Audio-Tech Business Book Summaries

The Irresistible Offer

How to Sell Your Product or Service in 3 Seconds or Less

***by* Mark Joyner**

A summary of the original text.

In this issue:

- ***Learn...*** exactly what you must do in the three seconds that you have to capture the mind of your sales prospect and make the sale.
- ***Grasp...*** how you can use a simple concept that can make your business utterly unstoppable: The Irresistible Offer.
- ***Overcome...*** the prospect's fears by answering the Big Four Questions: (1) What are you offering? (2) How much will it cost? (3) Why should I believe you? and (4) What's in it for me?
- ***Transform...*** your business into a thriving, growing empire by following three steps: (1) develop a high ROI offer; (2) create a compelling touchstone; and (3) bolster your believability.
- ***Maximize...*** your profits by using The Great Formula, which will bring you a steady flow of repeat business from eager customers.

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Three Seconds to Answer Four Big Questions

Tick, tick, tick. A day has exactly 86,400 seconds.

You have exactly *three* of those seconds to capture the mind of your sales prospect.

People today are impatient, and rightfully so. To avoid getting buried in an avalanche of marketing messages, they must make quick evaluations.

In those three seconds, sales are made, deals are closed, and empires are built. To take advantage of those three second, you need to use a simple concept that can make your business utterly unstoppable: The Irresistible Offer.

In order to do business, you need to make an offer. Essentially, you offer someone a product or service, and they give you money.

Everything else — public relations, marketing, surveys, and focus groups — are side shows to the main event of making the offer.

That involves more than putting a dollar sign on a product. It means *addressing the buyer's core issues.*

Do that, and you'll have more than a single sale. You'll have a customer for life.

So, making the offer is the key. But to make it effectively, you'll have to overcome the prospect's inevitable fears and uncertainties. In short, your offer must answer the Big Four Questions that customers always ask.

The Four Big Questions are:

1. What are you offering?

2. How much will it cost?

3. Why should I believe you?

4. What's in it for me?

The first two questions basically boil down to, "What's your offer?" Your communication must assure the prospective customer that you are offering something of acceptable quality for a reasonable price.

Once the offer has been made, the next question that must be addressed in the prospect's mind is, "Why should I believe you?"

Sometimes, offers sound too good to be true. An offer only works if the person offering it is trustworthy.

Finally, prospects want to know, "What's in it for me?" This isn't the same question as "What are you offering?" which is about what product you're selling. When people ask, "What's in it for me?" they want to know how they will benefit from the product. For example, a customer may buy a Bentley, but the benefit he or she receives is the prestige that comes with owning one.

An old marketing axiom says that, "People make their decisions based on emotion, and justify them with logic." There's a lot of truth to this idea. The first three questions — about the offer, the cost, and the seller's credibility — address the buyer's *logic.* The last question, about benefits, deals with *emotion.*

By answering all four questions, an Irresistible Offer satisfies the customer both logically and emotionally. But what is an Irresistible Offer? Let's explain this concept further.

What the Irresistible Offer Is — and What It Isn't

Let's start with a definition. The Irresistible Offer is *an identity-building offer that is central to a product, service, or company.*

When such an offer is made, the believable return on investment is communicated so clearly, and so efficiently, that it's immediately apparent that the customer would have to be a fool to pass it up.

A perfect example is Domino's Pizza. In 1960, Tom Monaghan purchased a single pizzeria. By 2004, he had 7,000 stores grossing $4 billion in annual sales.

How did he achieve this remarkable growth? Simple: Domino's communicated an Irresistible Offer: "Pizza hot and fresh to your door in 30 minutes or less. . . or it's free."

Monaghan realized that people wanted the convenience of pizza delivery, but they didn't want to pay for a product that arrived cold and later than expected. By guaranteeing that the pizza would be delivered hot within half an hour, he created an offer that was irresistible.

Now, to avoid confusion, let's look briefly at what an Irresistible Offer is not.

First, it's *not* a special offer, one designed to produce a temporary uptick in sales. Instead, it is a permanent reality — and the lifeblood of your business identity.

There's nothing wrong with special offers, unless they become habit-forming. Then, customers may hesitate to do business with you until the next coupon arrives.

Second, an Irresistible Offer is *not* a statement of fact or a statement of bragging rights. You may have been in business for 20 years, or you might have the largest store in your city, but that isn't enough to motivate anyone to buy from you *right now*.

