

— ACTION

Help your customer to say *yes*

At the end of my first week as a salesman — my first proper job — Bruce my sales trainer did a final review of my progress before we went our separate ways for the weekend. I thought I'd done quite well, and he largely echoed this sentiment, but as I drove home his last words were ringing in my ears: "I'm a bit worried about your clothes. We'll talk about it on Monday."

This came as a bolt from the blue. I'd borrowed money to make sure I had a decent new suit. (Sure, I was hoping no one would notice the cowboy boots until I got my first pay check, but I thought I'd gotten away with them.) That night I spent ages in front of the mirror, but was none the wiser.

Monday morning came and Bruce got into my car before we did the first call. "Right," he said, "Always remember that the buyer's natural instinct is to say no. He doesn't want to say no — he's a buyer, after all — but he can't help it. So our job is to make it easy for him to say yes. We call that the close."

Merde. He'd said close, not clothes. Like most new salespeople, I struggled with closing the sale.

After the call, in which Bruce had done the presentation to the buyer (remember *demonstration*), he asked me to evaluate *his* close. I replied, "What close?" I never saw it.

We'd located the buyer — the store manager — in his office. At first he'd muttered brusquely, "I don't need anything, do I?" Bruce proceeded to tell him about our marketing activity and special offers, and how many cases of each product he was proposing; plus the normal replacement order for lines not on promotion; how many cases that came to in total; that we'd deliver on Thursday as usual; and that there were a couple of lines missing from the shelves (but with stock in the warehouse) that we'd like to put on

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sale before we left. Then Bruce clicked shut his presenter and the buyer almost cheerily waved us off. What close?

Bruce's explanation went something like this: "What I did there, we call the 'assumed close.' You just keep going, and if you don't get any objections, well... you just keep going. I could have done what we call the 'straight close' – basically that means at the end I ask the question "Is that OK?" – but this guy seemed quite happy so I didn't see any point inviting him to pick holes in our order."

Gradually I began to appreciate the nuances of closing. It wasn't a con trick, but it certainly involved some psychology. And to Bruce's assertion that the buyer's initial reaction is always *no*, I added my own observation that at some indefinable tipping point in the interaction, the whole balance changes and it actually becomes distinctly uncomfortable for him to say no.

An informed opinion on closing comes from Derrick White:

"Teaching someone to close is very difficult. You'll hear the older salesman tell the novice, 'You should have closed him there.' Maybe. Closing is a very personal issue. If you simply do not feel right or you are just blindly following what someone else has advised, it can be very risky. Rather like someone else's chat-up line at a party. He gets away with it while you get your face slapped."¹

The sales spell

Next time you get buttonholed by a *Big Issue* vendor or a shop assistant, think about how you react. My guess would be that you find saying "No thanks" or "Just looking, thanks" slightly uncomfortable. Since it doesn't take much to reach that mysterious tipping point, you're quick to take evasive action. You don't want to fall under the sales spell.

And I bet also – especially in a retail environment – that quite often after fending off a shop assistant, paradoxically you do feel a tinge of annoyance with yourself. Because you probably *do* need help, and you probably *are* quite interested in buying something.

Of course, the sales spell doesn't really exist. At least, there's no magic – it's inside your head... the customer's head. A good salesperson knows this and lets their customer's mind trip along to its own tipping point. The most effective close I was ever taught was the *silent* close.

The “no” reflex

(Here come the birds again.) Most mornings as I write I watch a robin in my garden defend “his” bird table from all-comers. There's usually more food there than he could eat in a week, but he fights beak and claw to stop the holidaying blackcaps grabbing even a tiny morsel. I'm sure it's instinctive behavior: Conservation of one's resources is a vital and universal trait for survival.

Indeed, my theory is that we share with the robin a kind of “no” reflex. Under sudden and unexpected pressure to yield resources, we invariably respond with a no. (Certainly, if I had a “yes” reflex, within a month I could sign away all my money to charity mailings alone.) Just like Bruce said, the buyer can't help it, even though he's paid to be an interested customer.

Cognitive dissonance

Cognitive dissonance might sound like gobbledegook, but it *is* worth understanding. It's one of the academic principles I'd bracket in the actually useful category. Why? Because I reckon cognitive dissonance – or, more specifically, fear of it – lies at the root of the “no” reflex.

Busting the jargon, cognitive means thinking and dissonance means unhappy. It translates into *doubt* and *regret*. “Did I make the right decision?” “Am I glad I bought it?”

Cognitive dissonance is a widely observed human emotion. It has been much studied in relation to buying behavior (when it is known as post-purchase dissonance). It's recognized as a transitory feeling, and it doesn't automatically lead to permanent dissatisfaction.²

It's quite natural when you think about it. We spend our lives gathering and protecting our resources. So it's no wonder we question our actions and wisdom when we give some of them up.

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Faced with the pressure to buy, to exchange resources for an uncertain return, it's easier to say no. Preserve the status quo. Run away. (You can always buy another day.)

Indeed, even when your “no” reflex can't put you off completely, your underlying drive tries to make you buy the *cheapest*. (Paradoxically, this is just as likely to cause post-purchase dissonance, when later you begin to wish you'd paid a bit more for a slightly better model.)

Action equals *permission*

You're selling to an interested customer, who may really desire your product. It ought to be easy. But you should remind yourself that their subconscious programs may kick in at any moment. Their drive to avoid post-purchase dissonance means you can expect a reflex rejection — especially if you take them unawares with your message.

Traditionally (using old AIDA), the final emphasis is on telling the customer what to do. It's all about order forms, reply devices, and pre-paid envelopes.

NEW AIDA thinking, of course, removes these hurdles at the outset, through navigation and ease. (And in doing so, makes a massive contribution to your extraordinary response.)

And NEW AIDA therefore leaves you free to apply the skills of salesmanship to your interested customer's mind, which needs that last extra nudge to help them to buy. They want to buy but their defenses say no. Your challenge: Give them permission to say *yes*.

Steps you can take

Cultivate browsers

In some respects post-purchase dissonance is a misnomer, because your customer often gets it long before they buy. Indeed, they go out — sometimes for weeks in advance — and actively practice having it. We call it “shopping around.”

