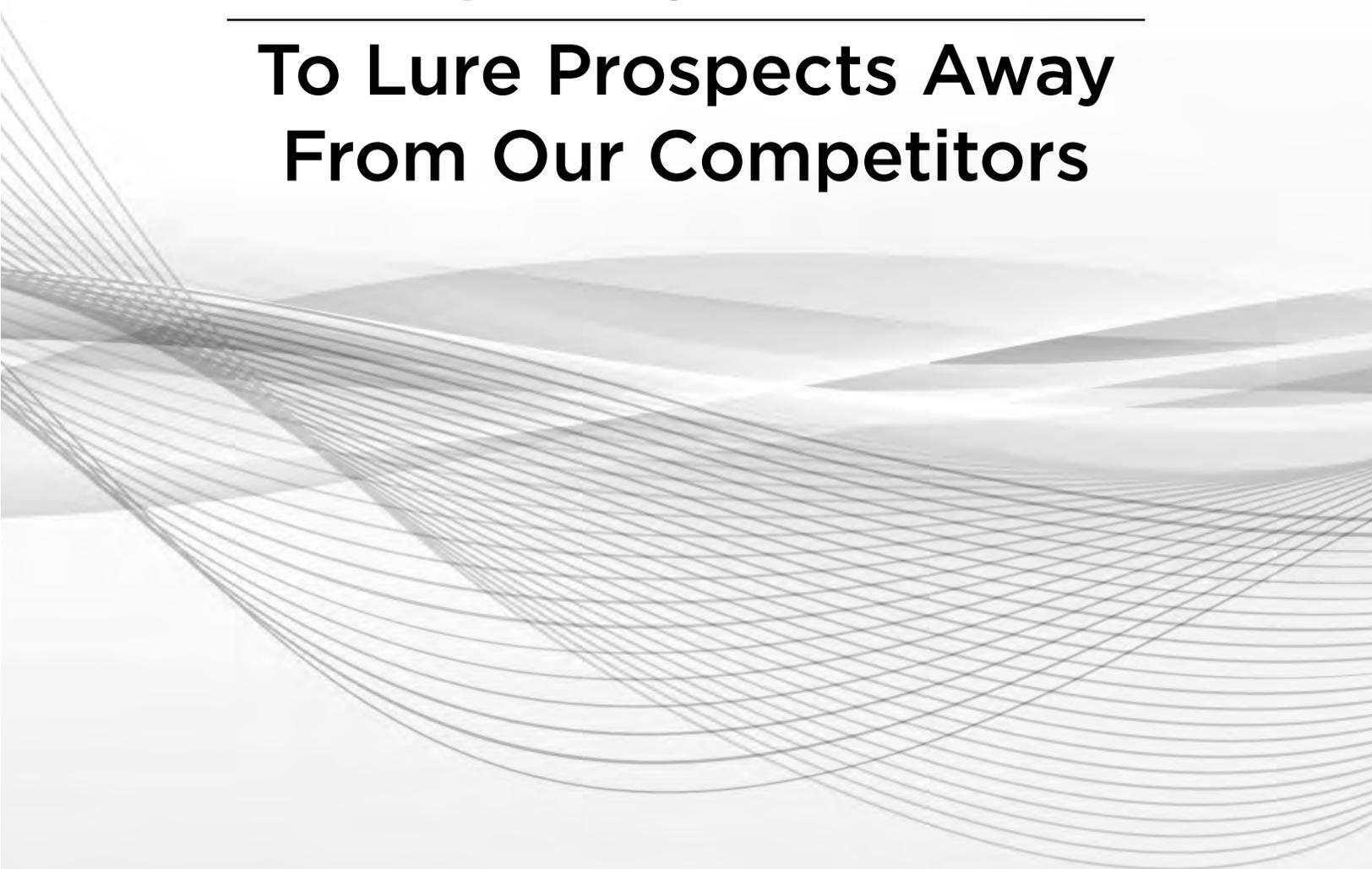


HOW TO BUILD A MULTI-MILLION DOLLAR BUSINESS

Your Step-by-Step Marketing Roadmap

How We Use
“Compelling Incentives”
To Lure Prospects Away
From Our Competitors

The background of the lower half of the page features a complex, abstract graphic. It consists of numerous thin, light-colored lines that curve and intersect to form a grid-like pattern. The lines are more densely packed in some areas and more sparse in others, creating a sense of depth and movement. The overall effect is a modern, technical, and somewhat futuristic aesthetic.

HOW WE USE “COMPELLING INCENTIVES” TO LURE PROSPECTS AWAY FROM OUR COMPETITORS

(CLICK TITLE TO NAVIGATE TO PAGE)

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*Layout and Design by ACUMEN – Business Performance Parters, LLC
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INTRODUCTION

This presentation will help you learn how to how to create, design and use compelling incentive offers that will lure prospects away from your competitors and bring them stampeding to your business in droves.

Go back in time for a moment. When you were growing up, do you remember opening a brand new box of cereal and dumping out all of its contents just to get the free prize inside?

How many parents have been held hostage by their kids demanding a McDonald’s Happy Meal just to get their hands on the twenty-five cent plastic toy it comes with? Have you ever watched the infomercials on TV and noticed the latest marketing strategies they all use to compel you to take immediate action?

They tell you the retail price is \$49.95 but during this special TV offer you can now buy what they’re selling for just \$19.95. And IF you order within the next ten minutes, they will double the order for free. You just need to pay the additional shipping and handling. WOW! A hundred bucks worth of whatever for just \$19.95. Sounds like quite the deal, doesn’t it? Maybe that explains why these businesses make millions of dollars every year off these very promotions.

Apple released its iPad2 tablet at a price point of \$499. Amazon then released its Kindle Fire for \$199 and is expected to immediately capture twenty percent of the entire tablet market. Experts say Amazon is LOSING money at the \$199 price point, so why did they do it?

NOTES: *(click below to add)*

INTRODUCTION

The answer... customer lifetime value. The Kindle Fire is a loss leader for Amazon who wisely calculated they will more than make up the lost revenue with lucrative future income from movies, web, apps, gaming and book sales. It's the old give them the razor for free and charge them for the blades forever.

But here's the point. Is that free toy, the two for one infomercial special and the \$199 price point for the Kindle Fire a “compelling incentive” to buy these products? You bet! So how can you create these same types of compelling offers for your business? By the end of this presentation, you will be well on your way to compelling your prospects to buy your product or service... and in the process, leaving your competition in the dust while dominating your market.

We'll show you how to create a market dominating position by using compelling incentives to motivate your

prospects and customers to take a specific action. This might include a request for additional information, signing up for a free trial, setting an appointment or making a purchase.

Compelling incentives have the ability to produce immediate and lucrative results for any business. The type of compelling incentive you use depends upon your specific type of business and your ability to laser-target your ideal prospects.

