

A collection of US one hundred dollar bills falling from the top of the frame against a black background.

Firesales

UNCOVERED



Fire Sales Uncovered

What Is A Fire Sale?

Business owners both online and off have long understood the value of holding a fire sale. It's a highly effective way to accomplish a number of business goals. The least of which is raising a lot of money quickly.

You've no doubt seen these fire sales. Car dealers advertising, "Everything must go." The online e-tailer who is clearing out their product catalog and practically giving everything away.

A Fire sale is defined as "an emergency clearance sale at greatly reduced prices. Originally, a sale of product that had been damaged by fire or that could no longer be stored because the storage facility had been destroyed by fire necessitating immediate sale or loss of value."

However, as you well know, most fire sales have nothing to do with fires. It's an old phrase that was carried along and re-applied to a way of doing business. Now it might be more clearly defined as a sale of assets at extremely low prices.

One common and effective model for a fire sale works like this:

You start out selling a product at a very low price, and then every few days, the price goes up. This usually lasts for 7-days, and then the offer is pulled off the table forever.

In other fire sale it involves selling a valuable package of items for such a tremendous bargain that people rush to your site to buy. If the package is really a bargain, it becomes irresistible, and your conversion rate skyrockets as do your profits. In this model you may notice the term “Package of items.”

If you’re turning away because you don’t have a number of items in your product catalog or you don’t have that many you want to discount significantly, know that many fire sales are held with other people’s products. We’re talking about joint venture partnerships, resell products and PLR.

One might think that a fire sale has everything to do with raising money fast. That’s not entirely true. While a fire sale is quite effective at generating cash quickly and there are definitely reasons to do this like:

- Family emergency
- Bankruptcy
- New business opportunity requiring lots of cash

A fire sale can actually work to help build and grow your business.

Why Fire Sales Work – Buying Triggers

Before we dive into why you might want to host a fire sale and what elements are required for success. It's important to understand why fire sales work.

Price

There are many reasons fire sales work and the most obvious buying trigger that they tap into is price. We're all looking for a bargain and when one is presented to us it's often difficult to pass up the opportunity.

When products are cut down to 'bargain basement' prices or you're 'practically giving them away' a very human and normal reaction is to take advantage of the low prices – even if the product isn't something we need.

People buy based on emotional reasons first and foremost. This is why good sales copy always appeals to the emotions and the benefits – what problem are you solving for your prospect?

Once we've made an emotional decision to buy, logic kicks in and we start looking for proof to validate our decision. In addition to credibility and trust, we look at price. If the price is easily justifiable – bang! You have a new customer.

A fire sale throws that logic right up front and practically screams, "You have to buy this product(s) because you'll never see it at this low a price ever again." Logic and emotion collide and you make money.

However, price isn't the only buying behavior or trigger that fire sales tap into. They also tap into a little buying trigger called "urgency."

Urgency

Urgency is the trigger that tells us if we don't buy now we're going to miss out. It's the "Only five seats remaining" notice for a workshop you want to attend or the "Buy now before prices go up," notice in the PS on a sales page.

Urgency kicks up the adrenaline and motivates someone to click the buy now before they have too much time to think about it. Fire sales naturally tap into this urgency trigger because they're generally short lived sales. We're talking about a few days here, tops.

Urgency works well if there is a short time limit on your sale. If the fire sale lasts weeks or months, you virtually eliminate any sense of urgency. A fire sale by design is an urgent sale filled with the promise that you must buy now while prices are low and products are available at this low price.

And in the name of transparency and authenticity – hold true to your fire sale deadline. If you say the sale will be over in two days, it must be over in two days. Holding the sale longer, means you run the risk of alienating customers and discrediting yourself as an honest business.

Scarcity

Along with urgency, scarcity is a strong buying trigger. When you're hosting a fire sale, depending on the products you're selling, there can and often is a limited supply. It works in much the same way that urgency works to motivate purchases.

People are motivated to push past a long drawn out decision making process and click "Buy Now" because they don't want to risk missing out on the opportunity. If, by waiting, the product or products are gone, then they've lost their chance.

However, scarcity only works if you're actually limiting the number of products you're selling – i.e. scarcity really exists. And it only works if there is a reason for the scarcity – a fire sale naturally provides a reason for the scarcity.

So now you know why fire sales work but why would a business owner want to hold a fire sale?

Why Business Owners Hold Fire Sales

Business owners hold fire sales for a number of reasons.