Sure, shopping around is partly to check that you get a good deal. But that in itself is a key component of avoiding post-purchase dissonance. There's nothing worse than finding your new television on sale £100 cheaper the week after you bought it. Retailers know this, and try to remove your fear of dissonance by reassuring you that they'll refund the difference if you find the goods cheaper elsewhere. (Post-purchase *difference*, maybe?)

If you've ever been house-hunting, I'm sure you'll have experienced that dreadful sinking feeling when on viewing, things don't turn out as you'd hoped. Perhaps there's a cooling tower (just out of shot on the prospectus) casting its shadow across the lawn. Maybe the drum-and-bass you thought must be the teenage son in his bedroom turns out to be coming through the wall. Or you notice 17 cats peering out of the neighbors' grimy window, they've got geese out the back, and the greasy guy with the wrench leering over the fence looks like he was in *Deliverance*.

Do you recognize this disappointment? Actually it's worse than that. You feel in utter despair, such is the magnitude of the "mistake" you've made.

Remarkably, you go through with the viewing. You pick out little good points and build them up. You shrug off the damp patches and the uneven floors and the 1950s kitchen.

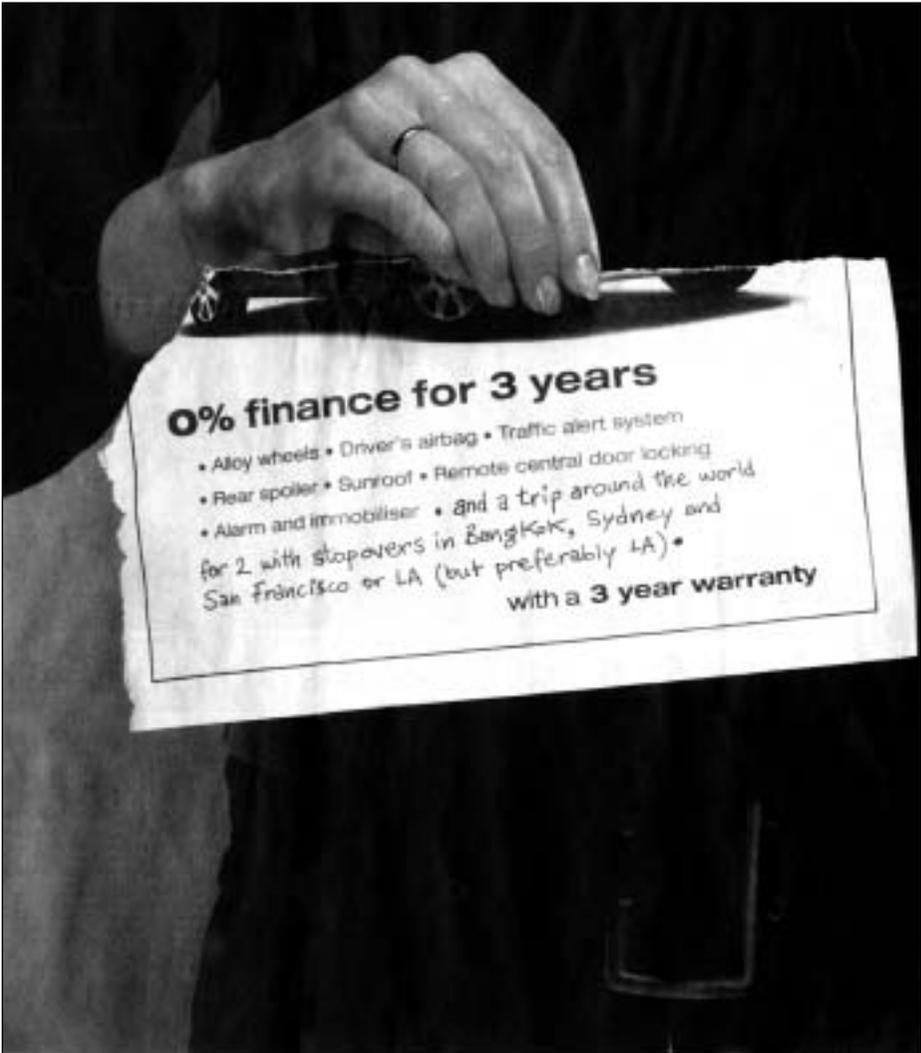
It's only later, perhaps when you're driving away (or downing a stiff drink in the local pub), that you realize *you don't have to buy it*. You'd got so excited about the particulars that your mind had leapt ahead of you.

Such is the relief, you feel like celebrating. Go ahead, have another drink. (You'll need one – you're just about to ride the same emotional roller coaster at the next property.)

Post-purchase dissonance is traditionally associated with high-ticket, high-commitment items like buying a new car, choosing a university, or the house-hunting example I've just described. But I believe it applies right across the spectrum of goods and services, consumer and business. And no doubt it varies by customer, according to their wealth and – in particular – the risk-averse nature of their personality.

So shopping around serves a potent purpose. It enables the customer to test out whether they're likely to suffer post-purchase dissonance, and to

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0% finance for 3 years

- Alloy wheels • Driver's airbag • Traffic alert system
- Rear spoiler • Sunroof • Remote central door locking
- Alarm and immobiliser • and a trip around the world for 2 with stopovers in Bangkok, Sydney and San Francisco or LA (but preferably LA) •

with a **3 year warranty**

genuine
Bring us any offer and we'll beat it.

Whatever deal other manufacturers offer, quite simply, we'll beat it. Insurance, cash-back, servicing, interest free finance, deposit contributions, you name it, we do it. And if you can't find the right deal for you, contact us on 08457 186 186. So if it's a great car and a superb deal you're after you'll get both from MG Rover. For anything else, see your fairy godmother.

For more information or for a test drive call 08457 186 186 or visit www.mg-rover.com



Figure 78 Tackling post-purchase dissonance ahead of the competition... and ahead of the sale. Reproduced by kind permission of MG Rover Group Ltd.

assess how they feel about it. I think many retailers (indeed, marketers) fail to appreciate this. It's the source of many lost sales.

