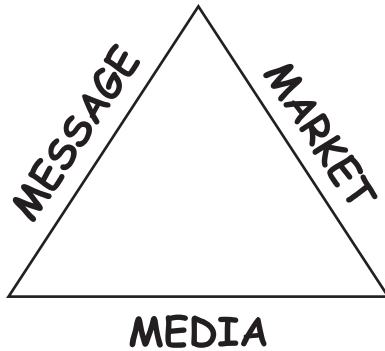


Creating Short-Term Sales Surges



Each business hits its own times of need when a sales surge is important. It's always preferable to sell your way out of a financial problem than to borrow or to sell off equity. Often that can be done.

Here are the best ways I know to create a short-term sales surge.

Big Discount, Believable Reason Why

Excess inventory, out-of-date inventory, service time during the off-season . . . such merchandise can often be sold at big discounts, but it's important to remember the current high level of skepticism and cynicism of your public. Many outstanding discount offers fail miserably because the intended buyers "smell a rat."

When you run a fire sale, they'd better be able to see the charred timbers!

When you offer an exceptional savings opportunity, there'd better be a good reason. Here are a few "good reasons":

- We're offering this value only to our best customers, as a reward for their support.
- We're extending this offer only to new, first-time customers.
- Frankly, this is our slowest month and to avoid laying off our great employees we'd rather offer you an exceptional value. (There's an upholstery shop in my city that runs this promotion every July with great success.)
- We've been given a special incentive from the factory, and we're passing that savings on to you.
- We're eager to show you our new (whatever) and thought that offering this exceptional value would be a good enticement.

One of the best "excuses" for a big sale is shown in Exhibit #12, in Bill Glazer's "Flood Ad." I'll reveal two secrets about this ad. One, the severity of the leak was a bit exaggerated. Poetic license. Second, half of the ad cost was subsidized by the insurance agent Bill mentions by name in the ad. But what's important here is that he recognized and capitalized on a golden opportunity.

Exhibit #12

A T I O N

The Sun : Friday, April 17, 1998 : Page 5A

Sprinkler malfunction prompts insurance settlement for Gage.

Downtown menswear retailer gets greenlight from insurance co. to sell inventory at reduction.

RETAIL PRESS NEWSWIDE

BALTIMORE—It has been several days since an isolated in-store fire sprinkler malfunctioned, causing gallons of water to cascade onto the first and second floors of the downtown Gage Menswear store. And now, the all-important process of getting back to business is now in full swing.

As part of a major settlement involving policy number M-14170, Selective Insurance, Incorporated, the retailer's insurer announced that Gage would be permitted to sell its entire downtown store's inventory at a 30% discount to the public. Gage General Manager, Armstead Black stated, "The merchandise is still high-quality, top-notch designer apparel—most of which was not directly exposed to water. After being closed for business for a few days, we're anxious

to get back to what we're known for: delivering world-class customer service and impeccable garments at discount prices."

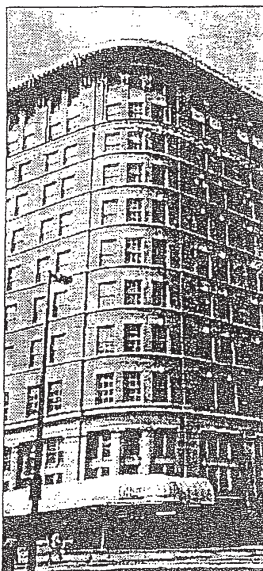
With spirits slightly dampened, store owner, Bill Glazer remarked, "I think people already respect us as a trusted retailer downtown, but even I couldn't imagine being able to sell first-run merchandise for 30% less than our normal low prices."

An insurance company official acknowledged how unfortunate it was for the store's interior to be compromised for a short time with renovation equipment on site. However, he went on to point out, "Since the customer's shopping experience will be a bit less convenient, our recommended 30% store-wide discount is the appropriate action to let Gage return to business, and show its customers how much their patronage is valued.

To comply with Selective Insurance's settlement offer, the downtown Gage Menswear store located at the corner of Baltimore and Liberty Streets, across from the Baltimore Arena will sell its entire inventory of designer suits, sportcoats, dress slacks, dress shirts,

casual wear, and all other merchandise at the sanctioned 30% discount.

At presstime, details remain uncertain as to how long Gage will offer the price reductions. When posed with the question, Bill Glazer looked across the first floor of his sprinkler-washed store and said, "I'm really not sure, but I'm expecting business to be brisk." Glazer added, "We're a reputable, customer-service oriented retailer. That's why we've done well downtown. And in keeping with that honest approach, the right thing to do is pass the insurance settlement on to our customers as a discount."



