56 Using special offers and incentives

What is a special offer?

A special offer is an opportunity for the customer to gain a financial advantage that is ideally perceived as irresistible. A special offer should motivate purchasing decisions because of the perceived value in it.

Why are special offers important?

Special offers are as important to customers as they are to you. They can help you to achieve a number of things, for example: sell more, introduce customers to new products, speed up the buying cycle or move on old or unwanted stocks. Your customers also love a special offer. We are all motivated by an opportunity to get a good deal, something we want at a lower price than we would normally pay – a bargain!

Irresistible special offers are a great way to introduce new customers to your products or services and give existing customers a bonus.

Your challenge

Your challenge is to make your offers so irresistible that your prospective customers say to themselves 'I really would be a fool to miss out on this opportunity', or ' I must take this opportunity right now or I will miss out'.

Your challenge is to do this in a way that motivates more new customers to try your services or buy your products.

What makes a special offer successful?

When creating your special offers you need to understand the psychology of the 'risk – reward' thought process that goes on in the mind of your prospective customer.

Whenever someone considers buying anything they will naturally weigh up what they will get versus what they have to give to get those benefits. If the perceived risk is high and the perceived value is low, the chances are that the person will not buy. If the perceived risk is low and the value is high, then there is every chance more sales will be made.

So the best, most irresistible special offers are created when you increase the perceived value and lower the risk.

Increase perceived value

Here are some ways to do this.

- Add in extra bonuses – e-book sellers are masters at this.
- Give two for the price of one or three for two – supermarkets do this well.
- Package complementary products together with a lower overall price compared to buying the products separately – spas and beauty salons are good at this.
- Detail why this product/service is special and unique and discount the price as an introductory offer.

Decrease the perceived risk

- Give a strong guarantee.
- Provide low, affordable payment terms – most car retailers do this well.
- Offer interest-free credit – some furniture or electrical retailers do this well.
- Delay payments with no accrued interest – buy now pay later.
- Give free 30-day trial periods.
- Give access to follow up support after the sale has been made – computer software companies do this well.
- Prove a fast or large return on investment – property or financial investment companies do this well.
- Give proof of the results of the product or service using real life case studies.
- Endorse the product or service with testimonials.

If you combine a technique that increases perceived value with one that decreases perceived risk then you will enjoy an increased response rate to your special offer or incentive.

HOW TO CREATE YOUR OWN SPECIAL OFFERS – SPECIAL RESPONSE CHECKLIST

- What ideally would you like your special offer or incentive to achieve?
- What do you think would make an irresistible offer and attract new customers? Make a list of some of the options.
- Decide on the combination of increasing perceived value and decreasing perceived risk that would give your offer maximum leverage.

- Decide on a series of special offers and incentives to suit your own seasonal buying cycle.
- Decide how you are going to test your special offers.
- Find out by monitoring response rates what works and what doesn't.

How to use this information

Integrate special offers and incentives into your sales and marketing strategy. Try different offers and test them out in your advertising, direct mail, email marketing, telesales, point of sale, networking events and talks and any marketing communication with new potential customers. Find the combination that works for you.

Think special offer and convert more sales