Recently I asked a couple of assistants in an electrical store what proportion of customers claimed they were just looking when approached. One said "more than half" and the other said "most." A straw poll, I agree, but I think it's reasonable to assume there's one heck of a lot of customers out there, every weekend, practicing dissonance.

Today, a browser. One day soon, a buyer. So why not tackle the dissonance while you can?

If the customer's in your store, that suggests it's convenient for them. A major reason for them to buy from you. All they need is permission.

You don't have to sell to them today. In fact, maybe don't even try. Instead, give them reasons to come back.

The lesson for the retailer? Basic staff training. Develop a means of dialog that recognizes that the customer is not trying to buy now – they're shopping around, which means they're seeking evidence that they won't suffer from post-purchase dissonance.

The dialog could be as simple as this:

Shop assistant: "Can I help you, Sir?"

Customer: "I'm just looking, thanks."

Shop assistant: "It's a good idea to check out a few stores for the right deal. Can I give you some back-up leaflets and prices to take away?"

I could run this on, but I hope it's obvious that it immediately opens a gateway to provide reinforcement without perceived selling pressure. If they're a genuine interested customer, they'll come with you. You might even make the sale there and then. (Always have a "today's offer" up your sleeve.)

Whatever the immediate outcome, the chances are you'll be the only retailer they've visited who's given them reasons to come back. You might have handed them a 10-day voucher giving an extra 10 percent off. You might have told them about your returns and exchanges service, or your in-home support. Or perhaps you'll have talked about future trade-ins to help them to get their head round the price in general.

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Show your skill

In one study, entitled “The effects of salesman similarity and expertise on consumer purchasing behaviour,” researchers varied the expertise of a music-store salesman, who tried to encourage customers to buy a deck-cleaning kit. When the salesman was seen as knowledgeable, 66 percent of customers bought the kit. However, when he admitted he was unfamiliar with the kit, only 20 percent purchased.³

When you hear evidence like this, you nod your head. Intuitively, it’s so obvious. And it’s such a simple card to play.

Clearly, a knowledgeable salesperson can help a customer deflect any sniping self-doubts. But I think it goes deeper than that. Knowledge encourages dialog between seller and buyer; during that process the customer’s mind slips unnoticed past its tipping point; saying *no* becomes somehow undesirable.

Put your foot in the door

I talked in Step 6 about the power of touch in building desire. Contact can close sales too. Paco Underhill reports that in clothing stores, the shopper conversion rate increases by 50 percent if there is staff-initiated contact with the customer, and it jumps by 100 percent if the customer also uses the dressing room.⁴ (And then how can you *not* buy when an attractive assistant tells you how great you look?)

Underhill bemoans the dowdy state of most stores’ dressing rooms and the lack of subtle personal selling support, like suggesting matching accessories. He observes: “When the customer is in the dressing room, he or she is in total buying mode.” Yet the moment is so often squandered.

More prosaically, Underhill reports a simple test in a fast-food restaurant. The counter staff were briefed to ask if the customer wanted to upgrade the size of their drink. They succeeded on 47 percent of occasions.

It’s that tipping point again. Even a non-technical interaction between the customer and the marketing environment can make a real difference. Certainly, this is most powerful where personal selling (or at least *contact*) is possible, but there’s a lesson for all parts of the communications mix.

Once more, I think it's to do with overcoming the customer's "no" reflex. And it can be further explained by an idea put forward by Freedman and Fraser called "Foot in the Door."⁵

In many tests it has been shown that more customers will agree to a big decision if they have first agreed to a small decision. The theory underlying this is quite fascinating, and (as usual) intuitively hits the spot. The idea goes that you can come to know your feelings about something by "observing" your own behavior. (This is called self-perception theory.) Foot in the Door enables a customer to enact a favorable experience toward a particular product area. They slide past the tipping point and suddenly (and statistically) they're more likely to buy big.

On lots of occasions I've watched sampling teams operate in supermarkets. They get a great strike rate, but a significant proportion of customers refuse free, no-obligation samples with very defensive body language. It's as if their "no" reflex knows all about Foot in the Door and acts to stop them having a positive experience before it's too late.

The practical lesson for the marketer must be to offer your customer a foot-in-the-door experience where it's feasible and appropriate. (Hence switched-on motor dealers focus a significant share of their marketing efforts on selling test-drives rather than cars.) For Reebok we developed a promotional mechanic that we called try-&-win. To enter a prize draw the customer simply had to try on a pair of trainers. Returns from stores consistently reported a 70 percent conversion rate from *try* to *buy*.

Advertise to your customers

Given the statistics I outlined in Step 5 (how a minority of your customers account for the majority of your sales), there's an immediate logic in advertising to your existing customers. But there's an important dissonance-reducing aspect to this, too. And that can be vital in securing purchase next time around.

Try as you might, for some of your customers you'll never eliminate post-purchase dissonance. Especially when decisions are hard to alter, like

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STEP INTO
Reebok
AT
PRO
PERFORMANCE SHOES

STEP Reebok is a new exercise programme which is both dynamic and fun.

STEP REEBOK is geared to all fitness levels. Class participants simply step on and off their own adjustable bench, performing a series of easy-to-follow moves to music.

Suitable for both men and women, this high-intensity, low-impact work-out is being held at more and more fitness clubs up and down the country.

Look out for the 'Official STEP REEBOK Centre' sign at your local club.

STEP REEBOK TRAINER PRO

Now available from Pro Performance are 4 STEP REEBOK shoes to cater for both men and women.

Designed specifically for STEP REEBOK, this exclusive, comfortable shoe has a hinged forefoot design which provides the wearer with the unique benefit of excellent flexibility.

Try a pair for yourself and enter our free draw - you could win a superb 'his and hers' FITNESS KIT!

TRY on a pair of **STEP Reebok SHOES** and you could **WIN** a 'his and hers' **FITNESS KIT IN THIS STORE**

Figure 79 "Try to Enter" – a simple promotional mechanic that consistently reported a 70 percent trial-to-purchase conversion rate. Reproduced by kind permission of Reebok UK.