Third, an Irresistible Offer is *not* a Unique Selling Proposition, or USP. For instance, one of the great examples of a USP is the classic ad for Anacin. It contained seven words: "Anacin: The Pain Reliever Doctors Prescribe Most."

The ad appealed to people who were mystified about which pain reliever to choose. It sought to persuade them to buy the one recommended by physicians.

It's a great USP, but it's *not* an Irresistible Offer. Why not?

It requires only that you reflect on the best aspirin. But it doesn't make you want to buy right now.

An Irresistible Offer shouldn't be useful only when you're in the drugstore wondering which pain reliever to buy. Rather, it should motivate you to drive out to the store and buy a specific brand.

An Irresistible Offer for a pain reliever would sound like this: "Your headache is gone and you're feeling good in 10 minutes or your money back."

That offer is truly irresistible. But *why* does it work? To learn about the elements that are needed to make an offer irresistible, let's go on to the next section.

Elements of the Irresistible Offer

By this point, you're starting to realize that The Irresistible Offer has the power to turn your business into a thriving, growing empire. No doubt, though, you're wondering how you can create such an offer.

An Irresistible Offer consists of three elements:

1. A high return on investment, or ROI

2. A touchstone

3. Believability

Let's look at these elements in detail, starting with a ***high ROI.***

ROI comes in because every purchase is an *investment.* Your customers should perceive they're getting greater value from you than you're getting from them.

If they were getting less value, they'd be receiving a negative return. They'd soon be looking for another supplier, and you'd eventually be looking for another line of work.

Simply give them a great deal, and the job of marketing becomes much easier. If you don't have a great product, add a feature, service, or benefit that makes it a terrific value.

Domino's 30-minutes-or-it's-free offer was effective in capturing customers' attention. But if the pizza tasted about as good as the box — as some early customers complained — then quick delivery wouldn't have kept patrons coming back.

Domino's found that being fast and inexpensive was important. But adding a third element — making delicious pizza — gave their product a great ROI.

The second element of an Irresistible Offer is the ***touchstone.*** It's a statement that addresses as many of the following four points as possible:

1. What are we selling?

2. How much does it cost?

3. What's in it for you?

4. Why should you trust us?

In essence, your touchstone answers the prospect's Four Big Questions. It proclaims: Here's a great offer, a deal that's so good you'd be a fool to pass it up.

But communicating these ideas is not enough by itself. You must communicate them in a particular way in order to have the desired effect on customers. Your touchstone should have the following four characteristics:

1. It should be *clear,* so the customer doesn't have to try to interpret what it means.

2. It should be *simple,* because people have enough complexity in their lives.

3. It should be *brief,* because customers don't have time to waste.

4. It should be *immediate,* by avoiding a sales pitch and cutting right to the chase.

When you make an Irresistible Offer and have an effective touchstone — or statement of your offer — you're no longer an annoying salesperson. You're a trusted friend offering something of unusual value.

Let's look at some of history's great touchstones. We've already mentioned Domino's, which offered: “Pizza hot and fresh to your door in 30 minutes, or it's free.”

Now, let's turn to Columbia House — the company that advertises CDs in *TV Guide* and other magazines — and Federal Express, the overnight delivery company.

Columbia House's touchstone is “10 CDs for 1 cent.” The company has used it successfully for many years.

It tells what the company is offering, how much it costs, and what's in it for the customer — cheap music. But it may fall short on the fourth point: why the potential buyer should trust the company's offer.

That's because there's a catch: After the 1 cent deal, the buyer must purchase a number of CDs at higher prices. Is that a gimmick? Not really.

In fact, with the 1 cent offer, the total price for the required purchases remains very reasonable. Also, there's the added convenience of not having to go to the mall to buy CDs.

Note that both Domino's and Columbia House focus on price — potentially free pizzas, and CDs for one-tenth of a cent. The next example, FedEx, doesn't talk about price at all.

Its touchstone is: “When it absolutely, positively has to be there overnight.”

It does indicate what they're selling: overnight delivery. But it doesn't talk about how much it costs. Because rapid delivery is so important to purchasers, they probably don't care much about price.

What's in it for the customer is reliable delivery by the next morning.

As to why customer should trust FedEx, it has built a brand synonymous with trustworthiness. Still, if its prices were too high, prompt delivery wouldn't be enough to make the offer irresistible.

