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"Life is nice, particularly if you have your own plane and your own baseball team."

—Ted Turner

**Wednesday
Morning
Fax**
from
**The
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Press**

6 productive insights on price in advertising

1. State your price. When you omit cost information, readers tend to overestimate the price of your offer, according to the June Graphic Arts Management Association Monthly Informer.

If your price is higher than the competition's, justify the higher cost by stressing your product's outstanding benefits.

If it is lower than your competitors', emphasize that your price reflects a close out, clearance, or other special situation. This helps dispel the perception that low price means poor quality.

2. Repeat your price in all main advertising units. In a mailing, for instance, make sure that your price appears in your letter and folder—not just on your order form, advises veteran direct marketer Nat G. Bodian in *Direct Marketing Rules of Thumb*.

3. Use department-store pricing. Bodian and legendary direct mailer Richard V. Benson agree that usually department-store pricing in advertising—\$9.95 instead of \$10, \$29.95 instead of \$30—produces the best results.

4. Importance of price points. Shell Oil once tested a merchandise offer—a \$24.95 circular saw with a well-known brand name versus a similar tool carrying a lesser-known brand for \$19.98. Shell believed that the better-known brand would win.

However, Richard Benson relates in *Secrets of Successful Direct mail*, sales of the less-expensive saw far outstripped those of the saw with the stronger brand name.

"At \$19.98, customers would buy a saw without knowing exactly when they might use it. At \$24.95, they were more likely to intend to use it immediately—or they wouldn't order," Benson observes.

5. Include shipping & handling charges in your price. Benson extensively tested the effect of separate shipping and handling charges on sales and found that he significantly increased the size of his average order by including them in the price he asked for the product.

6. In fundraising, ask for a specific gift. Though fundraisers often suggest several gift options (e.g., \$500, \$200, \$100, \$25, and "Other _____") in their mailings, Dick Benson produced an average gift higher than the tested multiple-choice offer when he used only a single figure, \$35, in a mail appeal for the Smithsonian Institution.

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