It's not even about something more important than
 the arrangement of the number plate. And that's the
 car itself. When you buy a used Mercedes E-Class from
 an authorized Mercedes-Benz retailer, you're buying a car
 that has undergone a comprehensive series of
 quality checks. Only when a car has passed this rigorous
 screening, do we deem it acceptable to sell. It's this
 professional integrity which takes the worry out of buying
 a used car. And prevents us getting too worked up
 about a number plate. For more information or to search
 for a vehicle visit www.mercedes-benz.co.uk/used
 or contact your local Mercedes-Benz retailer.

A used Mercedes is still a Mercedes.

Winner of over 70
 industry awards
 in 7 years, so there's
 no need to worry
 about some perspex.



Figure 80 A great deal of automobile marketing is designed with existing customers in mind. This Mercedes ad, ostensibly promoting the sale of used models, simultaneously sends a highly positive message to current owners. Reproduced by kind permission of Mercedes-Benz and CDDLondon.

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tiling a bathroom, having a severe haircut, and choosing a new home computer. So you need Plan B.

When customers suffer post-purchase dissonance, they seek reassurance that they made a wise decision. (Hence the question: “Does my bum look big in this?”) Plan B is to talk to your customer like they just did (make a wise decision, that is).

People say you can’t tell one car advert from the next. But I bet you most car owners can describe the ads for their brand. We’ve got whiskers like a wildcat’s when it comes to detecting cues that reinforce our own egos.

The advantage of this tactic is that – if future dissonance is perceived to be high – you’ll also reach the potential customer who at that very moment is “just looking.” They’re doing their homework, rehearsing what it will feel like to have taken the dreaded decision. When the time comes to buy, they’ll behave like a satisfied customer. (I suppose the apocryphal “Nobody was ever sacked for buying IBM” comes into this category of message.)

At a more practical level – depending on your business – you can design simple communications to reassure your customers. If you’re a tiler, call to ask if you can take a photo of the finished job to use in your publicity material. If you’re a hairdresser, send a magazine clipping of a celeb wearing the same £100 cut you’ve just given to your client. If you install PCs in people’s homes, mail out some notes of the basic, really useful procedures that your customer needs but didn’t manage to write down when you did the demo.

When your customer feels good about their purchase, why would they risk changing brand or supplier next time around? They might even recommend you to a friend. You can close your next sale before the buying’s even begun.

Bridge sentiment and sale

It has been shown in research that unrehearsed memories are typically lost in 30 seconds.⁶ In Step 4 I mentioned an Epson ad that I particularly liked, but felt could have worked harder to close the sale. For me it missed the opportunity to build a tangible bridge between the customer’s sentiments

and the act of buying. After a great offer (of a free Xbox), the copy ended rather blandly with a general invitation to call or visit the website for more details. I'd have been inclined to try this:

“Phone, text or email *now* to claim one of 5,000 free Xbox vouchers. Hurry! The offer closes in 10 days.”

Even stronger would be an instant voucher tipped on to the page (although you would sacrifice the database of interested customers). Either way, how could an interested customer resist once they've got in their hand a promissory note that's worth an Xbox?

The principle here is a simple one, and it's like the “no” reflex working in reverse. People find it hard to throw away items of value. Most of us would pick up a 20p coin, and by the same token a 20p coupon tends to get pinned next to the shopping list.

Couponing is much maligned but it really works. I've witnessed some fantastic (whoops, platitude) *30 percent-plus* responses for products as wide-ranging as cornflakes and whisky. We consistently reached 40–50 percent (and even 65 percent) for well-targeted trade promotions. For a consumer door-drop the “industry” says you can expect a 7.5 percent response for a typical household product; using NEW AIDA principles we raised the bar to 15 percent.

Engel reported a major controlled study across four brands, in which coupons were shown to raise trial of new products from 7.4 to 15.1 percent of households. And although coupon-induced trialists were poorer “repeaters” (24.8 versus 31.4 percent), the significantly higher levels of initial trial still led to greater long-term penetration (3.7 versus 2.3 percent).⁷ That's actually 60 percent more homes using your product.

The physical presence of a coupon builds that tangible bridge between sentiment and sale. In many respects it's a no-brainer. Indeed, in my experience, the key issues that should determine whether or not you use couponing are *misredemption* and *cost-effectiveness*.

For trade coupons, misredemption is quite easy to eliminate.⁸ At a retail level it can be more problematic, since the grocery multiples are not averse

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Try the fresh-baked taste today

Experience the fresh-baked taste of the new Warburtons Bakery range.

Our traditional soft White and Wholemeal batch breads are just perfect for sandwiches or soup.

Try the delicious crusty, nutty flavour of our Seeded batch loaf with smoked salmon, freshly-ground black peppercorns and a hint of lemon.

And enjoy the fabulous moist, warm flavour of our Carrot and Cinnamon loaf – eat it plain, or toast it and richly spread in butter.

Because our loaves are baked with expert care and skill, using only the finest ingredients, we guarantee that each will taste like real bread should.

If you don't agree, we'll give you your money back. Write and tell us why and we'll send you a cheque for the full amount paid, including postage.

So go on – you've got nothing to lose. Enjoy the fresh-baked taste of Warburtons today.

10p off coupon

TESCO
Every little helps

Figure 81 Simple but effective. A household couponing format that regularly doubled the industry-norm response. © Reproduced by kind permission of Warburtons Ltd.

to accepting their competitors' coupons, which I'm sure contributes to a general feeling among some shoppers that coupons equal cash. However, those with a foot in the couponing camp will tell you that most coupons are not misredeemed (consumer surveys indicate about 80 percent are used correctly), and I believe this to be true.⁹

Cost-effectiveness is easier to get a handle on, and mainly concerns the cost of delivery. Having worked as a marketing manager in a pure direct marketing environment, and having run hundreds of such campaigns for clients, one thing I can tell you categorically is that direct mail as a means of delivery is *not* cost-effective for most fmcg products. This is borne out by the fact that the majority of blue-chip firms who have properly evaluated their programs have subsequently withdrawn them.