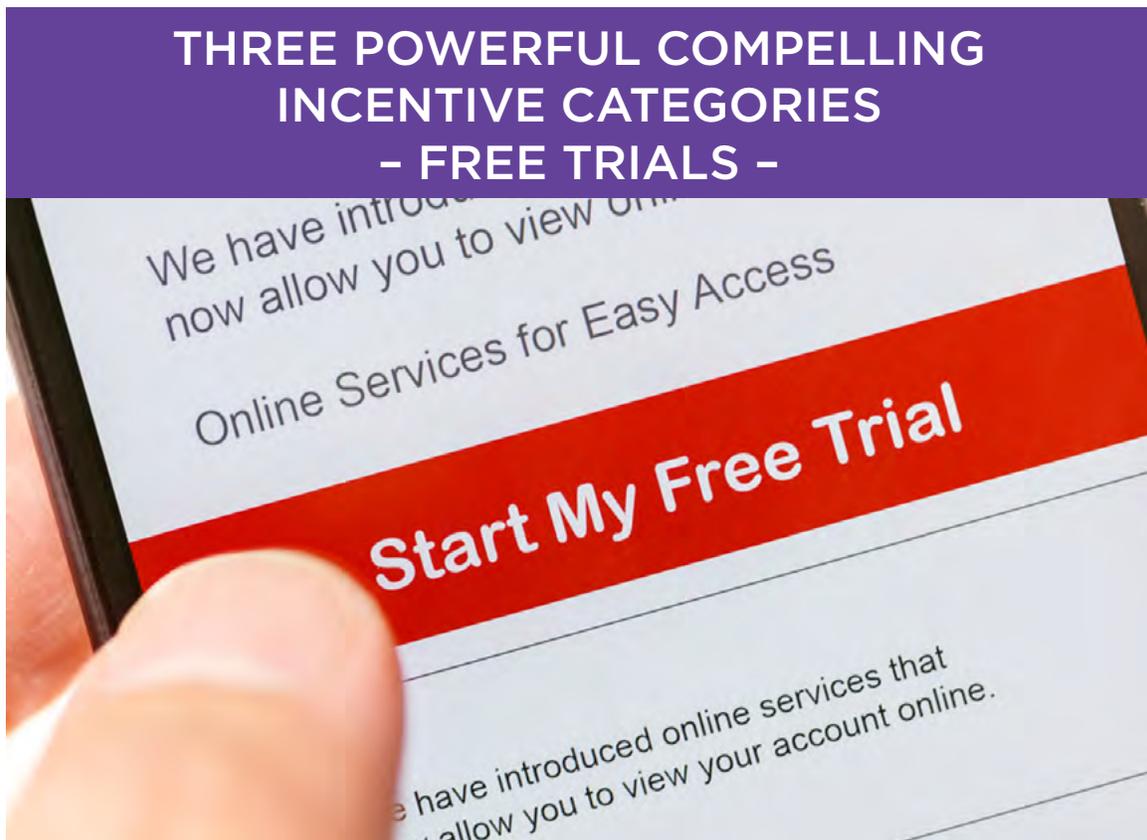
NOTES: *(click below to add)*

INTRODUCTION

Keep in mind that to remain competitive in business today you must find a way to become unique. You must separate your business from your competition in order to dominate your market. And once you do this, you must be able to position your message in front of your ideal prospects. Always ask yourself why a prospect should purchase from you instead of your competition? A compelling incentive can help you establish that differentiation between you and your competitors. Compelling incentives can range from being extremely easy and inexpensive... to very elaborate and expensive to implement.

To make this simple and easy for you to immediately implement, we'll focus on just three powerful compelling incentive categories... free trials, free information and value-added bonuses.

NOTES: *(click below to add)*



When you know that your product or service provides your customers with exceptional benefits and excellent value,

then compelling a prospect to give you the opportunity to demonstrate its qualities becomes your most dominant form of advertising.

If this applies to your business, then your compelling incentive should include a free trial whenever possible. Have you ever shopped for a new car and had the salesperson offer to let you drive the car home and use it for the entire weekend? They know that if the prospect takes them up on that compelling incentive offer, the car is all but sold.

NOTES: *(click below to add)*



High dollar personal injury attorneys offer free consultations every day on TV because they know that if they can just get in front of a qualified prospect they will be able to convince them they can best represent their case. These are all free trial offers.

However, if you have a product or service that comes with a high cost of delivery, you should consider providing a discount that’s significantly greater than your competitors offer. Just be sure you test such offers in small quantities and measure your actual profit and conversion rates. The Bowflex Treadclimber is a superior piece of cardio exercise equipment. Yet despite its superior quality, it competes in a very overcrowded market.

That’s why Bowflex offers a 6 week trial period for its Treadclimber versus the competitions 10 day trial. Since shipping this equipment is expensive, Bowflex’s compelling incentive becomes the extended trial period and its superior quality... and yet its refund policy does NOT include the cost of shipping and handling. Since Bowflex knows its refund request rate is extremely low and that most prospects will love their equipment and be more than satisfied, the shipping fees really don’t enter into the decision making process for its customers.

NOTES: *(click below to add)*



THERE ARE FOUR SITUATIONS WHERE YOU SHOULD CONSIDER USING FREE TRIALS TO INCREASE SALES.

First, when you want to motivate prospects to try your product or service so they can experience the benefits you provide firsthand. If the product or service your business offers is either repeat in nature or has a high lifetime value and the benefits you provide are totally unique when compared to your competition, you should consider offering a free trial.

Free trials can be used to accomplish two major objectives... recruit new customers... or introduce new products or services to your existing customers. How often do you go to the grocery store and a vendor asks you to sample a product that you normally wouldn't buy? Have you ever purchased this product after sampling it? Did you know that the power of free trails is so dramatic that consumer products giant Procter and Gamble recently discontinued its use of coupons in most major markets in favor of free samples?

Free trials should be used to introduce any superior product or service to targeted prospects that in turn will compel them to become regular customers. The more targeted your prospects are, the more aggressive you can be with free trials. That's the philosophy of the personal injury attorneys. Their time is valuable, but they will gladly sacrifice it to position themselves in front of a qualified prospect. That prospect is screened prior to the meeting to make sure they are indeed well qualified. Here are several examples of free trials as they apply to different businesses?

NOTES: *(click below to add)*



A hair salon could offer a free haircut or manicure, an accountant, CPA or financial planner could offer a free tax return, a landscaper could offer free landscape maintenance in order to close the sale on a major landscape project. A dentist, chiropractor or physician could offer a free initial exam or treatment.

Health clubs, fitness centers or weight loss clinics could offer a free trial visit or period such as a sixty day trial membership that includes 2 hours with a personal trainer. A tanning salon could offer a free first tanning session... a restaurant could offer a free meal while a photographer could offer a free portrait session for one family member. Do you realize if you have free time during your typical workday, then these free trials don't cost you a thing? But they frequently lead to lifetime customers as well as referrals.