Now that we've explored the first two elements of an Irresistible Offer — a high ROI and a touchstone — let's focus on the third and last element: ***believability.***

A marketer once put out a newspaper ad with a provocative touchstone, saying he'd give $1,000 to everyone who sent him a dollar.

How many readers sent in their dollar? A grand total of zero.

The story reflects the adage that when something seems too good to be true, it's probably false. So, the bigger and bolder your touchstone, the harder you need to work to establish believability.

How do you communicate that quality? First, tailor your approach to fit yourself, your offer, and your customer.

Then, use three forms of proof to establish your offer's credibility:

- First, use *social proof*. This refers to solid testimonials from people who've tried the product.

- Second, use *technical proof*. This refers to rigorous validation proving scientifically and technically that your product will work.

- Third, use *factual proof*. This refers to research demonstrating that products like yours have increased in value over time.

There are many other ways you can establish your credibility, including endorsements, high-profile customers, awards and recognition, and qualifications — such as degrees and certifications held by you and your staff.

Now, let's put all of these concepts together into a simple three-step process:

- The first step is to *develop a high ROI offer*. Before you do anything else, you must create something that provides an obvious return on investment for the customer. If you don't take this step, there's no point in going any farther.

- The second step is to *create a compelling touchstone*. You need to develop a single brand-identifying message that will be the core of your marketing campaign. All of your marketing messages should stay consistent and true to this core. This must be a short, interesting, immediate, and credible offer to your prospect.

- The third step is to *bolster your believability,* by using endorsements, the three kinds of proof, and other tools for reassuring the prospect that you can be trusted.

The Offer Continuum

How do you know if your offer is really irresistible?

You should ask the following six questions to determine your offer's strengths and weaknesses. For each question, use a scale of 1 to 10, in which 10 is the most favorable score for your offer.

- First, ***how obvious is the need?*** If it isn't obvious, then craft your touchstone to get right to the point of what your customers really want.

- Second, ***how genuine is the need?*** If people don't truly need your product, you may be able to create a need. For example, the tradition of giving diamond engagement rings did not begin until 1940, when De Beers started its hugely successful advertising campaign.

- Third, ***how uncommon is the solution you're offering?*** Unless it's truly uncommon, your touchstone must differentiate your offering from others.

- Fourth, ***can you demonstrate an ROI?*** It's easier to prove that your product will deliver a high return on customers' investments if you can use research, recommendations, charts, and graphs.

- Fifth, ***how timely is your offer?*** If prospects don't really feel they need it now, you'll have to convince them they do — probably by coming up with offer intensifiers. We'll explore how you can use offer intensifiers later in this summary.

- Sixth, ***how does your product stack up against the competition?*** If yours isn't the best, don't despair. Either improve your offering, or rely on your ability to outmarket your competitors.

GREAT OFFERS AND CLASSIC TOUCHSTONES

There are many outstanding touchstones throughout history. They may not all be classic Irresistible Offers, but they certainly qualify as great offers.

Consider the U.S. Army's traditional recruiting message: “Be All You Can Be.” When you hear this message, it contains the three Irresistible Offer elements, and it puts a powerful offer — fulfilling your potential — in your mind.

It says, “Leave your life behind. Come to us and let us mold you. We'll turn you into the best possible person you can be.” This is a powerful offer for a young person.

Recently, the Army changed its slogan to “An Army of One.” This is a high ROI offer, but it has a mediocre touchstone and it severely lacks believability. A single individual may be capable of playing many significant roles, but most people will agree that being an Army isn't one of them.

Here's another great offer: New York's WINS radio promises, “You give us 22 minutes. We'll give you the world.” The station offers to inform you fully and quickly, in return for 22 minutes of your time.

Some touchstones are very explicit, as with Southern California's Sit'n Sleep company that says: “We'll beat any advertised price or your mattress is Freeeee!”

An ad like that can irritate some people, and no one really believes the company is going to hand out free mattresses. But the message *works*. We know that because the messages that *persist* are those that *perform*. And Sit'n Sleep's message endures because its touchstone guarantees that it will give the best price.

Sometimes a touchstone can start out explicit and become more subtle. Maytag's original offer to customers was “10 Years Trouble-Free Operation.”

Later, the company moved to a message that was basically non-verbal. It showed the Maytag repairman sitting around bored all day because none of the company's customers needed repairs.