We ran a direct program for Beck's for two years.¹⁰ Because we were able to identify heavy users, the sums indicated that the activity was profitable. In this market there were ample households that bought around 600 bottles of premium beer per annum (that's a spend of about £500). But if your customer spends just £40 or £50 annually on your brand, you should consider the direct marketing vehicle a non-starter.

Make a real offer

Talking of vehicles, I used to own an MG, and although I eventually admitted my heart had ruled my head and I'd better switch to something more sensible, I nearly bought another one when I got the offer in Figure 82 overleaf.

It's not often a coupon for £1,000 lands on your doormat. When an offer's this strong, you start to get cognitive dissonance about *not* using it! (Remarkably, one of the best bits of information – "The £1,000 is in addition to any negotiations between the dealer and the customer" – is hidden in 5-point type at the foot of the mailing.)

I am often asked: "Should we include an offer?" My answer is yes, if you can afford to make a real offer. (A real offer will commonly increase response by 500 percent.¹¹) But if you can't, you're probably wasting your money.

Have you heard of the cardinal utility principle? It's quite thought provoking. For sales promotion, it goes roughly like this:

Which will you choose?

- A Take a guaranteed £250,000.
- B Spin a coin for £1 million.

Most people I've asked would choose A, the bird in the hand – even though, statistically, it's not the most profitable option. Indeed, it's surprising how low you have to reduce the guaranteed sum before they start opting for the gamble. (That, by the way, is why small guaranteed-free offers generally work much better than big chance-to-win offers.)

You can invent all sorts of combinations, and it gives a fascinating insight into how people balance risk and return. If you ignore the concept

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MGF 

Mr A Sample
1 The Street
Aylesham
AB1 2YZ

12/01/99

28th February 2001

Dear Mr Sample

Do you already own an MGF 1.8, 1.8i Supermatic or 1.8 VVC? Thinking about buying a new MGF? Then you'll be delighted you opened this letter.

Buy an MGF before March 31 2001 and we'll give you £1,000* off.

That's right, £1,000. So all you have to do is take the attached voucher to your local MG dealer to show away an MGF 1.8 for a mere £15,990, a 1.8i Supermatic for just £16,995 or a 1.8 VVC for only £18,490.

It's our way of thanking you for being loyal to the MG brand. We're sure you'll agree that the MGF is fantastic value for money, with its lightweight but powerful K-Series and engine and rear wheel drive providing balanced weight distribution, outstanding grip and responsive ride and handling.

Whichever MGF you decide to buy before March 31, it will come with a three year warranty as standard.**

We're also pleased to announce the launch of two exciting new models - the MGF 1.6i and the MGF Trophy 1.6i Special Edition.

The Trophy 1.6i is our flagship model, with a 140PS engine, race-bred suspension and superb handling. The 1.6i offers amazing value with an entry price of £15,140.

We hope you take advantage of our £1,000 offer. But whatever you decide, have fun in your MGF.

Yours sincerely,



Steve Robertson
UK Marketing Director
MG Rover Group

For details of your local MG dealer please call 0845 202221.

 **Privilege Purchase Voucher**
This voucher entitles
Mr A Sample
to £1000 off
a new **MGF**
purchased before 31 March 2001

*The voucher entitles the holder to a maximum of £1,000 discount off the recommended manufacturer's price (MSRP) of a new MGF 1.8 VVC, Supermatic or 1.6i. £1,000.
**The voucher is not valid for second-hand vehicles.
*For more information on the terms and conditions of this offer, please visit our website: www.mg.co.uk

Figure 82 Real offers are hard to resist, especially when targeted at an interested customer. Reproduced by kind permission of MG Rover Group Ltd.

when you design a promotional offer, you shouldn't be surprised if that offer doesn't work. It's basic, common-sense thinking: *Offer does not automatically equal effect.*

Recently I came across a fascinating case study in my local area, Edinburgh. A guy tried to raffle a house valued at £260,000 by selling tickets at £10 each. His idea was to sell a cap of 45,000 tickets, thus making a tidy profit (after advertising and publicity costs) and also funding a promised £9,000 charitable donation. I assume the idea of the cap was to make the odds of winning look attractive. There was a cash alternative of £220,000 and runners-up prizes of $1 \times £10,000$, $1 \times £5,000$ and $100 \times £100$.

Sadly, the scheme failed. Only 5,000 tickets were sold and the offer had to be withdrawn. So what went wrong?

One way of looking at it is to say that selling 5,000 tickets is actually quite a good achievement. This argument would depend on your assessment of the available audience. Judged solely on the number who might like or be able to move into the particular house, it's probably a very good response.

However, the presence of a cash alternative really takes the house (and related domestic dynamics) out of the equation. In reality this was a lottery in which you stood a 1 in 45,000 chance of winning £220,000, for a £10 investment. And it's the £10 investment that sets alarm bells ringing.

To most people, 1 in 45,000 means you probably won't win. (Statistically, you'd have to enter once a day for 123 years before you won at these odds.) So while you might throw £1 at this, £10 is too much. I think most people would rather play the lottery for 10 weeks instead, and have 10 goes at what they would perceive to be a similarly unlikely chance of winning — but at least with the prospect of becoming a multimillionaire.

It's easy with hindsight to make these sort of comments, and I admire the chap for having a go at it (I understand all of the tickets were either refunded or checks for them destroyed). But what it does illustrate is the fickle nature of the customer, and the difficulty in judging when an offer becomes a *real* offer. If you can test first on a small scale, that could be your surest way of finding a winner.

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Crisp fivers

Here's a raffle-type offer that does work: the Walkers Crisps "moneybags" mechanic, which has been repeated on several occasions in various guises. Although it doesn't make you buy any more crisps upfront, it makes your kids eat them faster. (With a one in five chance to win, it's always worth opening another packet.) Soon you're back in Tesco's snacks aisle.

This mechanic is known in the sales promotion business as "instant win." The offer and the mechanic have been carefully thought through and tested over the years. Together they target an effective point of leverage – the small act of opening another bag that the customer already owns.

And because it's a real offer in terms of the scale of rewards, it works. By this I mean the chances of winning are very high. It doesn't take long for the customer to get a reward – even if it's only a voucher for a free packet of crisps – which reinforces their belief in further winnings.