You can also use free trials to compel your customers to purchase more from you. Dunkin Donuts now offers sandwiches at lunchtime. They decided to offer their morning customer's free samples and then reminded them they could purchase both their breakfast and their lunch all at once and use that time savings for an extended lunch period.

A hair salon could easily offer a free manicure when its technicians have time available. Most salons know their customers preferences, and therefore could easily target the ones most likely to be candidates for this service. A landscaper could offer to plant an entire area of annuals. Since these plants need to be replaced every year, this free trial would most likely motivate this customer to purchase their services again. When Starbucks announced a full line of tea-based gourmet drinks, they offered their coffee drinkers free samples to jump start demand.

NOTES: *(click below to add)*



The second situation where you should consider using free trials to increase sales involves free demonstrations. If your product or service requires a demonstration in order to show its benefits, then a free demonstration can be a powerful way to incentivize a prospect. Several years ago high school and college kids used to converge on entire neighborhoods selling a cleaning agent that was nothing short of miraculous.

They would knock on each neighbor’s door and ask them if they would like that unsightly oil stain on their driveway removed for free. Naturally, the curious homeowner said they would, but since they had tried to remove it themselves using every method known to man, they doubted the kid would have much success. With just one squirt of this powerful cleaner and a swipe of the rag, the stain was gone and the neighbor was sold.

How many vacuum cleaners have been sold over the years as salespeople used the free demonstration as their primary sales tool? The moment the prospect saw the vacuum pick up their most challenging mess they were compelled to complete the purchase.

And the power of demonstrations doesn’t just apply to products. They can be used with equal effectiveness for services as well. A coach, consultant or trainer could offer a free demonstration of their expertise by providing two or four hours of free training, coaching or consulting.

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The third situation where you should consider using free trials to increase sales involves free evaluations.

Free evaluations work well when your business services a prospect that has a specific need but they don't realize a solution to that need actually exists. If performing an evaluation will reveal to your prospect that your product or service can fulfill that need then offering a free evaluation is powerful for two reasons. First, it literally produces customers out of thin air. After all, they would have never purchased from you... or your competitors for that matter... without you showing them that there was a solution to their problem that they were unaware of.

The second reason is this. When you're the one that provides them with the solution to their problem, that makes you the obvious choice to do the job. As an example, we recently worked with a chiropractor that had a huge lead generation problem. After careful analysis, it became obvious his best option for getting his message in front of his ideal patient was through cable TV.

This doctor was dead set against any form of television advertising. He had tried it three times in the past, spent more than \$10,000 running his ads and yet his phone never rang once. After reviewing his ad, we quickly discovered it wasn't that television was the problem... it was his message that was off target. We quickly revised his script and the very next ad campaign he ran produced more than \$90,000 in revenue for a \$1300 investment. Once we showed him the problem and fixed it successfully, we had a client for life.

NOTES: *(click below to add)*



This technique applies to every product or service where prospects need to be educated. These include mortgage refinancing, auto repair, home maintenance, heating/cooling systems, computer problems such as viruses, storage, information backup and processor speed, child behavioral problems and so on. Pharmacies now offer free blood pressure tests to gain access to new customers and patients.

Your compelling incentive doesn't necessarily have to be free. A \$19.95 furnace or air conditioner maintenance and system evaluation often produces a percentage of high profit repair and replacement work. And since all of your competitors charge \$79 for this type of evaluation, then your offer becomes compelling.

And finally, the fourth situation where you should consider using free trials to increase sales involves free seminars or webinars to educate the prospect on the benefits and value you offer.

Seminars or webinars should be considered whenever a demonstration can enhance an educational process that requires a few hours to convey your entire message.

Most of your top offline and online marketers today use these venues quite successfully. Tony Robbins is the master of the seminar. He uses them to motivate his attendees to immediately purchase his various products and services. Alex Mandossian is the master of webinars and teleseminars. All of these venues offer the speaker a chance to establish personal rapport with those attending as well as display their expertise and preeminence.

NOTES: *(click below to add)*



There are several factors to take into account when deciding if seminars or webinars are ideal for your business. First, your seminar must provide value to every attendee. This typically means they leave your presentation having experienced some form of the WOW factor. They learned something they didn't previously know that will impact their business such as a new strategy for generating more leads for their business... or they experienced an actual result that will benefit them significantly such as receiving a series of templates that will help them create their own marketing collateral.

The second factor to consider when deciding if seminars or webinars are ideal for your business is your ability to demonstrate, through education, the benefits that the prospect will experience if they buy your product or service. A seminar or webinar is the perfect venue for a web developer. They can show their prospects before and after examples of various websites that are now generating massive amounts of revenue for their clients and explain to them the subtle differences they build into their sites that generate these results.

The downside to seminars however is the amount of expense, time and effort it can take to put the “butts in the seats” so to speak. You also need to plan for a 30% to 40% no show rate to these types of events as well. Webinars average a 70% no show rate, but with webinars, you can record them during the live presentation and send a replay link to those who failed to attend initially.

NOTES: *(click below to add)*

THREE POWERFUL COMPELLING INCENTIVE CATEGORIES - FREE INFORMATION -



There are two primary objectives when deciding if you should provide free information. First, will the information “pre-qualify” your target customer? In other words, will it single out the prospects you’re trying to reach with your message? A Chiropractor offering free pain relief information may be dismissed as too generic since most people have some form of pain whereas free pain relief information for Fibromyalgia sufferers targets that specific niche market and immediately grabs their attention.

Attorneys use this technique every day on TV. They constantly target a specific condition such as Mesothelioma because they know the moment anyone with that condition hears that word they will immediately pay attention to their ad.

NOTES: *(click below to add)*



But there’s a second objective to consider when deciding if you should provide free information. Will the information you provide educate them in detail on the unique benefits you provide? This is a critical consideration since statistics show that approximately 30% of prospects that request your free information will become customers. If your product or service requires your prospects to be educated on your unique benefits or to highlight your businesses unique selling proposition, then free information can prove to be a very powerful technique to use.

One way to achieve this is through the use of an Interrupting Headline. This is the headline in an ad or brochure... the first thing a prospect hears on a radio ad... or the first thing they see and hear on a TV ad. It’s designed to get your target prospects to request more information. It literally “pre-qualifies” your ideal prospects and can prove to be a cost effective way to identify them. Compare this to the free trial offer.

If you have high fulfillment costs for what you offer, you may need to avoid costly give-aways to unqualified prospects. For example, a consultant may offer to perform a two hour business assessment for small business owners. But this offer could easily overwhelm them if prospects that can’t afford their services request this labor intensive assessment. Obviously this would prove to be a highly inefficient way for the consultant to prequalify their ideal prospects.

In contrast to an ad where it’s difficult to communicate your message in detail, the prospect that requests more information is typically motivated to read through your detailed explanation.