Another effective touchstone is Caterpillar's “48-Hour Parts Service Anywhere in the

World — Or Caterpillar Pays." It's an offer reminiscent of Domino's, saying: You're going to get what you need when you need it, or it will be free.

Caterpillar's touchstone was appealing to end-users of its construction products. It's critical to know precisely which customers you're targeting.

For example, RE/MAX real estate's touchstone is: "100 percent solution." It's not directed at real estate *buyers,* but rather at real estate *agents.*

The company is telling the agents they can keep 100 percent of their commissions — instead of the tiny portion other companies offer. In return, agents pay RE/MAX a monthly fee for office space, telephones, and other necessities.

What the agents get is obvious: a chance to make big money. What RE/MAX gets is brand equity and highly motivated agents.

In general, touchstones should avoid complications. They need to be simple and direct, quickly and clearly showing customers the value they'll receive.

At times, you may not even need words to get your point across. Merle Norman Cosmetics showed a "before" and "after" picture of a woman who applied the company's products.

It demonstrated how much more beautiful she was after using Merle Norman's cosmetics. It made a high ROI offer without saying a word.

Touchstones are critical in coming up with an Irresistible Offer. If you create an offer that gets customers' attention, convinces them they will receive a good return on their investment, and is believable, you will close the sale.

Using the Great Formula

Of course, your business goals go well beyond making just one sale. You want customers to keep coming back, and the way to do that is to apply The Great Formula.

The Great Formula is so unfailingly effective that it will bring you a steady flow of repeat business from eager customers.

It really isn't any harder than following these three steps:

1. Create The Irresistible Offer.

2. Present it to a thirsty crowd.

3. Sell them a second glass.

We've already covered the first step pretty extensively. But don't take it for granted. Make sure you master the *creation of The Irresistible Offer* before doing anything else. If you try to move on to steps 2 and 3 before mastering this step, you may achieve some success, but it will be only a small fraction of what it could have been.

Step 2 is to *present the offer to a thirsty crowd.* Let's say you're selling new arthritis medications to senior citizens. Are you going to advertise your product on MTV, amidst the heavy metal bands with tattoos and nose rings? Are you going to market on the Disney Channel to cartoon-happy kids?

Of course not. You can create the world's greatest offer, but if you don't present it to people who have a natural interest, a genuine thirst, for your product, you've wasted your time.

Finally, in step 3, *sell them a second glass*. This is where you'll make most of your profit. It's an undeniable fact, proven over and over again, that the cost of selling to an existing customer is far less than the cost of acquiring a new one.

For example, McDonald's spends tens of millions of dollars to get new customers in the door to buy a hamburger. The company loses money on that first 89-cent hamburger when contrasted to the fortune they've pumped into advertising and marketing.

But once customers are in the door, McDonald's upsells them on Cokes, fries, apple pies, and McFlurries. And those first-time customers will keep coming back because the food is cheap, it tastes good, it's convenient, it's fast, and it's consistent every time.

Selling customers a second glass works just as well on the Internet. For example, when people make a purchase on-line, they typically are presented with an ordinary receipt. However, the author found that one of the best times to make a second sale on the Internet was right after making the first one, when they are still in a buying mood. Whenever a customer bought one of his company's electronic books, all they had to do was click “yes” for a free month of ASP (Application Service Provider) services. Billing would start after one month. The number who accepted this offer was an astounding 45 percent.

He found that marketing opportunities exist every time a company follows up with a customer. If you ask them a few days later if they're happy with their purchase, take the opportunity to recommend another product.

You should always make sure that you have your second offer ready to go immediately. For example, you can generate additional revenues by offering any of the following:

- An upsell from a smaller product to a larger one.
- A cross-sell, such as a new printer when a customer buys a new PC.
- Classes in how to use your product.
- Consulting services to help customers set up the product and get it working properly.
- Package deals, such as a bundle of compatible products and services.
- Insurance and extended warranties for your product.

When you use any of these techniques to capture your customer's interest again, just be sure that it is seen as a high ROI offer in itself.

Offer Intensifiers

To turn a great product into a “gotta-have-it-now” product, use offer intensifiers. These are devices that boost an offer's effectiveness, sometimes in the extreme.