But as I said, the mere presence of an offer doesn't automatically guarantee success. Getting back to those loo blocks, recently I opened a pack advertising an instant-win offer: Win a trip to Italy. The small print said there was 1 holiday prize, plus 25 runners-up prizes of £40 leisure vouchers. 26 prizes... on *how many* packs?

Not only is this not a real offer (at that ratio of prizes to packs, why would I ever believe I might win?), neither is it targeting an effective point of leverage.

As Walkers knows, the instant-win mechanic works well on low-value products, where it is easy to consume another packet. Crisps are perfect. (Bottles of beer in the fridge are not bad.)

But how do I consume another loo block? It boasts on the pack it lasts for up to four months!



Figure 83 A real offer that targets an effective point of leverage. Your kids can always eat another bag of crisps. Reproduced by kind permission of Walkers Snacks Ltd.

The chosen mechanic is not appropriate for the purchasing and usage dynamics of the product. The manufacturer must have spent a small fortune printing “sorry you lose” leaflets and inserting them into almost 100 percent of its production run. (Compare this to my suggestion of a reminder coupon in Step 5.)

As a general rule, the effectiveness of a promotional offer is directly proportional to the perceived value of the reward, with chance factored in: what the customer gets (or thinks they might get) in relation to what they give up. Spread your budget too thinly and it becomes invisible.

The offer of £1,000 to buy a new MGF is a real offer. Yet I have many times read national marketing briefs from blue-chip companies demanding *double-digit* volume increases from budgets that equate to *less than a penny* per sale. As the great generals say, you can’t save your way to victory.

Action carrots

I talked in Step 2 about how “carrots” can be used to compensate your customer for their efforts, when you are asking them to leap extra hurdles for your benefit. This is not the same as closing the sale.

Ease carrots (if you get the meaning) have a practical role, while action carrots work on the customer’s mind. If you think back to my Tesco–Sainsbury–Safeway conundrum, Safeway’s 20p-off petrol offer (plus strong in-store BOGOFs) was, for me, an ease carrot. I always was going to buy the petrol, and I always was going to buy the essential groceries – it was just a question of *where*. Safeway’s offer compensated me for going out of my way.

Sure, once I was in the store I might also have bumped into some action carrots: offers that swayed me to buy unplanned and arguably unnecessary items. And come to think of it, I did over a period of time buy from Safeway a new duvet and a portable radio for the spare bedroom – vague needs that had been in the back of my mind, in that category of stuff you could do with but feel it’s a bit profligate to splash out on, until you bump into a special offer that’s too good to miss. I’m sure we all carry with us a list of goods like this, things we’re just looking for without even realizing it. Yet it simply takes an action carrot to give us permission to say *yes*.

DOES YOUR MARKETING SELL?

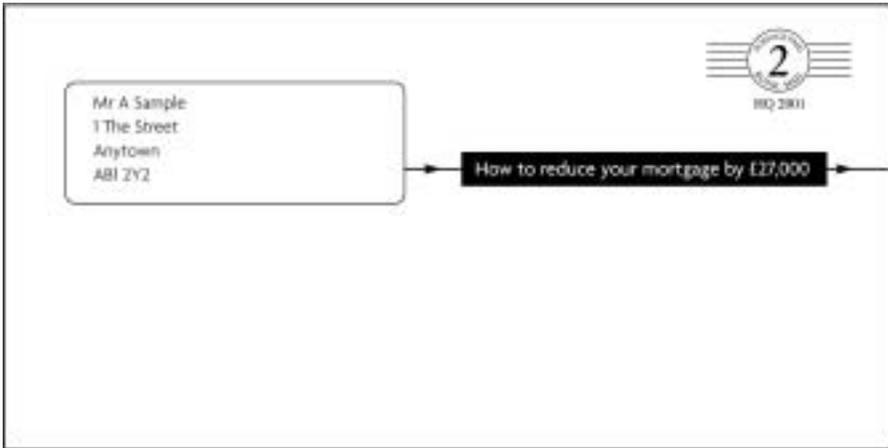


Figure 84 Permission to say yes. Interrupt your customer with a strong “action carrot” and you can fast-track them through the buying process.



Even at an apparently mundane level – like switching brand of loo rolls – shoppers are remarkably conservative. They perceive problems and risks that are easy for the marketer to overlook.

In 1984 I was appointed as product manager to work on the launch of what is now called Velvet bathroom tissue. It was made by a new thru-dried technology and was massively (no hyperbole) superior to anything else on the market at the time. It was preferred over the brand leader by 9:1 on softness (the most important discriminator) and 5:1 overall. It actually became market leader in multiples in the south of England, before machine problems hindered its growth and allowed competitors to catch up. However – marvelous though it was – many potential customers still

would not switch brand. I remember sitting in on a hall-test (for new advertising, in case you're thinking the worst) and listening to one woman (an Andrex buyer) tell the researcher how much she preferred this new Velvet (there were samples available to touch). Toward the end of the interview, after viewing the ad, she was asked about her purchase intentions. How likely was she to buy it? Her answer: "Oh no – my husband wouldn't like this, it wouldn't be strong enough for him."

You might smile, but the fact is she'd anticipated a form of post-purchase dissonance: disapproval from her partner. Clearly, the best way to tackle a customer like this is to give them a free sample, or at least a deal that enables them to justify such "extravagance" with the household budget. (Our idea at the time was to buy a load of competitive product, break it up, and rewrap single rolls into twin-packs with a roll of Velvet. We'd only charge for our one roll. Sadly, production constraints... you know the story.)

For years I thought a friend of mine was a bit of a skinflint because he always had to get everything at a discount. (He once retiled his bathroom with the same pattern of tiles he'd stripped off, because they were on such a good offer at the local DIY shop!) But gradually I began to realize he was just a highly risk-averse type of person. Getting everything cheap was his personal strategy for dealing with cognitive dissonance.

So a real offer can play a major role as a catalyst for action. And a big part of that, once again, concerns post-purchase dissonance. If you can send your customer home shouting "Look how much I saved!" or "Look what I got free!" you'll close many more sales.

