy from you. You aren't doing your customers a favor by selling to them; they are doing you a favor by making a purchase. So, offer your guarantee as just one more solid benefit of dealing with your business. Make it strong enough to persuade the fence-sitters to act.
- **Make your guarantee look official.** Certificate borders, certificate paper, watermarks, icons like eagles and flags, dollar values in the corners, and other touches can help your guarantee look official. You can even create a seal or stamp with your basic guarantee copy in it.

Sample Guarantees

Here's a simple, elegant guarantee from L. L. Bean in their 1993 Christmas catalog:

“Our products are guaranteed to give 100% satisfaction in every way. Return anything purchased from us if it proves otherwise. We will replace it, refund your purchase price, or credit your credit card, as you wish. We do not want you to have anything from L. L. Bean that is not completely satisfactory.”

Here's a classic guarantee from the Sears, Roebuck and Co. catalog from 1902:

“We accept your order and your money, guaranteeing the goods to reach you in due time and in perfect condition, and if they are not perfectly satisfactory to you when received, you can return them to us at our expense of freight or express charges both ways and we will immediately return your money.”

Value:

Create offers with immediacy and overwhelming value.

Make an Irresistible Offer

Offers are the *sin qua non* of direct marketing — of all business in fact. Strip away all the technique and insightful psychology, and you're left with people accepting or rejecting offers. But your offer is far more than your asking price, it's the deal you're making — what the customer gets plus what the customer has to do or pay to get it. An offer is saying, "You do this for me, and I'll do this for you."

- **Make your offer clear.** Confusion produces doubt, and doubt prevents response. So your number one priority is to make your offer easy-to-understand at a glance. One test is to show your order form to someone who has never seen it. If they can explain your offer after looking at it for ten seconds, your offer is clear. If not, it needs work.
- **Make your offer irresistible.** People will accept a "fair" offer, where it appears that they are paying exactly what your product or service is worth. However, a fair offer isn't very motivating. You should do whatever you can to energize your offer, to make your prospect feel that he is paying far less than what your product or service is worth. Make a deal. Slash your price. Throw in something extra. Make your offer bold, exciting, and exclusive. Design your offer so that the recipient can't pass it up.
- **Carefully consider all the elements of your offer.** An offer consists of the thing you're offering, unit of sale (each? two for? set?), optional features (personalization? odd sizes? special colors?), price (\$30 or \$29.95?), presentation of price (\$12 a month or 40 cents a day?), terms (credit cards? delayed billing? installments?), incentives (premiums? discounts? sweepstakes?), guarantee (money-back? buy-back? refund unused portion?), trial period (30 days? 60 days? 90 days?), time or quantity limit (respond before date? reply in 10 days? only 500 available?), shipping and handling (extra or included?), future obligations (buy 3 more in 6 months? no obligation?), etc.
- **Give away something FREE whenever possible.** "Free" is perhaps the most powerful concept in direct marketing, so you should use it everywhere you can. Offer free trial subscriptions, free examinations, free samples, free books and catalogs, free estimates, free information, free gifts, and free guides on how to use your product. Caveat: freebies lift response, but can also lower the quality of your customer. In some cases, you'll have more returns, bad debt, and a customer base with no loyalty. Sometimes it's best to seek out people who really want the product itself. Freebies that are closely related to your main product, however, can help prevent this problem.
- **Prefer free gifts over discounts.** If you test a price discount against a free gift of the same value, the free gift will usually win. Free gifts almost always lift response, espe-

cially when the gift is a keeper — one that doesn't need to be returned even if the main product is returned or exchanged. Discounted pricing lowers the perceived value of your product. A freebie keeps your value intact, and is more tangible than a discount.