Many of the best touchstones have offer intensifiers built right in. Just remember not to get ahead of yourself. When you're creating The Irresistible Offer, start with your high ROI first, and then move toward these steps to intensify it.

Eight of the most useful intensifiers are:

1. Urgency
2. Added value
3. Risk reversal
4. Scarcity
5. Pricing
6. Uniqueness
7. Brand value
8. Recommendations

To intensify an offer with ***urgency,*** you want the potential customer to believe the offer comes attached to a firm deadline. If your prospect fears that he won't be able to get an offer if he hesitates, you've successfully eliminated the natural tendency to procrastinate that can keep sales on ice for far too long.

That's why the Home Shopping Network features a ticking clock at the bottom of the TV screen. It wants buyers to be fully aware that this once-in-a-lifetime offer will slip away if they don't act now.

The urgency may be *genuine,* because you can sell only a limited number of products, or it may be *contrived.* Even contrived urgency can be presented in an upfront way to the customer, by declaring, “I won't offer this to you 48 hours from now. Not because I can't, but because I only like to do business with decisive people.”

The intensifier of ***added value*** is a bonus you can tack on to sweeten the deal during the closing process. Just make sure it's something of real value. Never give away anything you wouldn't be able to sell.

The intensifier of ***risk reversal*** is absolutely essential. That's because the biggest roadblock to making your sale is the buyer's fear of risk. If buyers can get their money back, risk evaporates. For example, Domino's removed all the risk right up front: If the pizza arrives late, the customer doesn't pay for it.

Similarly, Circuit City reverses the risk that a customer will find a lower price after buying a big-screen TV. Circuit City guarantees that it will refund the difference if a lower price is advertised by a competitor during the next 30 days.

In general, any refunds you have to give will be far outweighed by the increased sales you'll gain when you remove the risk of doing business with you.

Other risk reversal techniques include: requiring *minimal down payments,* using *loss leaders,* providing *low-cost or free service warranties,* putting together *user communities* to offer *free support* for products such as software, and offering *"try before you buy"* options.

Also consider using *pay-for-results offers.* Your customer has to pay only if your product or service generates real results.

Some companies use a very powerful intensifier: They offer triple the customer's money back if the product doesn't work. But couldn't that be financially dangerous?

Actually, no, because if your product works 99 percent of the time, the number who would qualify for the triple-their-money back offer would be a mere 1 percent.

And of that 1 percent, how many actually would ask you to return their money? Perhaps one-third or less.

Or what if you volunteered to came to the buyer's house if he or she can't set up the product? The offer isn't extreme at all if your product is easy to set up, which would mean you'd get very few demands for house calls.

So don't hesitate to make an offer that seems outlandish. It could generate a maximum of revenues and a minimum of headaches.

Another type of intensifier is ***scarcity.*** It's human nature for individuals to want things possessed by few other people.

If a work of art is a limited edition, it's always more valuable than a mass commodity. But even fast-food restaurants use this intensifier effectively. For example, McDonald's advertises its McRib sandwich and shamrock shakes as "available only for a limited time," usually only a few weeks every year.

Pricing is a critical intensifier. You need to price your products in a way that's compatible with The Irresistible Offer.

There are some pricing tactics that will help you get a good return on your products.

First, *ending your price in a 7 or a 9* can help sales. In one case, the author tested three prices for a piece of software: $95, $97, and $99.

The $97 variety outsold the $99 one by a factor of two. Amazingly, it even outsold the cheaper $95 version by a factor of five.

Second, *don't assume that lowering prices is the only way to increase sales.* A jewelry store clerk once mistook the owner's instructions to cut prices in half.

Instead, the clerk doubled the prices. By the end of the day, customers had cleaned out the entire inventory.

What happened? Basically, it was an issue of customers perceiving higher-priced goods as being of greater value.

The third pricing tactic is *contrast.* That happens when car dealers start by showing you the highest-priced models. After you see a $200,000 Bentley, a $60,000 Porsche doesn't seem overpriced.

The final pricing tactic is to use *discounts, rebates, and coupons.* If you purchase a product for $100, the $20 rebate can seem like found money.

Another intensifier is ***uniqueness*** — real and perceived. That occurs when customers believe that you're the only viable source for a desired product.

In fact, you may *not* be the only source. But if they believe that you are, let them think so.

How can you encourage them to see you as separate from the competitive crowd?