Set a deadline

This is a simple point, which is often overlooked. Get your customer to act while they're in buying mode. Since most of the time you can't be there with them, in lieu of a close it's a good idea to set a deadline.

Virtually every response graph I've ever seen has been forward-skewed. For mailings, you typically get half of your replies within a week of receiving the first one. The other half can take months to trickle in.

DOES YOUR MARKETING SELL?

Mr A Sample
1 The Street
Anytown
AB1 2YZ



FREEPOST
York
YO26 6ZZ

Free Phone 0800 038 3033
Free Fax 0800 458 6448
www.postoptics.co.uk

Dear Mr Sample

As an existing Postoptics customer, I am writing to give you advance notice of a very significant price rise on Acuvue 1-Day contact lenses.

From next month Johnson & Johnson are increasing the trade price of these lenses by 50%. Whilst we are able to absorb some of this cost, the amount you pay will change and this table shows the alterations to our prices.

Quantity of lenses Purchased	Current price	Price from March 2002
3 Months (90 Pairs)	£79	£109
6 Months (180 Pairs)	£149	£209
1 Year (360 Pairs)	£279	£399

Any orders we receive before the end of February will of course be processed at the existing rates.

The most recent prescription we have on your record expired on 24 September 2000 and you will therefore need a new prescription before we can supply you with any further lenses. Our list of local opticians who will be happy to check your eyes and provide an updated prescription has changed considerably in the last few months. Please call us or check our web site to view this list or if we can assist you in any way.

Prices of other brands of daily disposable lenses are not being increased and these alternatives now offer savings of up to £200 per year over the Acuvue product. If you wish to consider changing to one of these lenses, please discuss this with your optician at your next appointment.

We appreciate your past business and look forward to helping you with your future contact lens requirements.

Yours sincerely

Trevor Rowley BSc MCOptom

International
Tel: +44 1904 686900
Fax: +44 1904 688896

Postoptics Ltd is registered in England, No. 3812576
Registered Office: York Business Park, York, YO26 8RZ

Figure 85 Impending price increase: one of the oldest shots in the direct marketer's locker, and a genuine reason to ask for a "reply-by." Reproduced by kind permission of Postoptics.

So your customer is most likely to act while your benefits are fresh in their mind. David Ogilvy cited a survey showing that twice as many people tell themselves they'll "mail it later" but never get round to it as actually do respond.¹² That's a potential trebling of sales.

John Watson looks at it another way. He says (and I'm paraphrasing):

The time-close doesn't make any more people reply, it just stops those who would reply from filing your mailing for posterity on the mantelpiece.¹³

When clients ask me about setting a deadline, I usually explain that it can perform two different functions. The first is to create a sense of urgency, as I've described above, and the second is to close off the offer (nobody wants an indefinite liability). The trouble is, you can end up trying to do both jobs with a single date – and of course you fall between two stools. A possible solution to this is to have two dates: the first is *soon* (I'd go for just a week) and gives the customer an extra level of reward; the second is *longer* (say eight weeks) and closes both the main offer and the entire campaign.

Don't be shy to mop up

If you think back to what I said about how your customers prepare themselves for post-purchase dissonance – by going out and practicing – there's an interesting corollary for your marketing communications. What if your ad, or mailing, or brochure formed part of the practice? But that was early on... and now they're ready to buy.

The trouble is, you'd taken my advice and put a closing date on your offer. And now it's expired!

The answer, of course, is to approach the customer again. For a direct mail activity this is particularly easy, since you'll know they haven't responded. So don't be shy about extending the date: "mop-up" mailings will commonly achieve between 50 and 100 percent of the original response.¹⁴

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PrecisionMarketing
THE WEEKLY MAGAZINE FOR DIRECT MARKETING

90 Poland Street, London, W1F 7AU
 T 020 7292 3714
 F 020 7970 4099
 E pre@precisionmarketing.co.uk

LAST CHANCE TO SAVE OVER £130 PLUS CLAIM A FREE GIFT

Dear Mr Moore,

I wrote to you recently offering a risk-free subscription to Precision Marketing - the weekly magazine dedicated to direct marketing. The response has been overwhelming, which made me wonder why you had not yet responded.

As a marketing professional, I don't want you to miss out on the latest direct marketing news, developments and jobs. So, I've decided to extend the close date on this special offer.

To recap, this is what a subscription to Precision Marketing will bring you, every week:

- **FREE subscription to mkt.co.uk Express:** a unique online news and jobs service, delivered direct to your desktop. At your request, we'll also send you daily email job alerts;
- **FREE entry into the DMShow:** an annual exhibition tailored to your needs;
- **SAVE 50%** off up to 3 Precision Marketing/Marketing Week conferences PLUS a £200 discount voucher for a colleague;*
- **The Agency Showcase:** (free) the best agencies to handle your accounts;
- **The Suppliers Showcase:** your overview of leading direct marketing suppliers;
- **Routes to Market:** 6 practical supplements looking at the key ways in which you can target potential clients;
- **The Response Awards Book of the Night:** featuring the winners and runners up from this year's awards;
- **Key Surveys:** 6 industry benchmark surveys including: Top 100 DM agencies, Top 60 list operators and the B2B Agency Survey
- **Access to www.precisionmarketing.co.uk:** our fully searchable archive contains over 7 year's worth of information on brands, companies, research and marketers themselves;
- **An extra copy:** we'll send this out to a named colleague at no extra charge.

Our package has never been so good... (continued overleaf...)