NOTES: *(click below to add)*



As an example, a business that provides learning enhancement software for children that struggle with reading could place an ad in the school bulletin that read:

“NOW YOUR CHILD CAN BE READING AT A FIRST GRADE LEVEL BEFORE ENTERING PRE-SCHOOL.” CALL OR WRITE FOR A FREE COPY OF OUR SPECIAL REPORT ON “THE THREE WAYS ACCELERATED LEARNING CAN SKYROCKET YOUR CHILD’S READING SKILLS”

Do you think this might motivate education-minded parents to request the free report if they had a child they wanted to learn the basic fundamentals of reading before entering pre-school? If the material was educational, thorough, convincing and reasonably priced, is there an excellent chance these parents might purchase the software this company was selling?

This software company could easily obtain a list of families with children under 5 years of age. But since their software targets approximately 10% of those families, a simple ad placed in the school bulletin or in a parent magazine will be highly effective at grabbing the attention of the targeted prospects using an Interrupting Headline.

NOTES: *(click below to add)*

THREE POWERFUL COMPELLING INCENTIVE CATEGORIES - VALUE-ADDED BONUSES -



VALUE-ADDED BONUSES

Bonuses often represent one of the most powerful and compelling incentives you can offer. After all, who doesn't like “free stuff?” When used properly, they motivate prospects to take a specific action and yet they require little to no investment. They can include free gifts or additional products or services.

NOTES: *(click below to add)*



THREE POWERFUL COMPELLING INCENTIVE CATEGORIES – VALUE-ADDED BONUSES –

THERE ARE FOUR SITUATIONS WHERE YOU SHOULD CONSIDER PROVIDING A VALUE ADDED BONUS TO MOTIVATE YOUR PROSPECTS TO TAKE ACTION.

First, when you want to increase the perceived value of your offer. A free gift affects the prospects decision making process by reducing the total cost of the purchase in the buyer’s mind. Infomercials are famous for using this proven technique. Every infomercial ever made always ends by saying... “Call now and we’ll include such and such as a free bonus offer. This is a \$45 value.” A realtor could offer “Free Home Staging” which includes up to \$1,000 in interior improvements, landscaping updates and new carpet to help maximize the value of the client’s home. This achieves three things.

It offers massive value when compared to the competition. It allows the realtor to charge a full commission for the sale... and the improved appearance makes the home easier and faster to sell. In fact, the \$1,000 investment by the realtor can easily be justified by the reduced advertising costs from facilitating a faster sale. This of course assumes that local laws don’t prohibit the realtor from offering this benefit.

An accountant could offer to perform a quarterly audit worth \$295 for a small business owner when they agree to work with the accountant on a monthly basis. In several industries, value added bonuses have practically become mandatory. Carpet cleaners constantly offer to clean one room for free when you pay for 3 or more rooms. Carpet cleaners who don’t make such an offer struggle to compete in this highly competitive market.

NOTES: *(click below to add)*



**THREE POWERFUL
COMPELLING INCENTIVE
CATEGORIES
– VALUE-ADDED BONUSES –**

But consider this. Since this is practically mandatory in the carpet cleaning industry, most prospects no longer view this free room as a value added service. It has now become a standard part of the cleaning package... and prospects now EXPECT it to be offered. When this happens, you need to innovate your service and offer something more that adds value.

This could include a free pet stain detection analysis as well as free spot removal. You could even extend the spot removal to include any spot that occurs for up to one year. This gives you the opportunity to remain in contact with this customer, upsell them additional services and establish reciprocity which in turn leads to referrals as well.

The carpet cleaner might consider free pet odor treatments or they might consider a joint venture with a dog trainer and offer free obedience training for the customer’s dog. This typically won’t cost the carpet cleaning company anything since the dog trainer should be more than willing to offer obedience training as an entry level marketing incentive that leads to additional upsells for future training, boarding and kenneling opportunities when the family goes on vacation, pet supplies and so on.

The carpet cleaner might create a joint venture with a carpet retailer and offer “new carpet replacement credits.” Every time the customer has their carpet cleaned, they earn points towards future carpet purchases at your JV partner’s location. But here’s a note of caution.

NOTES: *(click below to add)*



THREE POWERFUL COMPELLING INCENTIVE CATEGORIES – VALUE-ADDED BONUSES –

The specific offer you decide upon should be weighed carefully against the following five factors. The objective of the compelling incentive, your ability to pinpoint your target prospect, the lifetime value of your customers, the probability they will purchase and your current or future available capacity.

You need to be careful that your compelling incentive doesn't result in a high percentage of prospects taking advantage of it with no intent of purchasing. If our carpet cleaner offered the general public a free room cleaned with no obligation, they would very likely get several prospects that want their carpet cleaned with no intent of having any other work done. But by offering an incentive for a free room cleaning with the purchase of four or more rooms ensures the carpet cleaner's incentive offer will be profitable.

This highlights the fact that you should always perform a small test sampling on every compelling incentive you consider offering before you roll it out en masse. Otherwise you won't know if your offer for free carpet cleaning to the general public will be a profitable venture or not. You must run the numbers. If you end up getting 50% of prospects that take advantage of the free room cleaning to pay for additional rooms to be cleaned as well, that may pay for both the promotion and all the direct cost for the free and billable work.

However, if 50% of those prospects now become regular customers... they could easily produce \$50,000 in future profit plus an additional \$50,000 in referral profit. The real key here is how much underutilized capacity do you have. If you're paying your cleaning crews a set salary or a daily fee and they have free time where they aren't working, then the labor portion for this incentive offer is basically cost free. One more important note.

NOTES: *(click below to add)*



**THREE POWERFUL
COMPELLING INCENTIVE
CATEGORIES
– VALUE-ADDED BONUSES –**

Your incentive offer should contain specific limitations. It should be limited to specific prospects that best fit your target customer profile, to specific days and times to take advantage where you have underutilized capacity and to specific quantities so you limit your exposure. You should include in your offer the fact that the offer cannot be combined with other promotions and that the offer has an expiration date such as 10 days from the date of the offer or perhaps a specific expiration date.

Typically, the free gift should complement the product or service being purchased. However, it can be anything that your target customer would consider valuable. An oil change shop could offer a free yogurt to the kids of parents waiting for their car to be serviced.

The second situation where you should consider providing a value added bonus to motivate your prospects to take action is when it increases the size or frequency of their purchase.

Value added bonuses can often motivate a customer to increase the amount they purchase.

NOTES: *(click below to add)*



**THREE POWERFUL
COMPELLING INCENTIVE
CATEGORIES
– VALUE-ADDED BONUSES –**

For example, let’s say you own a hair salon where the average customer spends about \$50. By offering a compelling bonus you can easily increase this average transaction. In fact, if the bonus has a high perceived value; it can make the additional purchase appear to be free. The hair salon could offer a free pedicure valued at \$25 to anyone that purchases a makeup kit for \$24.95. The salon could schedule the free pedicure during the staff’s slow hours, and since they pay the staff by the hour anyway, there’s no real cost to the salon for providing this as a free service.