Center your advertising around a great touchstone, and you can make the competition almost invisible. So, be the loudest, the best, and most compelling in your industry, and you'll establish an aura of uniqueness.

Yet another intensifier is ***brand value.*** Again, it's a matter of customer perception.

Customers remember the brand leader of the concept of *primacy:* When people are asked to remember a list of items, they are 10 times more likely to remember the first item than any of the items in the middle of the list. Coke is the leading soft drink because it was the first cola to enter people's minds, and Levi's still outsells other jeans because it invented the product category.

Customers also remember the most recent marketing messages they hear because of the concept of *recency:* People are also far more likely to remember the last item in a list over any of the middle items.

This is why Coke is still advertising so heavily. Its position is securely at the top of customers' minds, but Coke must capitalize on the phenomenon of recency to keep it there.

Finally, a ***recommendation*** is the most powerful offer intensifier of them all. If someone the customer knows and respects recommends a product, he or she is more likely to buy it. Word-of-mouth marketing is so important that you shouldn't leave it to chance. You can accelerate it by persuading your customers to recommend your product.

In the next section, you'll learn how to do so.

THE IRRESISTIBLE OFFER AND WORD-OF-MOUTH

Word-of-mouth may be your marketing arsenal's strongest weapon. It refers to the transmission of your marketing message from one person to the next through verbal testimonials.

If your back hurts, and a trusted friend raves about a product that got rid of his back pain, you will immediately want to buy it. You won't even ask any of the Four Big Questions — about the offer, the cost, the seller's believability, and the benefits. Instead, your only question will be, "Where can I get it?"

Making an irresistible offer is the best way to get customers to talk positively to friends about your product. But that communication won't happen instantly.

So, don't wait for time to pass before the process begins. Kick-start it by understanding how word-of-mouth works.

A key concept is ***viral marketing.*** It uses technology to disseminate your marketing message in much the way that a biological virus transmits itself from host to host.

In biology, a virus replaces part of the host's DNA with its own. The host then stops doing what it was before and begins making new viruses that attach themselves to other hosts.

In marketing, it's critical to understand that people transmit what they hear.

Like biological viruses, language viruses have two elements: (1) a program or set of instructions; and (2) a delivery mechanism.

With the bad virus, the program basically says to replicate itself and make other people sick. With the good virus — the marketing one — the program supports the spread of good news about your products.

Harmful viruses get delivered through things like a sneeze or a cough. The good marketing gets delivered either through words or nonverbal means, such as images.

The ***copulation rate*** is the degree to which a viral marketing system spawns new users. It's a way of determining the projected effectiveness of marketing campaigns based on word-of-mouth.

Copulation is measured in time periods. For example, there may be a 10-day copulation rate, or a longer one.

A 10-day copulation rate of 1.01 means that any user of your system generates 1.01 new users every 10 days. Over time, the new users will grow exponentially.

For example, with a copulation rate of 1.01 — and a pool of 10,000 message carriers —

you'd add 100 new carriers by day 10. By day 20, you'd add another 101 carriers.

At the end of 200 days, the new people seeing your marketing message would add up to an impressive 2,201.

But if you increase the copulation rate by 0.3, it gets a lot more impressive.

By day 10, you've added 3,100 new people who've seen your message — far more than with the 1.01 copulation rate. And by day 60, the total has grown dramatically, to 50,000-plus.

By day 200, the 10,000 base number of people has skyrocketed to an astronomical 2,215,266!

A 10-Day Copulation Rate of 1.01		A 10-Day Copulation Rate of 1.31	
Day 0	10,000	Day 0	10,000
Day 10	10,100	Day 10	13,100
Day 20	10,201	Day 20	17,161
Day 30	10,303	Day 30	22,480
Day 40	10,406	Day 40	29,449
Day 50	10,510	Day 50	38,579
Day 60	10,615	Day 60	50,539
Day 200	12,201	Day 200	2,215,266

And remember, that increase happened by word-of-mouth. Essentially, you didn't have to spend a dime on marketing.

Admittedly, it's extremely challenging to get a high copulation rate like 1.31, but the potential exists for eye-popping growth.

How do you achieve that? By increasing your virulence.

That term originated with biological viruses. It refers to their success in rapidly spreading themselves and carrying out their programs — their internal set of instructions. The same phenomenon occurs in marketing. You must make your virus more and more contagious, so that it spreads at a more rapid rate.

