Making an Offer They Can't Refuse

Perhaps in one of the most memorable moments in cinematic history, the fictitious mafia family in the famed "The Godfather" manages to convince a stubborn movie producer to hire a washed out Frank Sinatra inspired character by placing the head of a horse in his bed. When the singer/actor inquires as to how they managed to change his mind, the response was "we made him an offer he couldn't refuse." And so was a powerful phrase entered into the English language. The use of such methods of persuasion is outside the reach of most marketers, leaving us with the need to construct other offers that, we hope, will prove equally as difficult to refuse.

The offer is the third element of the Tudog marketing paradigm which states that the purpose of marketing is to:

A) Raise Awareness – so potential customers know about the opportunity your product/service provides
B) Create Interest – to explain benefits and advantages so that people want to buy the product service
C) To Deliver the Offer – so people understand the deal being proposed and are able to access the product/service

The offer is perhaps the most confusing of the three because it is easy to mix up with such other aspects of marketing like the Unique Selling Proposition. The offer, however, is not the USP, and it is not a benefit statement. The dissemination of the USP and benefit statement comes during the create interest stage when potential customers are told why they might want or need the product. The offer is actually much more compelling and much more critical. It is the offer that closes the deal.

The offer is the essence of the products positioning and how you establish a perceived value. The offer is what you are giving (the product or service) and what it is you are requiring in return (the price). You can use the offer to create a value perception that is either value oriented, exclusive, or accessible. Each level (inexpensive, expensive, moderately priced) will place your product within a certain buying sector and will place a specified perceived value on whatever you are selling.

You can also use the offer to position your product from the competition. For example, you can include in your offer a money back guarantee that will imply superior quality or better service. You can also include buyer incentives in your offer or conveniences that will prove attractive to the buyer. The best example of the use of an offer in this way was when Domino's Pizza introduced the offer of a free pizza if they did not succeed in delivering your pizza within 30 minutes. This was a particularly clever offer for a number of reasons:

A) It addressed a major bone of contention because consumers hated that they had to wait so long when ordering a pizza
B) It knocked the competition out because they were not set up (logistically) to compete with the offer
C) It intrigued consumers, who ordered and then almost had fun waiting to see if the pizza would arrive on time

When constructing your offer you should consider the following:

A) What are you trying to sell?
B) How much do you want to sell it for?
C) What is in it for the customer?
D) Why should the customer believe what you're saying?

These are the questions your offer must answer, and the simpler it does so the better the offer. The product you are selling should be prominently featured, as should the price. The reason the customer would want it (not limited to the benefit statement or USP, but perhaps the personality or style of the product) should be evident and appealing. Finally, the trust factor should not be underestimated. You can offer your customers the greatest deal on earth and it won't get a good response if people do not believe it's for real. You need to make sure you have the reputation to stand behind your offer, and that you continue to behave in a way that supports the legitimacy and authenticity of your offer.

Finally, the fundamentals of a great offer are the following 4 elements:

A) Clarity – an offer will lack credibility and will not be believed if it is intentionally vague. In many cases car dealerships are guilty of offers that lack clarity, leaving consumers with the impression that buying a car is a close second to root canal on the list of things to avoid. The lack of clarity is often intentional, in the hope that it will draw people into the shop, where, at that point, the salespeople can begin to work their magic. The downside is that people typically don't like to buy from people who tricked them to get them into the shop, so the trust factor is severely constricted by vague offers.
B) Simplicity - an offer is diluted when the terms and conditions are so complicated that people are unable to understand what is actually being offered , for what price and under what circumstances. The cellular telephone companies are notorious for offers that suffer from poor clarity. They lead to consumer misunderstandings and dissatisfaction, which is why they suffer from customer apathy. Once the contract is over customers look around for a better cell deal because they do not feel that the company they are with met the offer they initially presented.
C) Brevity – nobody has the time, energy, or patience to listen to a long offer. Besides, your offer should not be so complicated that it takes a long time to get across. The quicker you can get your offer across the better, but make sure it's your entire offer. For example, mortgage companies like to tell people they offer a certain rate and they take 15 seconds of a 20 second spot announcing their low rates. The next five seconds are terms and conditions, read at such lightning speed that no one with simple human ears can understand a word being said. The fact that the whole offer is not being presented in a reasonable way dilutes the advantage of the brevity of the offer, because it leaves the consumer thinking maybe they don't have the whole offer after all.
D) Immediacy – you want to drive people to action with your offer. This should be a permanent fixture of your offer and not only be reliant on special offers or limited time only offers. The immediacy of the offer should highlight the relevancy of the product to the market it is targeting. A good example of this is the soft drink company who had a offer based on the concept of being thirsty. The idea that the drink relieves thirst is not revolutionary, but they used thirst as the driver to create the sense of immediacy.

The construction of an offer using these guidelines will provide you with the core element you need to approach and successfully interact with the market. Not only will you sell more products with a great offer, you'll spare some cute horse the injustice of beheading just so you can be more convincing.