In fact, they could take this one step further and offer to add a manicure while the prospect is there for just an additional \$15... a 25% discount off the regular price. It’s important to always remember that if the marginal profit is greater than the price of the bonus, you’re putting money in your pocket.

Value added bonuses can also be used to increase the number of times the customer purchases from you. Let’s say you own the oil change shop. They recommend their customers change their oil every 3000 miles, but they notice from looking over their records that their average customer waits until 4000 miles before having this service performed. If they can motivate their customers to bring their car in at 3000 miles, they can increase their revenue a staggering 33%.

By offering a value added bonus for customer’s that come in for their service at the desired interval, they can provide them with some additional services. They could provide premium oil versus the standard shop grade oil they typically use... or offer them 10% off of any additional products or services they need performed.

NOTES: *(click below to add)*



THREE POWERFUL COMPELLING INCENTIVE CATEGORIES – VALUE-ADDED BONUSES –

They could offer to rotate the customer’s tires for free, or perform a free engine analysis as a preventive measure. They might consider offering a free car wash if they have the facilities to handle this service. If they don’t, perhaps they could set up an arrangement with a strategic endorsement partner to have the service performed at their location. The partner may agree to provide this as a free service to the oil change shop since they now have the opportunity to upsell these new customer’s additional products and services as well. Chances are the free car wash costs them dramatically less money than what it would cost them to generate new prospects through marketing.

The third situation where you should consider providing a value added bonus to motivate your prospects to take action is when it acts as an incentive for non-purchase actions such as scheduling an appointment.

In today’s marketing saturated world, the biggest challenge and frustration most businesses have is getting the attention of the decision-maker. You may have the best product in the world or offer superior service... but if you can’t reach your target prospects with your message then you will never win them as customers.

Successful companies are thinking “outside the box” in order to get their message in front of the decision maker. One way that is to offer them what we call an “ethical bribe.” This is where you offer them a free gift or free trial. After all, who doesn’t like a freebie? When you know and understand your target prospect, then you can offer them a gift that will compel them to check you out.

NOTES: *(click below to add)*



THREE POWERFUL COMPELLING INCENTIVE CATEGORIES – VALUE-ADDED BONUSES –

For example, let’s say you own a landscaping company and you want to generate new customers. You know it’s tough to market to existing homeowners who often have a landscaper they currently use or simply aren’t interested in professional landscaping.

However, new movers typically invest in landscaping to get their new home just the way they want it. The landscaper could buy a list of new movers from a list broker and send them a direct mail offer. They could offer each prospect a “free new resident landscape design offer” that would easily compel a majority of these prospects to accept this generous offer.

In fact, the landscaper could greatly increase the response rate to this promotion by writing the offer on the outside of the envelope. By placing the phrase “free new resident landscape design offer inside” on the outside of the envelope, they can exponentially increase the open rate of this offer. This compelling offer could be conditional on meeting with the landscape company designer for an in-home assessment.

Regardless of your gift, just placing “A Free Gift for You” on the envelope itself is a powerful motivator. The more focused your target audience is, the more effective a specific gift will be. Office supply stores often offer printing services for both individuals and businesses. They mail promotional pieces on a weekly basis. These mailings all look the same. They include a great looking picture so you can see the quality of their printing and then they proceed to tell you how great they are. But they never once do anything to actually compel you to give them a try.

NOTES: *(click below to add)*



**THREE POWERFUL
COMPELLING INCENTIVE
CATEGORIES
– VALUE-ADDED BONUSES –**

What if they offered a “free session with a professional graphic designer?” Anyone accepting this offer will be easily influenced by the designer’s expertise and recommendations. This can easily lead to lucrative upselling and cross-selling opportunities that would dwarf the revenue that the office supply store would typically make by charging \$75 for the actual designer session. And what’s even better, if they have an in-house graphic person with available capacity, then this free gift worth \$75 costs them nothing. And yet the majority of those that take them up on this offer will become lifetime customers worth thousands of dollars in current and future revenue and profits.

Incentives are an excellent way to motivate a prospect to set an appointment. One of the biggest challenges today for business owners is getting an appointment so you can demonstrate, educate and communicate the benefits of what you sell. The landscaper we just discussed offered a free gift as an ethical bribe to get prospects to meet with them. Many financial planning agencies offer seniors two free dinners if both spouses will attend a live financial presentation. Some businesses have even been known to use cash as a way to bribe prospects to meet with them. They send out half of a \$20 bill and promise to give them the other half when they meet with them.

To eliminate or greatly reduce the risk, make sure these offers are laser-targeted to your ideal prospects... make sure the offer is truly compelling... and test the offer on a small sample before you roll it out full force.

NOTES: *(click below to add)*



THREE POWERFUL COMPELLING INCENTIVE CATEGORIES – VALUE-ADDED BONUSES –

The fourth situation where you should consider providing a value added bonus to motivate your prospects to take action is when you need to motivate customers and prospects so your business can fill underutilized capacity.

Most businesses suffer slow times during the day, week, month or year. A compelling bonus has the ability to increase your business substantially during these slow periods. An accountant could offer to provide free tax planning, normally a \$300 value, if the prospect agrees to let the accountant do their taxes either before January 15th or after April 15th if they don't owe any money.

A restaurant could easily offer a complimentary bottle of wine or a companion meal, both with a retail value of \$25 each, if the diners come in before 6pm or after 9pm. Recently a yogurt shop owner noticed they did very little business between 1pm and 4pm every weekday afternoon. They partnered with the oil change shop near them and gave them a coupon good for a free child's yogurt.

When mom or dad brought the car in during the afternoon to have their oil changed with their child in tow, now the parent had a way to kill the waiting time without having to entertain the child for an hour. Naturally when the parent brought the child in for their free yogurt, the parent bought one for them and increased this yogurt shops profits by 15%.

NOTES: *(click below to add)*



THREE POWERFUL COMPELLING INCENTIVE CATEGORIES – VALUE-ADDED BONUSES –

Please note that in each of these examples the businesses offer bonuses that cost them very little to deliver instead of discounts. A discount takes dollars off your bottom line... dollar for dollar. If the restaurant offered a \$25 discount, they lose \$25. But if they offer a complimentary bottle of wine or the free companion meal both valued at \$25, they're actual out of pocket costs are around six to eight dollars.

We've now identified various situations where free trials, free information and value-added bonuses can be used in your business. Now let's look at different categories of business to help you identify the best method for you to apply to your business.

NOTES: *(click below to add)*

THREE BROAD “UNIQUENESS CATEGORIES” THAT EVERY BUSINESS FALLS WITHIN



Category number one represents commodity type businesses. If your business is perceived as a commodity such as an optometrist, insurance, oil change, office supplies, computers, auto sales, telephone service and so on, then compelling your prospects to buy from you instead of your competitors through the use of bonuses and value-added services is critical. The oil change shop that offers free tire rotation creates an immediate competitive advantage.