- **Increase perceived value.** You must offer value in excess of the price you're asking. This is a matter of perception. For example, if your product retails for \$59.00, offer it for \$39.00. Stress that this is a 34% or \$20.00 savings. Throw in a free premium on top of your already great offer. Mention other benefits and privileges. Point out special features. Stress the exclusivity. Position your offer as a "charter" subscription, an "exclusive" membership, or an "executive" option. Use language and design to raise your product above the ordinary.
- **Reduce perceived risk.** There is an inherent risk in every purchase, especially when someone can't touch, see, or try what they're getting before they buy it. The more you can reduce the feeling of risk, the higher your response will be. You should reduce perceived risk with free trials, guarantees, testimonials, return postage payment, and whatever techniques make sense within your promotion.
- **Reduce perceived commitment.** There is a direct relationship between response and commitment. Higher commitment leads to lower response. Lower commitment leads to higher response. However, remember that there is also a direct relationship between commitment and customer quality. The more commitment you ask for, the higher the quality of those who respond.
- **Make your price appealing.** For lower cost items, use price breaks to make a price more attractive, such as \$9.95, \$19.95, or \$29.95. Price breaks make a price seem lower while costing you almost nothing. If you want a more prestigious image, though, use round figures: \$120, \$250, \$370. Round figures say, "We don't have to worry about pennies." To emphasize a low price, eliminate the zeros on a round price (\$9), but to emphasize the value of a premium, add the zeros (\$9.00).
- **Whenever possible, use a time limit.** Inertia and indecision are your enemies. Time limits create urgency to make a decision immediately, while your offer and benefits are clearly in mind. The faster you can get people to make a decision, the more likely it will be in your favor, because people abhor the thought of losing an opportunity.
- **Sell the offer.** No matter how creative you feel you need to be to make a sale, your offer is the star. Feature it. Make it clear. People have to understand the offer in 5 to 10 seconds or they won't act on it. The offer is everything. Put your offer in the headline. Build the whole sales pitch around it. If the offer is presented well enough, your prospect will look for reasons to justify an immediate purchase.

60 Proven Direct Mail Offers

There are hundreds of offers and thousands of offer combinations. A few have proven themselves repeatedly. Here are some of the best.

Offers to Raise Response

- **Free Trial** — This may be the best offer ever devised. People can try your product for free and without obligation for 10 days, 15 days, 30 days, or more. The time frame should fit the product. This offer removes risk for the prospect and overcomes inertia.
- **Money-Back Guarantee** — This is perhaps the second best offer. A customer pays up front, but if dissatisfied, can return the item for a full refund. Like the free trial, this offer removes risk but allows you to use customer inertia because only a small percentage of people will take the trouble to return something.
- **Free Gift** — When you offer a freebie that your customer wants, your offer will usually outpull a discount offer of similar value. That's because a gift is a more tangible benefit.
- **Limited-Time** — An offer with a time limit gets more response than an offer without one, especially when you give a specific deadline. This forces a decision, and the faster you can force a decision, the more likely it will be in your favor.
- **Yes/No** — You ask your prospect to respond positively or negatively, usually by affixing a “yes” or “no” stamp, checking one of two boxes, returning one of two reply forms, etc. This offer creates involvement and usually pulls more response than an offer that does not offer a “no” option.
- **Negative Option** — This is often used with a free trial and continuity. You allow your prospect to try your product for free and then automatically ship additional products unless the prospect specifically refuses the order within a certain time frame. This often results in higher returns and a few more irate phone calls, but it pulls better up-front and can produce higher overall sales.
- **Credit Card Payment** — Nothing is easier than paying with plastic. These days, there's no reason not to accept payment this way whether by phone, mail, fax, or the Internet.
- **Sweepstakes** — This can dramatically increase your order volume. Just remember that running a sweepstakes can be a pain. And sweepstakes customers are seldom loyal. Plus, many marketers find that once they start using sweepstakes, it's hard to go back to more traditional offers.

Offers to Lower Risk

- **Double-Your-Money-Back Guarantee** — Since most people never make a return, this is a simple way to dramatize both your offer and your guarantee for low priced items.
- **Long-Term Guarantee** — Another way to dramatize your offer and guarantee. Instead of a 30- or 60-day guarantee, you offer a one-year, multi-year, or lifetime guarantee. If you can reasonably expect your product to last, this puts inertia and forgetfulness on your side because few people will take advantage of or even remember your guarantee later on.
- **Guaranteed Buy-Back** — This is just another way of offering a standard money-back guarantee. You offer to “buy back” the item if your customer is not satisfied. It is often used with collectibles.
- **Guaranteed Acceptance Offer** — If people usually go through an application process to use your product, access your service, or join your club, you can guarantee to accept them. You’ll often see this offer with credit card or financial products.
- **Limited-Time Introductory Offer** — This lets prospects try something with little risk before making a greater commitment. “Try 13 weeks of The Wall Street Journal for only \$34.00.” You must track responses, though, and be sure your conversions justify the lower price.
- **Yes/Maybe** — This is another way of making a low-commitment or no-obligation offer. You’re happy to get the “maybe” response, which could be for a free trial, product information, introductory offer, etc. And if you get some “yes” responses, that’s gravy.