But just as mammals can build *immunity* to biological viruses through previous exposure to them, your targets can become immune to marketing efforts as well.

Immunity to a marketing message can result from five factors:

1. Mistrust

2. Overexposure

3. Host strength

4. Replication speed

5. Efficiency of delivery

It's easy to understand why *mistrust* would block your marketing message from spreading. If customers don't trust you, your industry, your products, or your spokesman, they won't buy.

Overexposure is a less obvious problem. Repetition usually is a good thing in marketing. But if your message becomes stale, it will no longer capture the attention or interest of the market. This can happen if your approach stops being unique. For example, if pizzerias everywhere started offering a "30 minutes or it's free" guarantee, the approach wouldn't have remained so successful for Domino's.

Host strength refers to how badly the customer needs, or doesn't need, the product. A biological virus doesn't affect a strong host, but it can overwhelm a weak host. Similarly, people who are weakened by a cold will be less able to resist a marketing message for a cold remedy. But people in good health may ignore the message, unless you use the offer intensifiers we've explored.

Replication speed deals with how actively people are buzzing about your product. A television show like *Seinfeld* became a hit at least partly because it turned into a major topic of conversation around water coolers.

Finally, consider *efficiency of delivery*. In biology, air-borne viruses spread quickly, and blood-borne viruses spread slowly. In marketing, words spread marketing messages faster than any other means of communication. For example, imagine you were told to plant the image of Mother Teresa in the mind of the person next to you, and you could chose between two delivery methods: a photo of Mother Teresa, or just saying the words, "Mother Teresa."

Even if it would be just as fast to show someone the photo, you'd be limited by one major obstacle: You *don't have* a photo of Mother Teresa. But you *do have* the ability to form those words with your mouth, and so will the next person, and the next person, and so on.

The concept of virulence makes conceptual sense, but how do you measure it?

The Internet is a classic example of measurable virulence, because it's possible to measure the number of Web site visits — and, especially, downloads.

Take as an example Joyner's electronic book — or e-book — called *Search Engine Tactics*. It popularized e-books on the Internet, and basically it grew its own market.

Joyner's site encouraged visitors to download the e-book and recommend it and his site to friends, associates, or customers. *Search Engine Tactics* became the Internet's 36th most visited site just six weeks after its launch. From 1994 through 1998, the book was downloaded more than a million times.

Overall, Joyner's company generated a multitude of site visitors and plenty of revenues. He wasn't alone. Napster, Hotmail, ICQ, and Incredimail each infected over

100 million people by getting customers to download their products. They all used basically the same approach.

How can you do something similar on the Internet with your own products? You can employ this six-step viral marketing process:

1. *The frame,* where the new visitor comes into your entry point with a positive attitude, or frame of mind.

2. *An entry point,* where you set up a provocative and engaging Web page offering a product, either for money, or for free in return for publicity.

3. A *sign-up,* where the visitor provides his or her information in order to gain access to the download.

4. *Target behavior,* where the visitor downloads the product and uses it.

5. *Training,* where you urge the customer to pass information about the product and the Web site to friends so they can also benefit.

6. *Transmission,* where the reader directs friends to your site, where you offer the product and other related products.

At that point, other people come into the entry point with a positive frame of mind, and the process starts over again.

Let's take a quick look at each of these steps.

The ***frame*** is the most important step in the entire process. The mental frame through which people view your entry point will affect how they will react to it. When people receive a recommendation from a friend, that word-of-mouth creates a positive frame that completely adjusts their perception of the product and influences them to buy it.

The ***entry point*** should be as compelling and user-friendly as possible. The goal at that step is to maximize your copulation rate.

For example, suppose two out of the 100 people who visit your entry point proceed along to the sign up. That makes your conversion rate 2 percent.

If you could boost your conversion rate by one point to 3 percent, does that mean your copulation rate would go up by only 1 percent? No, your copulation rate would leap by 50 percent. That's because 50 percent more people would go through your system.

In the second step, it's important to get people to ***sign up*** in order to gain access to your product. You can do so in an unobtrusive, non-threatening way.

Then, with people who sign up and go no farther, you can follow up and urge them to proceed. Also, for additional marketing, you will have their contact information, such as addresses and e-mails.

Target behavior is the reason for existence of your viral system. For most businesses, target behavior refers to the sale.