Longstanding retailer: With a 52-year history downtown, Gage Menswear stands firm on its decision to pass its insurance settlement on to customers via a 30% store discount.

Sweepstakes Winners

Want to get past, inactive customers back into your place of business? Want to get all of your customers in this week? I got this in the mail, and the headline immediately grabbed me:

FINALLY—YOU ARE A SWEEPSTAKES WINNER

I don't know about you, but I enter all those darned magazine company sweepstakes. I go for the Readers Digest sweepstakes and I buy my weekly lottery tickets—after all, as a character in the movie *Let It Ride* said, “You could be walking around lucky and not know it.” In a lot of years, though, I have gone winless. Ed McMahon has not called me. But the headline **FINALLY—YOU ARE A SWEEPSTAKES WINNER** got me. I read that letter. And if you send a letter to every one of your customers with that headline on it, every one of them will read it.

Now, what should the letter say? Here's an example, courtesy of Gary Halbert:

John Jones

1515 Anywhere

Junction, AK 00123

Dear Valued Customer:

I am writing to tell you that your name was entered into a drawing here at my store and you have won a valuable prize.

As you know, my store, ABC Jewelry, specializes in low-cost, top-quality diamond rings and diamond earrings. Well, guess what? The other day we got in a small shipment of fake diamonds that are made with a new process that makes them look so real they almost fooled me!

Anyway, I don't want to sell these fakes because they could cause a lot of trouble for the pawnbrokers around town. So I've decided to give them away to some of my good customers, whose names were selected at random by having my wife, Janet, put all the names in a jar and pull out the winners.

So, you're one of the winners—and all you've got to do is drop in sometime before 5:00 P.M. Friday and you'll have a 1-karat "diamond" that looks so good it'll knock your eyes out!

Sincerely,

John Jones

P.S.: After 5:00 p.m. Friday, I reserve the right to give your prize to someone else. Thank you.

With some variation of this idea, you can get all of your customers to flood your store within a short period of time. Then, if you have new products or special offers ready and waiting, the cash register will ring happily.

The Red-Tag Sale

“It’s inventory clearance time and we’re closing all day Friday to go through the store and place new red tags on as many items as possible, each with the lowest price ever offered on it. Only a certain number of each red-tag item will be available, on a first come, first-satisfied basis. The red-tag sale starts at 10:00 a.m. Saturday. Red tags will disappear all day long. The later in the day, the fewer the red tags.”

That’s the basic pitch for a red-tag sale. These tend to work well once or twice a year for retail businesses.

Coupons, Double Coupons, and Checks

Lots of people buy the newspaper on certain days just to get all the grocery store and manufacturers’ coupons inside. They carefully go through all this coupon-driven advertising and inserts, scissors in hand, with buying on their minds. You can capitalize on this with an ad or insert distributed on this day that is made up of coupons and looks like all the other coupon advertising.

If I had a shoe store, for example, my Sunday newspaper insert might be a page of coupons: one for boys’ shoes, one for girls’ shoes, one for men’s, and so on.

There’s usually at least one supermarket in each area that advertises a “Double Coupon Day,” when all manufacturers’ coupons are accepted and doubled; a fifty-cents-off coupon becomes \$1.00 off.

If you accept manufacturers’ coupons, this is a promotion worth considering. If not, there may be another way you can use the same idea. You

might, for example, send a letter to your customer list in advance of your coupon-type newspaper ad advising them of its impending appearance and giving them a card or certificate that doubles the value of the coupons.

I saw a fast-food chain put up signs outside all of its stores while Burger King, its competitor, was running a big coupon promotion:

***WE ACCEPT
BURGER KING COUPONS
AND
GIVE DOUBLE VALUE!***

If mailing to customers for a special sale, consider enclosing a “real” check, made out to your own store, with the customer’s name on it where the signature belongs. The check is redeemable at your store but otherwise useless. There’s something psychologically challenging about throwing out a check.

The Premium Makes the Difference

Find a good source for one or more very desirable, appealing premiums and you can build a surge around the “free gift” you offer.

“Gift with purchase” was invented by cosmetic industry pioneer Estée Lauder. It remains the staple of that business. Visit department-store cosmetic counters and you will find that just about every brand has gift-with-purchase offers. In the retail menswear industry, where the norm is discounts, Bill Glazer has consistently produced superior results with gift-with-purchase, as well as gift-just-for-coming-in.