The second category represents specialty type businesses. If your business carries unique items or provides a unique service such as a consultant, a business coach, a gift shop, a computer designer, a garden center, an architect and so on, then compelling your prospects to check you out is critical to your success. If your prospects don't understand the benefits you offer then you have no chance of attracting them as clients.

NOTES: *(click below to add)*



THREE BROAD “UNIQUENESS CATEGORIES” THAT EVERY BUSINESS FALLS WITHIN

For example, until someone goes into a garden center they may have never considered positioning a fountain as the centerpiece of their landscaping or adding a pond with decorative fish to accent their patio.

The third category represents businesses that offer a superior product or service. If your business offers a superior advantage over your competition with more variety or superior quality or lower pricing, then compelling your prospects to give you a try will result in a dramatic increase in new business. A consultant that provides a free hour to their prospect will have time to clearly demonstrate their value. How often have you eaten at a restaurant that served superior food at very reasonable prices? This restaurant will win and keep customers the moment they experience this benefit.

Now before we go any further let’s discuss whether or not these compelling incentives are actually profitable to the business using them.

I’m sure all of us can understand why businesses may find it difficult to give things away for free. And yet I find it rather ironic that they don’t seem to have any problem with wasting marketing dollars on low response marketing campaigns when compared to a free offer campaign that increases their response rates by 500% or more.

NOTES: *(click below to add)*



THREE BROAD “UNIQUENESS CATEGORIES” THAT EVERY BUSINESS FALLS WITHIN

Let’s revisit our Realtor that offers the “Free Home Staging” which includes up to \$1,000 in interior improvements, landscaping updates and new carpet to help maximize the value of the client’s home. If this realtor previously sent oversized postcard mailings to 1,000 homes in her target area each month that cost them fifty cents each... that would total \$500 per month or \$6,000 per year. If those mailings convert just 1% of those to clients, that would equal 10 new clients each year. So a \$6,000 direct mail campaign produces 10 new clients annually. That means it costs this realtor \$600 per sale.

Now let’s assume that their average commission is \$5,000 per sale. So 10 homes would equal \$50,000 in gross revenue... less the \$6,000 cost for the mailings equals \$44,000 in net profit. If the \$1,000 home improvement campaign increased this realtors mailing success to just 2%, they now get 20 clients in that same year instead of 10. However, the mailings still cost \$6,000... but now they have to add in the home improvement costs. Let’s say that totals \$700 each since they would receive volume discounts. \$700 times 20 sales equals another \$14,000 in costs.

So let’s total everything up. Our realtor earns gross revenues of \$5,000 times 20 clients equals \$100,000. Subtract the \$14,000 for the bonus and the \$6,000 for the mailing expense and our realtor now nets \$80,000 in profit. But ask yourself this. Do you really believe that this realtor would only double their response if they made such a compelling offer?

NOTES: *(click below to add)*

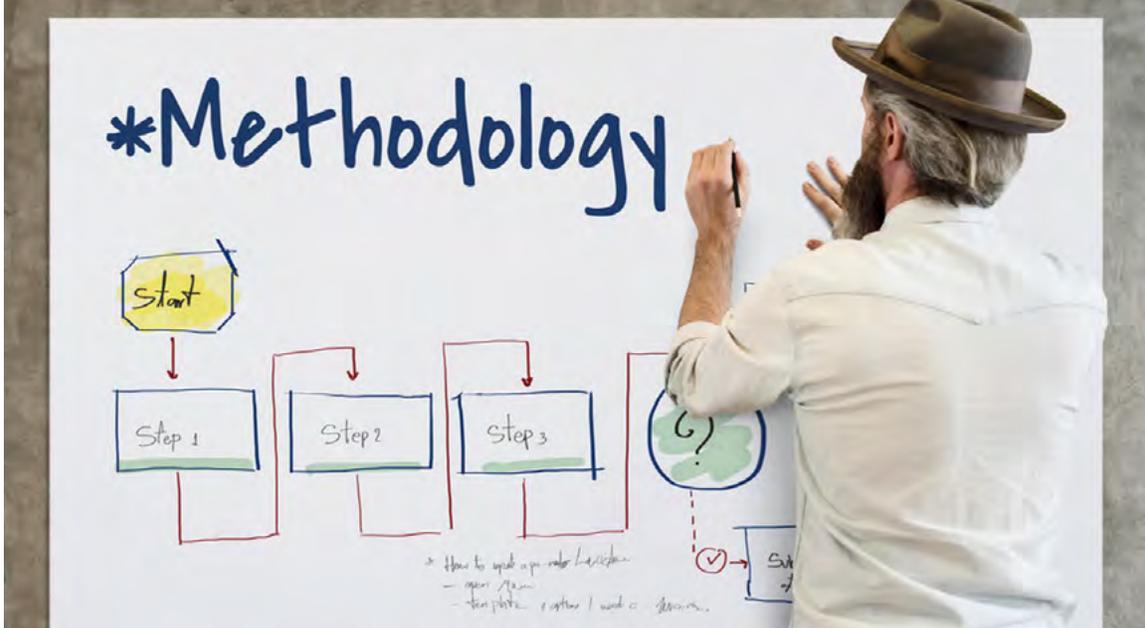


THREE BROAD “UNIQUENESS CATEGORIES” THAT EVERY BUSINESS FALLS WITHIN

My purpose in going through this exercise is to clearly demonstrate that you can make outrageous offers and dramatically increase profits simultaneously! Remember to test everything using a small sampling before rolling it out so you greatly reduce or possibly eliminate the risks. But as you can see, the rewards of finding the best compelling incentives for your targeted prospects are enormous! But never forget that the common theme for every compelling incentive is to identify things that have high-perceived value and a low cost of delivery.

NOTES: *(click below to add)*

THREE METHODS THAT IDENTIFY COMPELLING INCENTIVES



The first are what we call **internal compelling incentives**. These are incentives based on something you provide. If your marginal profit on the bonus item you offer is 50%, then the perceived value of that offer is double your actual cost.

There are five ways you can offer **internal compelling incentives**. The first involves additional services. This is an incentive based on an extra service that the customer would normally expect to pay for but which you offer to provide for free. This incentive is especially effective if you or your staff has available time. This actually makes this incentive cost free to you. For example, a consultant could offer a complimentary two hour business makeover.

NOTES: (click below to add)



THREE METHODS THAT IDENTIFY COMPELLING INCENTIVES

A dry cleaner could offer free pickup and delivery. A dentist might offer free teeth whitening with a check up. A contractor could offer an additional 2 hours of handyman labor for every paid project. A bike shop could offer free assembly during slow hours.

Obviously, it depends on the type of business you have that will determine which of these internal compelling incentives will be best for you. You may need to limit the days the offer applies to, limit the number of recipients that can receive the incentive, place a maximum cap on the number of hours per month that are available and so on.