- Maybe the winter weather is getting them down and they want to take a vacation to the Caribbean.
- Maybe their child is heading off to college in a few months and their savings is lapsing.
- Maybe their child is getting married and they want to throw them a huge celebration.
- Maybe they really did have a fire in their home and want to raise cash fast so they don't have to tap into savings to pay for the damage.
- Maybe a loved one needs expensive medical treatment.

All of those, and many more, are reasons a person might hold a fire sale. It's a great way to raise cash fast.

However, there are other reasons for holding a fire sale that have more to do with building a business and less to do with raising cash fast – though there's absolutely nothing wrong with wanting an influx of cash.

What a Fire Sale Can Do For Your Business

Fire sales, when run properly, can really give a business a huge boost. It has the ability to:

Attract Enormous Attention and Boost Awareness and Exposure

When you host a fire sale, presumably you're going to use every marketing tool available to you. This will include advertising, social networking, blogging, partnerships and of course your email list.

Due to the nature of a fire sale, meaning the huge bargains available, you'll attract a lot of people to your business and your sales page. People will naturally be interested in what you're offering. And because of our nature to share good news with others, your message will spread quickly to those outside your immediate circle of prospects. This means you'll also generate new prospects and customers.

Build Your List

You've undoubtedly heard the phrase, "The money is in the list." And you likely already know it to be true. In fact, if you only advertise your fire sale to your opt-in list, you'll learn the truth of this phrase.

However, a fire sale can also be a great way to build your opt in list. There are a number of ways to accomplish this.

- You can place a pop up sign up form on your sales page – offering a freebie of course.

- You can market your list in your products complete with a link to your squeeze page or sign up form.
- You can send a thank you email when people make a purchase and ask them to opt in to your email list.
- You can also automatically sign them up for your email list when they purchase from you during your fire sale. Of course you should always leave the option to not sign up by including a box to check or uncheck if they don't want to subscribe.

You know your audience and your prospects. You know how and what they respond to. Use your fire sale as an opportunity to continue to build your opt in list.

Generate Partnerships

Fire sales have a tremendous ability to generate partnerships. Whether you have an official affiliate program or not, people will likely be extremely motivated to promote your fire sale in exchange for a commission.

Fire sales generate cash quickly and who wouldn't jump on the chance to make a great profit by sending a few emails to their own email list? You can facilitate the process by marketing your affiliate program or you can simply approach a few people in your industry about your fire sale and negotiate a deal.

Partnerships from fire sales help you increase your cash flow, increase your awareness, and build your list. Your fire sale information and sales page will be sent to people outside your immediate group of prospects and customers thus widening your profits and growth potential.

Clean Out Old Products So You Can Move Forward

A fire sale, for some, can be an opportunity to move forward. Sometimes you have a backlog of old products that aren't applicable to the direction you're taking your business. They no longer meet your business mission or vision. You can use a fire sale to clean out the clutter. A last chance sort before we close the vault for good type of offer works well to generate interest and profits and it offers all of the above benefits we've already discussed.

Generate Cash Fast

We've already mentioned a fire sales unique ability to generate cash fast. It's not unheard of to make that infamous six figure goal during your fire sale. Of course this is accomplished with proper planning and execution. Let's close this report by taking a look at the elements of a successful fire sale.

Three Elements of a Successful Fire Sale

Not all fire sales are successful. In fact, some struggle to make back any return on investment. Why? Because they forget the essential elements of any marketing tactic.

#1 The Reason Why. All successful fire sales must have a "reason why." Why are you having a fire sale? If you don't provide a reason why, people will question your motives. They'll wonder what the catch is and distrust starts to settle in. That's the last thing you want.

So give them a reason why and be honest. If you need money for a loved one's medical costs, then tell them. If you want to pay for college, tell your prospects.

#2 Your Community. Part of successful marketing is connecting with your audience and that requires being yourself and being honest and transparent. You've built a community of followers through your marketing efforts, use a fire sale to connect with them again. Connect with associates and ask them to market your sale to their email list.

#3 A Plan. Plan how you're going to market your fire sale in advance. What are you selling? What's the benefit and what's the offer? How long is your sale going to last? Write your sales copy to your audience and address their needs, wants and desires. You must have a dedicated "Fire sale" sales page that appeals to the emotions of your target audience.

Fire sales have the ability to help you meet any financial or business building goal. Whether you need the money, want the money or want to build awareness and grow your list, a fire sale can help you succeed.

Get started planning your fire sale today!