Tel 020 7292 3714 Fax 020 7970 4099 Tel 020 7292 3714 Mail Precision Marketing, Precision W01414/1B, London W1E 6JZ

STEP 1 CHOOSE

CHOOSE A SUBSCRIPTION TERM

+ Pay with order to get your privilege subscription offer +

Pay now and save 15% on the subscription price

<input type="checkbox"/> 3 YEARS (150 issues) @ £184 (incl. P&H)	<input type="checkbox"/> 2 YEARS (100 issues) @ £131 (incl. P&H)	<input type="checkbox"/> 1 YEAR (50 issues) @ £67.50 (incl. P&H)
<input type="checkbox"/> Please send my FREE gift	<input type="checkbox"/> Please send my FREE gift	

Normal invoice price

<input type="checkbox"/> 3 YEARS (150 issues) @ £229 (incl. P&H)	<input type="checkbox"/> 2 YEARS (100 issues) @ £154 (incl. P&H)	<input type="checkbox"/> 1 YEAR (50 issues) @ £79.50 (incl. P&H)
<input type="checkbox"/> Please send my FREE gift	<input type="checkbox"/> Please send my FREE gift	

STEP 2 NOMINATE

NOMINATE A COLLEAGUE

I would like to nominate one of my colleagues to receive their own copy of Precision Marketing

Title: _____ Job title - please tick _____

First Name: _____ Account Manager (new)
 Marketing Manager (new)
 Marketing Services Manager (new)
 Business Development Manager (new)
 Brand Manager (new)
 Direct Marketing Manager (new)
 Database Manager (new)
 New Product Development Manager (new)
 Sales Promoter/Management
 Fundraising Manager (new)
 Other - please specify _____

Surname: _____

Telephone: _____

Postcode: _____

City: _____

E-mail: _____

STEP 3 PAYMENT

PAYMENT DETAILS

I enclose a cheque (made payable to Precision Marketing) for £ _____

Please debit my Mastercard Amex Visa* for £ _____

*Please include details of cardholder's name and address if different from above

Card No: _____ Expiry: ____/____

Please invoice me via company (at normal invoice price)

Signature: _____ Date: _____

We would be pleased to send you complimentary samples of our magazines. Please contact our Customer Service Team on 020 7292 3714 or pre@precisionmarketing.co.uk for more information.

Mr A Sample
 1 The Street
 Anytown
 AB1 2YZ

Figure 86 Mopping up. A popular technique in the magazine business when selling to recently lapsed subscribers. Reproduced by kind permission of Precision Marketing.

Staff your website

So many websites are like shops where all the staff have gone to lunch and forgotten to lock up. The customer creeps in and pokes about, while the sales floor is left unattended. Later on, someone thinks to check and finds perhaps a few wet footprints, or some stock that's been deranged. Put it down to the cleaning lady.

But it wasn't the cleaning lady – it was an interested customer. They'd taken the trouble to type in your web address, or do a search on your product category and click on your link. They'd blundered about, not managed to find what they were looking for, and given up and left.

Go to Amazon as a first-time visitor and what happens? Up pops an unmissable window offering you £3 off your first order if you register now – because you're a new visitor. Bingo – they've noticed you. Placed upper center on the homepage is a prominent message labeled "First-time visitors," giving you the option to click on "How to order" and "Help Desk."

Recently I was interested in buying a motorbike, but it being some years since I last went anywhere near one, I felt rather apprehensive (did they still have kick-starts?). I certainly didn't fancy the idea of walking into a showroom and sounding like the greenhorn I had become. Of course, websites can now overcome this problem, but I was disappointed to find that few did. Yet all it would take is a pop-up – the most prominent single message on the screen – saying something like this:

New to bikes? Coming back to bikes? Not sure how things work these days? No worries. Just type in your full inquiry and we'll get back to you within 24 hours. Just ask – we don't expect you to be an expert or to have long hair (or even hair). We'll reply with a detailed answer in plain English, with suggestions for what might be right for you, and the name of a personal contact at your local dealership who'll also be briefed on your query. And nobody will contact you unless we get your say-so.¹⁵

You'd click on a link and there'd be a nice big box for you to type as much as you like. There'd be some prompts, you'd be able to look at other

DOES YOUR MARKETING SELL?

people's (anonymous) inquiries so you didn't feel like such a novice, and after that, some key fixed questions you could fill in at your leisure: customer profile, budget range, contact details... and permission to get in touch.

Placing an inquiry could even be incentivized, for instance with an instantly emailed free £10 discount voucher off a new helmet (funded, of course, by the makers in return for being featured so prominently on your site). Exactly the sort of technique to create a bond with the just-looking customer.

To do what I am suggesting doesn't need expert programming or super-smart software. It's simply making a selling virtue out of what on most websites is a passive "email us" facility. It's what you'd do if it were your shop.

Just sell it

If your product is capable of a digital existence (like music, news, insurance, or holidays), or even just direct delivery (like groceries or stationery or sofas), then it makes great sense to be developing the web as a strategic sales and distribution channel. (This is of course direct marketing.)

And with the approach of seriously clever mobile technology, I'd go a stage further and start thinking about how many more sales I could close. But I don't mean by mobile advertising. Quite the reverse, in fact.

Indeed, I don't believe the mobile will ever be a happy medium for unsolicited outbound marketing communication. (We don't want junk ads sent to our phones.) But as the mobile quickly evolves into a fully functioning, portable, multimedia PC-cum-TV, it will become a popular way to buy things.

I talked above about how direct mail sales could treble if only customers didn't file their mailings on the mantelpiece. I think one of the biggest causes of lost sales is that the customer was unable to buy when they *would have*. Yet the mobile of the not-too-distant future will empower your customer to act, there and then.

Already, when they leave the office feeling hungry, and it's late and they're too tired to shop, they can use their mobile to buy a curry as they drive home. If I ran a takeaway I'd go to great lengths to get my phone

number into the memory of all my regular customers' mobiles. The trick is to "enable" your customer when they're in buying mode.

Soon, when their pals tell them about a great new music track while they're drinking in the pub, out will come the phone, down will come the track. When they're sitting on a train and notice a fellow traveler's magazine they like the look of, they'll be able to order it for delivery next morning. When they're out of change but need to park their car, all they'll need will be their mobile (the powers-that-be have already twigged to this one where I live).

If you can find this dynamic in your firm's marketplace, then start preparing for what must be the greatest sales opportunity since the internet took off.

ACTION – SEVEN TOP TIPS

- 1 Cultivate browsers.**
- 2 Demonstrate your expertise.**
- 3 Put your foot in the door.**
- 4 Advertise to the contented.**
- 5 Build a tangible bridge to the sale.**
- 6 Make a real offer.**
- 7 Set a deadline... and mop up later.**

KEY QUESTION

"Have I helped my customer to say *yes*?"