Offers to Reduce Price

- **Dollars Off** — You offer a certificate or coupon with a dollar value that may be redeemed toward a purchase. However, test carefully, because a free gift of equal value usually works better.
- **Refunds and Rebates** — With a refund, you may ask \$3 for your catalog then send a \$3 discount certificate to be used on a first order. With a rebate, you offer a delayed discount, encouraging a purchase then sending a check or coupon with a particular value.
- **Sales** — A seasonal sale is a trusty standby to raise volume. A “reason why” sale is similar, but gives some explanation for lowering the price, such as going out of business, inventory reduction, overstock, etc.
- **Introductory Price** — A way to allow people to try something at a reduced cost for a short period of time. You can use this to get new customers, though it may annoy loyal

customers who might feel they should get the best price.

- **Relationship Discount** — The opposite of the introductory price. For example, new customers pay \$30, while regular customers pay just \$25. The goal here is to reward loyal customers, not to get new customers.
- **Group Discount** — A special discount exclusive to a type of profession, industry, club, etc. An investment magazine can offer a “professional discount” for accountants, for example. This lets you target certain markets.
- **Quantity Discount** — The more ordered, the better the deal. If your customer orders 5 books, you provide a 5% discount. Or you offer a lower per-issue price for a 2-year subscription than for a 1-year subscription.
- **Step-Up Discount** — Like the quantity discount, but based on the amount ordered. For example, a 5% discount for orders over \$50, a 10% discount for orders over \$100, and a 15% discount for orders over \$250.
- **Early-Bird Discount** — A good way to encourage more and faster orders. Make sure the discount is a real discount. Don’t just raise prices for those who order later.
- **Price Matching** — If you compete on price, you offer to match any competitor’s price. The idea is to assure prospects that you offer low prices.
- **Trade-in Offer** — You offer dollars off when a customer trades in a previous model or version and buys a new one. The trade-in can be your own brand or a competitor’s.

Offers to Increase Urgency

- **Last Chance** — Usually a reminder that you’ve previously made an offer, but time is running out. If you say “last chance,” mean it.
- **Limited Edition** — Good for collectables, such as art, plates, coins, special book printings, etc. The idea is that the item is special in some way and that there are only x number available, or there’s a time limit.
- **Enrollment Period** — You establish a “window of opportunity” when prospects may enroll for insurance, home study, business services, whatever.
- **Pre-Publication Offer** — A popular offer used by book publishers, especially for expensive reference works. The rationale is that you need to plan your print run, so you offer a special deal and reserve copies for readers ahead of time. Readers are guaranteed to get a copy and save money, usually 10 or 15% off what the general public will pay.

- **Price Increase Announcement** — If prices are going up, you can announce it ahead of time so people can take advantage of the old prices one last time or stock up.
- **Charter Membership** — You offer a prospect the chance to be one of the first to subscribe to a publication or join a club or organization. There is generally a special introductory price, a gift, or other incentives.

Offers to Improve Terms

- **Payment With Order** — Not a motivating offer by itself, but it is often used with a money-back guarantee and other incentives, such as credit card payment option, free shipping, premiums, etc.
- **Bill Me Later** — Used with free trial offers. The customer gets the item first, then pays a bill later on. This appeals to the modern consumer who has been trained to postpone payment till the last possible moment. It can double response over a straight cash up front offer.
- **Installments** — This offer takes a larger price and divides it into a set number of smaller monthly payments, often with no interest. This makes paying a high price seem painless. Installment terms are most effective when the total price is de-emphasized or not mentioned.
- **Positive Option** — The reverse of a negative option. If used by a book club, the customer must ask for shipment of one or more books to get them. Response to this offer is lower than to a negative option, but customer quality is often better long-term.
- **Reservation Option** — You offer to reserve or set aside an item that will soon be announced to the general public and may sell out. You also give a special price or a premium for response by a certain date. Similar to the pre-publication offer.

Offers for Special Services

- **Gift Shipment Service** — A customer sends you a gift list, and you send the gifts to the names given either for free or for a nominal charge. Here, you're selling convenience for those who are too busy to shop.
- **Rush Shipping Service** — You promise to ship an item overnight or within a short time period by UPS, FedEx, or other service. This works only for things people may want quickly.