Television sets and jewelry are very effective premiums, particularly around Christmas. Getaway weekend packages work well for car dealers. The most interesting premium I’ve ever seen: a free Mustang convertible with purchase of a Rolls-Royce.

One outstanding source of low-cost premium merchandise is the closeout merchandise industry. This industry has its own trade shows, newspaper, and catalog companies.

Many of my clients in sales fields, such as financial advisors, insurance salespeople, real estate agents, and business-to-business sales professionals also use gift-with-appointment, to get to the desired decision-makers. Some years ago, I encouraged a sales rep for a software system for dentists to send out a prospecting letter with a toothbrush enclosed to gain attention. The letter offered a 6-foot-high giant toothbrush as a gift for just twenty minutes of a dentist's time to demo the software. He got nine appointments for every ten letters sent—and they called him!

Resource!

An expert at sourcing and using a wide variety of premiums is worth his weight in gold! My clients rely on Mitch Carson, at *www.impactproducts.net*.

Two of the most successful premium-driven promotions I've seen in years were put together by my Gold/VIP Member Mitch Carson.

The first item is a beautiful set of imported cultured pearls. The real thing, for a shockingly low cost. Mitch has designed terrific Mother's Day and Valentine's Day promotions using these as free gifts for restaurants, clothing stores, even chiropractors.

Another application of an item like these pearls is gift-for-appointment. Joel Bauer, author of the book *How to Persuade People Who Don't Want to Be Persuaded*, sent a DVD showing the pearls along with his sales letter, both inside a bank bag. He offered the pearls as the "bribe" for an appointment. That produced \$1.3 million of trade show bookings for his company!

You can see the pearls and sample promotions at *www.impactproducts.net/pearls*.

The second promotion is very innovative. An association of financial planners, called Piece Of Pie, wanted something unique to use in a monthly gift program for its senior clients. Mitch sourced a variety of authentic foreign bank notes at an affordable cost. He put together a beautifully appointed three-ring leather binder that, with the first of the collectible bank notes, is given to the client as a premium for attending a seminar or coming to a private appointment, and becoming a client. Then, each month, the client receives the next, different currency item encased in hard plastic, ready to be inserted in the notebook, along with a Certificate of Authenticity from the American Numismatic Association. Every month, the client looks forward to the next arrival, curious about what distant land it will be from. The seniors are proudly showing their currency collections to their friends, sparking conversations that are producing referrals. And the entire program—the client lists, fulfillment, and shipping—is all handled for the financial planners by Mitch’s company, so it is certain to get done without distracting the financial planner or his staff from their work. You can see this entire program at www.worldcurrencyprogram.com.

The “My Accountant Thinks I’m Crazy” Sale

Sometimes humor works in marketing. I’ve used this myself, in sale promotions for my mail-order company, and I’ve seen both retailers and service providers use it effectively.

A tongue-in-cheek ad or letter talks about your annoyance at your nagging, domineering, penny-pinching Scrooge-ish accountant, how he bullies you, pushes you around, and watches you like a hawk . . . but now that he’s out of town on vacation for the week, you’re going to have some fun, with the wildest, most generous offers in the history of your business.

Sports-Related Promotions

America loves its sports activities, and sports are always on the minds of a lot of people, so tie-in promotions get favorable attention. For several years in a row, I ran a “triple play” promotion for my mail-order company, offering a “buy one, get two free” deal to my best customers. This is the same as a 67 percent discount, but three for one sounds a lot bigger. And I tied the whole thing to baseball, either early in spring or at World Series time, with free baseball cards, baseball terminology, and clip art, and so on. *IT’S TRIPLE PLAY TIME* pulled as much as a 70 percent response from my customers!

Trade-Ins

Trade-in promotions are, of course, standard in the automobile business and common with sewing machines, vacuum cleaners, and automobile batteries—but there are lots of other businesses that could use this technique, including office equipment; television, stereo, and electronics; and clothing, with the trade-ins going to the Salvation Army. A spa selling memberships could accept old exercise equipment.

Easy Payment Terms

If you cover your costs, why not finance your profits? Let’s say you want to feature and sell a \$300.00 item that costs you \$100.00. You might offer your customers this deal: \$100.00 down, then four monthly payments of \$50.00 each, no interest, no carrying charges. Just have them place their VISA card, MasterCard, or American Express Card numbers with you and sign a simple statement authorizing you to charge their credit cards each month automatically.

You can apply the same structure to hitting a certain size of purchase: buy \$500.00 or more and we’ll finance two-thirds of the sale.