The second way you can offer internal compelling incentives is an offer for free or discounted products. If you have high margin items that complement the prospects purchase, then you can offer these for free or at your cost as a huge enticement when buying the primary product or service. For example, free batteries with the purchase of a child’s toy. Free lawn aeration with every landscape maintenance agreement. A free flu shot with your office visit to your doctor. A free oil change with every tune up or five years of free maintenance with the purchase of a new car.

The third way you can offer internal compelling incentives is a free trial of a complimentary product or service. If you have a business in which you can entice your customers to purchase additional items or services from you, then providing a bonus or gift such as a free trial or sample is a powerful way to expand their purchase pattern. This works exceptionally well when the lifetime value of that customer is great.

NOTES: *(click below to add)*



THREE METHODS THAT IDENTIFY COMPELLING INCENTIVES

Consider these examples. A financial services firm could offer free stock trading to financial planning clients. An accountant could offer free payroll processing for 90 days when a business becomes an accounting customer. A computer repair service might offer free computer systems training when a customer signs a service agreement. Why do you think most cable companies give you 90 days use of all of their premium channels when you first sign up? They know that a certain percentage of those new customers will opt to keep them... dramatically increasing their total revenue and profits.

All of these examples are introductions to repeat purchase items. They act as a dual marketing tool. They motivate the prospect to purchase your primary item... and then they introduce your new customer to high profit, repeat purchase items. However, if they never purchase those free trial items... you still win because the cost to provide them was small in comparison to the profit you made from the purchase of the primary item.

The fourth way you can offer internal compelling incentives is to make it the primary profit center. The primary service or product that you're selling may not be the one you really want to build your sales on. You may even offer it at your cost if your compelling incentive is a highly profitable product or service which the primary product or service introduces to your prospects.

NOTES: *(click below to add)*



THREE METHODS THAT IDENTIFY COMPELLING INCENTIVES

For example, consultants often sell low-priced books or training materials as a way to compel their prospects to engage with them initially. However, what they really want is to establish their expertise using that low-cost training so the customer will request their private, high dollar consulting services. Ask yourself which of your products or services makes you the most money and whether you can offer a low cost bonus that will eventually compel your customers to purchase your higher priced offer.

The fifth way you can offer internal compelling incentives is through the use of value bucks. Value or bonus bucks can only be redeemed at your business... similar to a gift certificate. In fact, they can be presented as a gift certificate. The benefit is that the redemption really only costs you 25% to 50% of their retail value. Value bucks can be used for free trials or as a bonus.

Here are several free trial suggestions. You can send them to targeted prospects as a way to motivate a trial of your service. You can give them to your customers to give to qualified referrals. This makes your customers look great and introduces you to a new potential client. You can use value bucks to introduce customers to other products or services you sell, expanding their purchase patterns. Or you can use them as your frequent buyer awards.

NOTES: *(click below to add)*



THREE METHODS THAT IDENTIFY COMPELLING INCENTIVES

When it comes to bonuses, you can use them to reward more frequent purchases. You can use them to reward higher purchase transaction and you can use them to motivate the sale of your primary item. However, it should also be noted that you don't have to offer these trials and bonuses to every prospect or customer. The realtor may offer their incentive to new homebuyers only. The consultant may offer their free assessment to start-up businesses that have been in business less than 12 months. Or to the first 100 start-ups that request the assessment.

All of these make up the first method you can use to identify compelling incentives you can instantly apply to your business... internal compelling incentives.

The second method you can use to identify compelling incentives are external compelling incentives that you must purchase from another company.

And once again, you want to identify items that have a high perceived value but low delivery cost. In addition, the items you select must be considered valuable to your prospects and customers.

These incentives might include movie or dinner theatre seats which can be purchased during slow times for big discounts. Promotional items are often used by many different types of businesses. It's remarkable what you can get for \$2 - \$5 when you order in volume. However, I strongly suggest that you pay a higher price for a lower quantity initially until you test the effectiveness of the promotion.

NOTES: *(click below to add)*



THREE METHODS THAT IDENTIFY COMPELLING INCENTIVES

One way to eliminate the cost of offering free incentives is to require that the prospect pay for the shipping and handling which in turn covers the cost of the postage and the gift. Although this may lower the number of people or businesses that take advantage of your offer, it also increases the quality of responders who really value the promotional item.

If you offer an incentive as a means to get a prospect to enroll in a continuity program with an ongoing monthly fee, then asking the prospect to pay for shipping and handling allows you to capture their credit card information... and with their approval, charge their card monthly for your fee until they elect to cancel from the program. It's crucial that your compelling incentives match the quality of your product or service. Poor quality incentives will have a negative effect on your business.

And finally, the third method you can use to identify compelling incentives you can instantly apply to your business are external compelling services that a strategic endorsement partner provides.

In some cases you can get a strategic endorsement partner to absorb some or all of the cost of your free offers. If the compelling incentive is a free trial of their product or service then they will benefit from the long-term customer they convert.

NOTES: *(click below to add)*



THREE METHODS THAT IDENTIFY COMPELLING INCENTIVES

Let’s look at several examples. A hair salon that doesn’t offer manicures or pedicures could still motivate new hair clients by offering these services as compelling incentives through a strategic endorsement partner who performs both services. The motivation for the manicurist to provide their initial services for free is the opportunity to meet and connect with new prospects who in turn will continue to use their services. In essence, the hair salon is driving qualified leads to the manicurist in exchange for their services. When you consider that generating a new client typically comes with a marketing cost of \$50 to \$100, this can actually be a cost saving arrangement for the manicurist.

Suppose an accountant was looking to add small business accounts to their roster of clients. They might offer a “free marketing makeover” provided by their strategic endorsement partner who happens to be a marketing consultant.

A dentist could offer a free orthodontist evaluation. This would be a very powerful incentive since only families interested in orthodontics will take them up on the offer.

A home builder or remodeling contractor could offer a free interior design session with a retail value of \$100. A carpet retailer could offer their new customers free carpet cleaning for the first two years. Remember that the key is that the strategic endorsement partner has either a repeat product or service with a strong lifetime value... or believes the free trial will lead to a larger purchase, as is the case with the manicurist. And as a reminder, if the strategic endorsement partner has underutilized capacity then the free trial is literally cost free to them as well!

NOTES: *(click below to add)*



THREE METHODS THAT IDENTIFY COMPELLING INCENTIVES

One final yet critical note. Some business owners and especially their staff often treat prospects redeeming free incentive offers as second class citizens. They believe that since the prospect is receiving a free product or service that they don't deserve the same high quality treatment typically reserved for paying customers.

That's the worst thing that can ever happen. Instead, you should be treating these people like gold. Keep in mind that your goal is to convert them to lifetime customers. And lifetime customers can mean thousands of dollars to your business's bottom line.

When a new prospect comes to you to redeem their freebie, greet them warmly, introduce yourself and your staff, let them know how happy you are they've decided to experience the benefits you offer, give them a tour of your facility if applicable and consider presenting them with a second free gift or incentive when they leave. This establishes massive reciprocity and will win you the lion's share of these new prospects.