Offers for Extra Bribes

- **Free “Keeper” Gift** — To encourage prospects to make the decision to try your product or service, you offer a gift. They may then keep that gift, even if they change their mind later on.
- **Free Gift with Payment** — This encourages payment. You can offer a gift for every paid order or for orders of a minimum value. But you don’t have to offer just one, you can offer two, three, four, or more.
- **Choice of Free Gifts** — Here, you offer a choice between two or more gifts. While this seems very appealing, it often does not work as well as offering a single gift, since the choice may create indecision and inertia (and means losing the other gifts).
- **“Stepped” Free Gifts** — You reward a customer based on the size of the order. The more they order, the more gifts they get or the higher the quality.
- **Two-Step Gift** — Small gift for first step, bigger gift for next step or free something for trying it, free something else for buying it.
- **Cumulative Incentives** — A customer loyalty reward, such as points for buying books, frequent flyer miles, every 13th video rental free, etc. Works best when the building value is tangible and visible, as in a card that gets stamped with every purchase and when full may be redeemed.

Offers to Increase Sales

- **Deluxe Version** — You offer a second version of the same item with enhanced features for a little more money. This can boost total dollars.
- **Good-Better-Best** — This gives your prospect a choice. It also subtly urges people to spend more than they might if you can demonstrate that the best choice is the best value. Ideally, you should show more features for higher-quality items.
- **Do-It-Yourself Offer** — You allow your prospect to decide the offer. With a subscription, you might offer 95 cents an issue, and let the prospect fill in the number of issues he or she wants. Or you might make several suggestions and let the prospect choose one. This is used in fundraising all the time, where the donor picks the level of giving from several choices.
- **Load-Up** — In a continuity series, you send all the books in a series after the first few are paid for, allowing your customer to continue paying month-to-month. In a CD club, you might offer 6 CDs for a dollar each, but get a commitment for buying 6 more CDs at regular prices within a certain time frame.

- **Lifetime Membership Fee** — You ask your prospect to pay a one-time fee to become an exclusive “member” of your club or organization. In return, he or she gets reduced prices and other benefits not available to the general public, though there is no requirement to buy anything. The idea is that once someone makes such an investment, they are more likely to buy from you and remain loyal.
- **Annual Membership Fee** — Similar to the lifetime membership fee, but the fee is assessed yearly.
- **Ship Till Forbid** — Often used with continuity programs, business services, or perishable products. This offers your customer the convenience of regular shipments and the option of canceling those shipments at any time.

Offers to Generate Inquiries

- **Free Information** — This is the ideal offer for identifying interested prospects for a sales staff, making two-step sales, creating a list, and initiating a first contact for a long-term relationship or sales cycle. You can offer a catalog, booklet, video, fact kit, checklist, etc., as long as it has value for the recipient. In all cases, offering free information should be more than just the distribution of literature. It should be the first step in a sales process.
- **Samples** — If you have a good product, it can sell itself if you can get a sample into a prospect’s hands. You can offer a sample free, or charge a nominal fee (which may encourage the prospect to actually try it, since they’ve invested in it, and then buy it).
- **Free Gift for Inquiry** — You offer a gift as a reward for requesting information about your product or service. As you might expect, this can boost the number of people who inquire but lower their quality.
- **Sales Call** — Your prospect asks for a sales person to call and set up an appointment. This produces high-quality leads, but lower overall response. Generally those who want to talk to a salesperson are ready to buy.
- **Free “Survey of Your Needs”** — You offer to analyze your prospect’s requirements with no obligation. Then you show how your product or service can fulfill those requirements. This is an attractive service and a low-threat way for your prospect to consider your product or service.
- **Free Demonstration** — This is especially good for equipment that is new or complex. You offer to bring the item to the prospect or invite the prospect to a particular location for a demonstration.
- **Free Cost Estimate** — For businesses who get bids or analyze costs carefully, this a good way to get your foot in the door.

- **Free Subscription** — You offer a subscription to a newsletter, journal, or other company publication to educate prospects and build your database. There should be solid editorial, though, not just promotional puffery.
- **Member-Get-a-Member** — You give your customer a free gift for providing the name of someone else who may be interested in your wares. A good way to build your customer base.

Bonus

Stone's 30 Timeless Direct Marketing Principles

Bob Stone was a king among direct marketing gurus. Over his long career, he identified a handful of direct marketing principles that proved true again and again.