But with Web-based viral marketing, the target behavior is different: It's to have someone download and install your piece of software.

The ***training step*** educates your customers on two things:

1. Why they should spread the word.

2. How to do so.

The incentive for spreading the word might be to have other people to share the product with, or to attract more traffic to their own Web site. The "how to" part might include suggestions for actual word-of-mouth, pre-written articles or e-mails, and product reviews.

But remember, incentives shouldn't look like outright bribes. Instead, they can be as subtle as making the person who is spreading the word look good by being ahead of the curve.

The final step is the ***transmission*** of recommendations. On the Internet, that takes place through links from one site to another, which can be tracked electronically.

Amazon.com pioneered this practice on the Web. It offers a commission to customers if they recommend a book to their friends. New customers are then exposed to the opportunity to earn commissions on referrals, and the system continues.

Viral marketing may seem foreign to your traditional way of doing business, but you're probably using a form of it already. Every interaction with each customer involves a training process — for good or bad — and he or she passes the information on to others.

Remember that the entire process depends on having customers who are enthusiastic enough to recommend your product to other people. And the only way to make customers enthusiastic is to make an Irresistible Offer.

Reviewing the Key Points

Let's conclude this summary be reviewing the key points we've presented.

As we've discussed, you have only three seconds to capture the minds of your prospects. To succeed, you must quickly answer the customer's Big Four Questions:

1. What are you offering?

2. How much?

3. Are you believable?

4. What's in it for me?

By answering those four questions in a compelling way, your Irresistible Offer will satisfy the customer both logically and emotionally. An Irresistible Offer is defined as a*n identity-building offer that is central to a product, service, or company.*

The three elements of an Irresistible Offer are:

1. A high return on investment

2. A touchstone

3. Believability

The Irresistible Offer is also the key ingredient in the Great Formula, which will bring you a steady flow of repeat business from eager customers.

The three steps in The Great Formula are:

1. Create The Irresistible Offer.

2. Present it to a thirsty crowd.

3. Sell them a second glass.

You can use offer intensifiers to make your offer even harder for people to resist. These include:

1. Urgency

2. Added value

3. Risk reversal

4. Scarcity

5. Pricing

6. Uniqueness

7. Brand value

8. Recommendations

In order to persuade people to recommend your product, you must overcome the five factors that can make prospects immune to your marketing messages. These are:

1. Mistrust

2. Overexposure

3. Host strength

4. Replication speed

5. Efficiency of delivery

Once you've done that, you can unleash the viral marketing process. There are six steps in this process:

1. The frame

2. An entry point

3. A sign-up

4. Target behavior

5. Training

6. Transmission

Successful marketing is not simply a question of having a great product, although that certainly helps. It's more a matter of making good products even better — and turning them into must-have products.

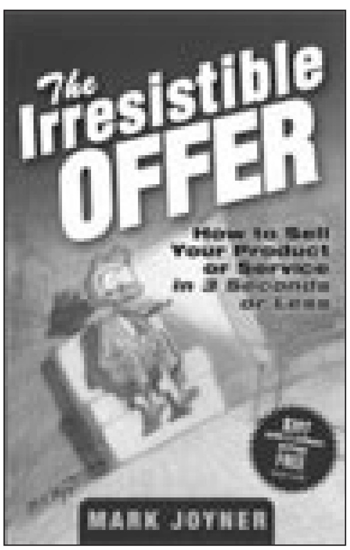
Domino's did it by offering pizzas in “30 minutes or it's free.” FedEx did it by offering package delivery “When it absolutely, positively has to be there overnight.” Columbia House did it by offering “10 CDs for 1 cent.” And there's no reason why you can't do it, too, by making your customers an offer they can't resist.

ABOUT THE AUTHOR

Mark Joyner is the former CEO of Aesop Marketing Corporation, the #1 best-selling author of *MindControlMarketing.com,* and one of the early e-commerce pioneers.

Mark pioneered many of the technologies now in common use on the Internet (such as remotely hosted ad tracking and the remotely locked client side ASP model). He is widely recognized as being responsible for popularizing the use of electronic books (e-books), launched many Web sites that reached the Top 100 list of the most visited Web sites in the world, and wrote the electronic book, *Search Engine Tactics,* in 1994 which was downloaded over 1,000,000 times.

You can learn what Mark is working on by signing up for his free newsletter at www.MarkJoyner.name.



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