As you can see, compelling incentives are the key to enticing your prospects to buy your product or service... and in the process, enable you to leave your competition in the dust while dominating your market. Use compelling incentives to motivate your prospects and customers to take a specific action. They have the ability to produce immediate and lucrative results for any business.

NOTES: *(click below to add)*

RECAP

- * INTRODUCTION
- * THREE POWERFUL COMPELLING INCENTIVE CATEGORIES - FREE TRIALS
- * THREE POWERFUL COMPELLING INCENTIVE CATEGORIES - FREE INFORMATION
- * THREE POWERFUL COMPELLING INCENTIVE CATEGORIES - VALUE-ADDED BONUSES
- * THREE BROAD “UNIQUENESS CATEGORIES” THAT EVERY BUSINESS FALLS WITHIN
- * THREE METHODS THAT IDENTIFY COMPELLING INCENTIVES



Here are three powerful compelling incentive categories... free trials, free information and value-added bonuses. There are four situations where you should consider using free trials to increase sales. First, when you want to motivate prospects to try your product or service so they can experience the benefits you provide firsthand. The second situation involves free demonstrations. The third situation involves free evaluations. And finally, the fourth situation involves free seminars or webinars to educate the prospect on the benefits and value you offer.

There are two primary objectives when deciding if you should provide free information. First, will the information “pre-qualify” your target customer? Second, will the information you provide educate them in detail on the unique benefits you provide?

NOTES: *(click below to add)*



Value-added bonuses often represent one of the most powerful and compelling incentives you can offer. There are four situations where you should consider providing a value added bonus to motivate your prospects to take action. First, when you want to increase the perceived value of your offer. Second, when it increases the size or frequency of their purchase. Third, when it acts as an incentive for non-purchase actions such as scheduling an appointment. And fourth, when you need to motivate customers and prospects so your business can fill underutilized capacity.

There are three broad “uniqueness categories” that every business falls within - commodity type businesses, specialty type businesses and businesses that offer a superior product or service. Then there are three methods that identify compelling incentives. The first are what we call internal compelling incentives. These are incentives based on something you provide.

There are five ways you can offer internal compelling incentives. The first involves additional services. The second way is an offer for free or discounted products. The third way is a free trial of a complimentary product or service. The fourth way is to make it the primary profit center. The fifth way is through the use of value bucks. All of these make up the first method you can use to identify compelling incentives you can instantly apply to your business... internal compelling incentives.

The second method you can use to identify compelling incentives are external compelling incentives that you must purchase from another company. And finally, the third method includes external compelling services that a strategic endorsement partner provides.

NOTES: *(click below to add)*

NEXT PRESENTATION



Our next presentation will help you learn how to add value in everything you do in your business. Your prospects buy value... NOT price. The more value you can add to your product or service, the higher the price you can charge... WITHOUT compromising your ability to close more sales.

In today's competitive environment it's a foolhardy business owner who thinks that, by keeping a close eye on the competition and following the same approach of a seemingly successful competitor, they will have a similarly successful business. In some cases this may be enough, but if you really want to stand out from the crowd you need to fully grasp and implement the concept of adding value to your sales propositions.

NOTES: *(click below to add)*



In our next presentation we'll look at other more 'entrepreneurial' ways to add value to your sales propositions in order to truly stand out from the crowd. Adding value simply means increasing the perceived value of what you're offering the marketplace. This presentation will reveal several ways you can start to add more value to your sales propositions.

We hope this presentation helps you continue to build the business you've always dreamed of having... a business that provides you with financial freedom and an extraordinary life for you and your family. The primary goal in the E-Learning Marketing System is to help you quickly develop the processes that will bring more revenue into your business. So until next time, here's to your success.

NOTES: *(click below to add)*

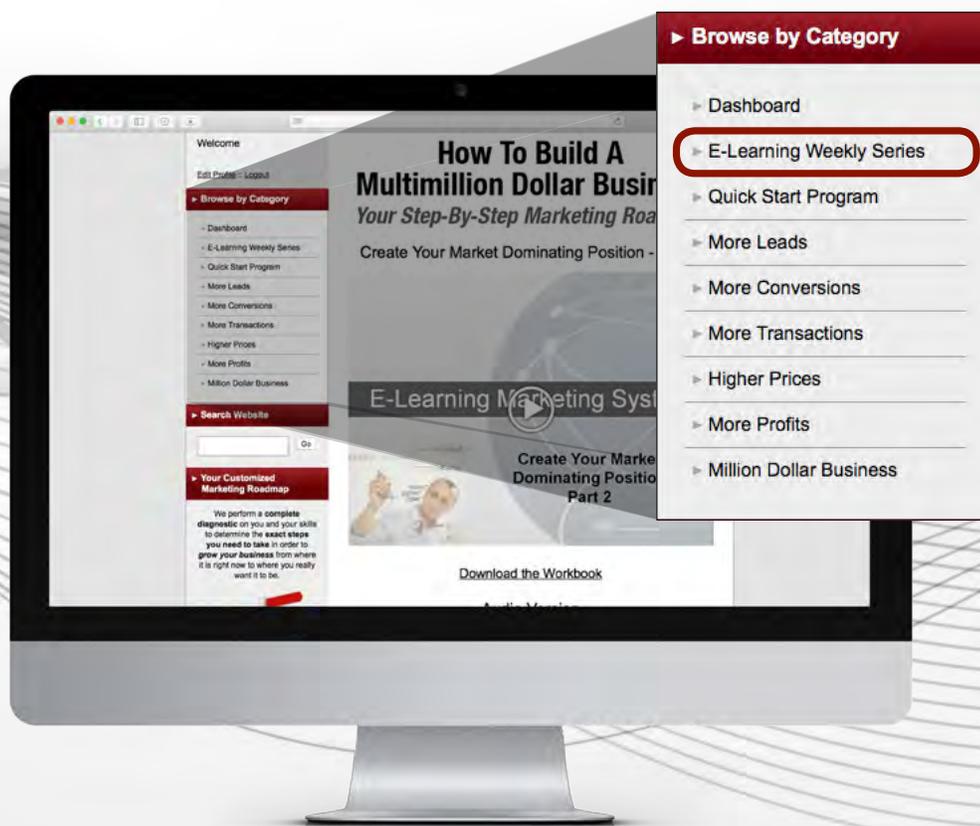
HOW TO BUILD A MULTI-MILLION DOLLAR BUSINESS

Your Step-by-Step Marketing Roadmap

WEEK 38

YOUR COMPANION VIDEO LESSON

***HOW WE USE “COMPELLING INCENTIVES” TO LURE
PROSPECTS AWAY FROM OUR COMPETITORS***



FIND ALL YOUR LESSONS IN THE *E-LEARNING WEEKLY SERIES* SECTION OF YOUR MEMBER SITE