1. All customers are not created equal. Give or take a few percentage points, 80 percent of repeat business for goods and services will come from 20 percent of your customer base.
2. The most important order you ever get from a customer is the second order. Why? Because a two-time buyer is at least twice as likely to buy again as a one-time buyer.
3. Maximizing direct mail success depends first upon the lists you use, second upon the offers you make, and third upon the copy and graphics you create.
4. If, on a given list, "hotline" names don't work, the other list categories offer little opportunity for success.
5. Merge/purge names — those that appear on two or more lists — will outpull any single list from which these names have been extracted.
6. Direct response lists will almost always outpull compiled lists.
7. Overlays on lists (enhancements), such as lifestyle characteristics, income, education, age, marital status, and propensity to respond by mail or phone will always improve response.
8. A follow-up to the same list within 30 days will pull 40 to 50 percent of the first mailing.
9. "Yes/No" offers consistently produce more orders than offers that don't request "No" responses.
10. The "take rate" for negative option offers will always outpull positive option offers at least two to one.
11. Credit card privileges out-perform cash with order at least two to one.
12. Credit card privileges will increase the size of the average catalog order by 20 percent, or more.
13. Time limit offers, particularly those which give a specific date, outpull offers with no time limit practically every time.

14. Free gift offers, particularly where the gift appeals to self-interest, outpull discount offers consistently.
15. Sweepstakes, particularly in conjunction with impulse purchases, will increase order volume 35 percent, or more.
16. You will collect far more money in a fund-raising effort if you ask for a specific amount from a purchaser. Likewise, you will collect more money if the appeal is tied to a specific project.
17. People buy benefits, not features.
18. The longer you can keep someone reading your copy, the better your chances of success.
19. The timing and frequency of renewal letters is vital. But I can report nothing but failure over a period of 40 years in attempts to hype renewals with “improved copy.” I’ve concluded that the “product” — the magazine, for example — is the factor in making a renewal decision.
20. Self-mailers are cheaper to produce, but they practically never outpull envelope enclosed letter mailings.
21. A pre-print of a forthcoming ad, accompanied by a letter and response form, will outpull a post-print mailing package by 50 percent, or more.
22. It is easier to increase the average dollar amount of an order than it is to increase percentage of response.
23. You will get far more new catalog customers if you put your proven winners in the front pages of your catalog.
24. Assuming items of similar appeal, you will always get a higher response rate from a 32-page catalog than from a 24-page catalog.
25. A new catalog to a catalog customer base will outpull cold lists by 400 to 800 percent.
26. A print ad with a bind-in card will outpull the same ad without a bind-in up to 600 percent.
27. A direct response, direct sale TV commercial of 120-seconds will outpull a 60-second direct response commercial better than two to one.
28. A TV support commercial will increase response from a newspaper insert up to 50 percent.

29. The closure rate from qualified leads can be two to four times as effective as cold calls.

30. Telephone-generated leads are likely to close four to six times greater than mail-generated leads.



Dean Rieck has been called “the best DR strategist/copywriter” in America!

Copywriter of choice for many of today’s direct marketing leaders, Dean Rieck has developed a reputation for being the “go to” copywriter to call when response matters.

Dean has made sales, generated leads, and raised funds for over 200 businesses in publishing, financial services, software, high-tech, non-profit, education, health care, and other industries.

As a copywriter, he’s created profitable direct mail, print ads, email, Web sites, TV and radio spots, and marketing materials for a virtual who’s who of corporate America, including American Express, Bank One, Bayer, BellSouth, Fortune Magazine, Jeopardy/Wheel of Fortune, NCR, New York Fraternal Order of Police, The New York Times, Public Broadcasting System, Ross Products, Southern Bell, Sprint, USA TODAY, and many others.

In addition, he’s former Vice President on the Board of Directors for the Mid-Ohio Direct Marketing Association, and a past member of DM clubs in Cincinnati, Dayton, Minneapolis, and Detroit. Dean has been listed in Who’s Who in Direct Marketing Creative Services, Outstanding Writers of the 20th Century, Outstanding Intellectuals of the 20th Century, Who’s Who in the Media and Communications, Strathmore’s Who’s Who, Who’s Who in the Midwest, Who’s Who in America, and Who’s Who in the World.

His articles have appeared in Direct Marketing Magazine, DM News, Target Marketing, Inside Direct Mail, The Not-For-Profit CEO Monthly Letter, Smart Money, Potentials in Marketing, Business First, Strictly Business, Small Business News, Response, Mercadeo Directo, Self-Employed Professional, and on countless Web sites. Dean has also ghost-written, edited, and contributed to 22 textbooks, including Professional Selling and Marketing in a Global Economy.

In his private life, Dean is an active cyclist, Olympic-style shooting competitor, board member of an influential Ohio political action committee, movie buff, and gardener.

Call 614-882-8823 for a free copy and design quote on your next direct mail piece or direct marketing project.

Additional Resources

Click on the links below. Or go to www.DirectCreative.com/boost.

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