



This Four Letter Word Can Make You A Lot Of Money....No Matter What Business You're In.



FREE!

Marketing & Advertising - 66 Strategies: Y2M TIP 20

We're going to talk about a marketing technique: how to use the word FREE to generate increased sales and profits. We always hesitate to talk about specific techniques because there are always people out there that try to use the techniques without first gaining the understanding of why it works in the first place. So please read this article with an open mind and remember: we're trying to paint with broad strokes so you can understand the general concept and then draw specific applications to your business later.

Now let's talk about FREE. In case you didn't know, FREE just happens to be the most powerful word in marketing and advertising. No other word draws as much attention. No other word can generate as much action. On the other hand, no word is as overused and under-potentialized as the word FREE. Often customers become jaded when they find out that the wonderful FREE (whatever) is really worthless, nonexistent, based on unrealistic conditions, cheesy, stupid or just plain NOT FREE after all.

We're going to attempt to find ways to use FREE and make a favorable impression with our prospects and customers...and make them want to do more FULL PRICE business with us. After all, any idiot can give stuff away for free or at a discounted price. It takes a skilled marketing practitioner, however, to properly use FREE and still make a full profit.

FREE Isn't Just For Cheesy Businesses. It's For Everyone.

To prove to you that FREE isn't just for a cheesy, retail oriented business, let's start with two prestigious companies: a high-end carpet & rug showroom and a cardiologist group. They're both using the power of FREE to make more money. Here's how:

The cardiology group makes money by performing procedures on patients referred from other less specialized physicians. The key then is to have as many physicians as

possible referring patients to their group. We found out the office manager of the referring physicians often makes the decision on where to send their patients for cardiology. How do we influence the office manager to choose our client over all the competitors? And how does FREE fit into all of this?

First of all, we have a video that does a nice job of explaining the selling advantages of our client. How about sending a FREE video out to all the office managers of all the doctor's offices...that might be a good free offer. Only problem is, **it won't work**. Almost none of the office managers have a VCR at the office and they *sure aren't taking that thing home* to waste their valuable personal time. **FREE-ologists**, press on.

A better way is to take the FREE offer to a much higher level...a level that inspires action. Here's what we did. We took the same free video that would have very little impact if mailed by itself...then we went to Blockbuster Video and Boston Market and bought gift certificates from both places. Then we sent the video and gift certificates to each of the office managers with a simple, short letter:

"Dear Office Manager,

I know that you get solicitations all the time from all types of doctors, pharmaceutical companies, and medical supply vendors. I, too, am trying to gain your interest in doing business with our company. But instead of wasting your time with the usual office visit and literature, I've arranged for you to spend a relaxing evening at your home. Please accept these coupons for two free movies and \$15 worth of food. When you get a chance to use these coupons, all I ask is that you do me one small favor: either between movies or after the kids have gone to sleep, please pop this short 9 minute video in and see what we're all about. Thanks for your time."

What do you think is the chance of that video getting watched? **Just about 100%**. What kind of impact does it have on the prospect? Highly favorable. This approach sure makes follow up easier, too. Instead of the usual follow up call "We sent you a video, did you watch it yet?" they now say "Have you had a chance to use those free coupons yet?" Whether they have or haven't, the reaction is always favorable. This approach *directly* leads to more business.

Now, the upscale carpet and rug showroom. Since they rely on interior designers for a large percentage of their business, they wanted to find a way to make themselves "a better deal" for designers. They also wanted to find a way to compete for retail customers with the emerging do-it-yourself carpet places like Home Depot. The FREE strategies for both situations (designers & retail buyers) are good examples of how to maximize FREE-ness without losing profitability.

For the retail buyers, we came up with a program that gives them FREE carpet cleaning for a year with the purchase of carpet or rugs. Wait a second! How can you give away free carpet cleaning and not go broke, you might ask. Simple. We made an arrangement with a carpet cleaning company that already spends a ton of money on advertising in Val-Pak, the yellow pages, and other expensive media. Their advertising cost to acquire a new customer, we found, was actually pretty high.

So we made a deal with them to give us a discount equal to (actually greater than) the amount they spent on advertising. This was roughly half of the sales price. When the customer buys carpeting, we give them vouchers good for two free carpet cleanings (a

year's worth) that are dated and signed. When they actually redeem the coupons, the carpet cleaning company then bills our client half the face value.

Since their average standard job runs about \$70 (special treatments are extra and not included), the out of pocket cost is about \$70. But it's actually less since not all of the customers will take them up on two cleanings. *Now look at the math:* if a customer buys 200 yards of carpet for \$18/yard, that is a \$3,600 job. There's plenty of room in there to cover the measly \$70 cost of the program. And by just offering FREE carpet cleaning in the first place, they're *bound* to bring in more sales. You tell me - if the price for XYZ brand carpet is exactly the same at two different places, but one store says they'll clean it for you for a year, where are you going to buy?

Now, the FREE offer for the designers: in addition to offering them FREE carpet cleaning that they can pass on to their end users, our client has also created the "Designer Club." Membership in this club entitles the designer to a myriad of FREE benefits, including FREE office space (including FREE use of copiers, phones, computer, fax machines, etc.), FREE use of the conference room and showroom, FREE drinks, coffee, and snacks at any time, an additional 50% discount not available to non-members, FREE credit union and insurance plan enrollment, MASSIVE DISCOUNTS on travel, couriers, dining, rental cars, health club memberships, and about 17 other things. The designers are also enrolled in an incentive program that allows them to earn points for purchases they can cash in for expensive prizes.

What does it cost a designer to join this "Designer Club?" About \$200 a year. But, *if they hurry*, they can get one of 100 Charter Memberships for FREE...if they meet certain requirements. This program will cost very little to implement, but will have massive rewards for our client. There is no other showroom that even offers **one** of the FREE benefits.

Think about ways you can integrate free into the way you do business and into your advertising. It's the best risk lowering strategy there is and it's bound to bring you more business...more than enough to offset whatever it costs to administer the FREE stuff.

Speaking of Free Stuff: The Monopolize Your Marketplace CD program is packed with valuable marketing ideas like the above and it's yours FREE for the asking. Just send an email to msipe@y2marketing.com with the letters "**MYM**" in the subject line and we'll send you the program.

Not Free, but an Incredible Deal: The Monopolize Your Marketplace one day intensive workshop will be coming soon to San Francisco Bay Area locations. In June, over 300 people attended our workshops and the feedback was excellent. For a FREE workshop preview pack, email me with the subject line "**Seminar Info**" and we'll get you an overview of the best one day marketing investment available anywhere.

This Newsletter was brought to you by...
Michael Sipe
(831) 438-9200

Copyright © 2003 Y2Marketing and Private Equities except where indicated otherwise.
All rights reserved worldwide.
<http://www.Private-Equities.com>
<http://www.y2marketing.com>