

Seven Ways In Which You Can Use Scarcity To Supercharge Your Sales Message

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Introduction

Hello there,

Razvan Rogoz here.

Since the age of 16, I've been a so called "persuasion nerd".

What does this means? **Well, I've took a special interest in what makes people click.** In why people take the decision that they take, even when they seem very irrational.

I've did this in order to become a better copywriter ... but I've soon found it to be applicable in several fields, from negotiation to general marketing to dating and seduction.

This report applies directly to copywriting but you see ... **copywriting is more than about words.** Copywriting is a lot about behavioral economics. It is about the hidden forces that drive human behavior, the same laws that keeps a society together ... the same forces applied by a salesperson ... even the same forces behind human mating and sexuality.

So when I hear a copywriter that focuses on only becoming a better writer, I know that he's not going to get that far. Writing is chassis of a car, the wheel, the seat on you are sitting on but the engine, the 12V that moves you from A to B comes from behavioral economics and psychology.

That's why if you want to write better sales letters ... better sales emails ... and generally, persuade more through writing, don't focus on the writing. Focus on the principles behind great salesmanship. **That's the 20% that generates 80% of the results.**

Today, we will cover scarcity.

To be more specific, I will first explain what scarcity is, how it can help you and seven different methods to implement it, in different circumstances.

I hope you'll find this report educative and easy to read.

If you find something unclear or you have any suggestion on how to improve it in the next version, please email me at razvan.rogoz@gmail.com.

Best regards,
Razvan Rogoz

What is scarcity?

Scarcity is the principle that when a good is in limited quantity it is in higher demand. **In economics, the value of something is the equation between how many of those items are available in the marketplace and how many people want it.**

If there are more people who want something than there are available, it is a scarce resource. If there are ten items and there are 100 people who want it, it is a very scarce resource.

Of course, just because something is in limited quantity, this doesn't automatically make it valuable. I have a drawing of the Eiffel tower, done by me and this is the only one in the world done by me, in my own particular style.

This doesn't mean that auction houses searched for me in order to sell this drawing with millions of dollars. It is scarce if it provides a value to the marketplace, if there is demand, if there is something that people want.

Let me give you a simple example, cereals.

There are enough for everyone. When I go to the supermarket to buy a package, there are many different brands and sizes. I doubt that they'll run out of cereals any time soon. There is a steady demand from the market, from the people who like to eat cereals but that's about it. The offer is steady, the demand is steady.

But let's say that starting with tomorrow, cereal production drops by 50%. There are 50% less cereals available while the demand remains the same. Before, in theory, there was one bag available for every single person interested in buying one. I'm assuming that the offer was equal to the demand at a parity of 1:1.

But due to this fictional crisis, now there is a bag of cereal for two people, in other words, not enough to go around for everyone. Through this, a bag of cereals automatically becomes more valuable as there are more people who want it.

In this case, the price could go up and still make sales. The point where it would drop in sales would be when they've matched again 1:1, a person willing to pay the price for every bag of cereals available.

So as a simple definition, **scarcity is when there is a higher demand than offer for any given product or service.**

Scarcity doesn't work only on a quantitative level **but it always comes down to losing, to not getting what you want.** For example, a form of scarcity is that for the next 24 hours, all bags of cereals cost only 50%. Then it costs again 100%. The scarcity is in the time limit, since you're getting a better value (200% instead of 100% for the same price).

So scarcity can also be about getting a great deal, a limited deal where the deal is limited either by offer or by logistical manners (quantity available, time limit, special price, etc).

Each and every day I receive a special promo from Audible.com, a company owned by Amazon that deals in audiobooks. They offer me a book of the day at a highly discounted price. For example, today the normal price was \$20 and today is \$2.95. That's a considerable discount.

But if I don't take action by the end of the day, I will have to pay the full price. I won't lose the audiobook forever since I can always buy it at full price but I'll lose this huge discount. The scarcity here is that there is a time limit in which I can take action and if I want to benefit from this offer, if I want to get this great deal, I must act within it.

And when it comes to internet marketing ... or any other form of copywriting, scarcity is either limiting the number of products you sell or limiting a special offer (like get it at half the price if you call now) by imposing special conditions (example: If you order now, without leaving this page, you'll also get a special report dealing with the top ten problems people confront in Internet Marketing, value \$197).

In other words, scarcity is an incentive you give to the prospect in order to act now. If he doesn't act now, he's going to lose something. This may be a special price or the product itself. When the value he's gaining (by not losing, I know it sounds like a word game but it is simple, preventing a loss is a gain) is bigger than the value he is losing by paying for it now, then you've got a great marketing tool to use.

How can scarcity help you?

To help you better understand this, I want to explain you another principle of economics and that when it comes to gains, sooner is better than later and when it comes to expenses, later is better than sooner, even if it is exactly the same thing.

There were psychological experiments where a group received two offers, get \$25 now or get \$50 in three months. Almost all of them went for the \$25 now. **Money seems more valuable in the moment.** While in practical terms money may be more valuable in the short term due to things like inflation (\$25 now may not buy what \$25 will buy in a year), it is simply a basic instinct to have it now, even if it is less.

When it comes to expenses, people act the opposite way. If they have to pay a bill of \$100 now or in two weeks, they'll pay it then. Why? Because they'll have more money available now and this in turn will increase their psychological comfort.

This is why the credit card industry exists and why it is thriving. Paying in three months or three years, partially or completely is far more appealing than paying right now, even if you would pay a lot less. In a way, everyone believes that they'll earn more money, they'll be richer and they'll have fewer expenses in the future.

Unfortunately, this doesn't happen but it is how we tend to think, to operate.

What does this means to you as a marketer?

Unless the pain is huge, the prospect will try to invest in a solution as late as humanly possible and the more he waits, the less likely he is going to invest. To be more precise, if A is first contact and B is purchase moment, the conversion drops for most products (apart from B2B where a sales process may take months, but this is not what we are covering) proportional to how much time passes from A to B.

So you need to give him an incentive to act now.

If the problem is huge, then it is another story. Six or seven years ago, I had a aching tooth. It was a bit strange, I was also sick, I had a cold, my teeth was killing me, over the counter antibiotics were working to a point but it was hard to even sleep.

So from a scale of 1 to 10, my pain was an 8, ten being something like losing a limb. It was enough to look to solve the problem right then, as I was not going to go through the pain for days or weeks.

So the second day, first thing in the morning, without even breakfast, I've started to look for a dentist that can help me without an appointment. I've found one and even it had cost me more, my pain was gone.

Now here's the strange part ... the pain was gone but the problem was not completely fixed. This means that there was a rather medium risk to get bad again but at least I was comfortable again.

So guess what I've did? Since the incentive was not there anymore, I haven't went again to finish the treatment. I've finished it years later, when the problem reappear, this time for good.

Do you see the logic here?

I knew it was a bad idea to not go a second time yet I've done just that because there was no more perceived pain involved. Of course, if I had read some literature about the topic and someone told me that unless I'll get it fixed, I'll develop bad teeth or something like that, there would have been emotional pain which would have worked just as fine.

So the products that sell very well are not so often selling because of amazing copy but because they promote a solution that fixes a huge pain, one that can't be delayed and your job as a marketer, is to find that pain and use it.

But what do you do when you sell something like weight loss? It doesn't hurt to be fat. It creates discomfort (I don't know from a practical point of view but I haven't seen anyone on the street screaming in agony) but that's about it.

You create a pain on the emotional side, of what he's missing, from dating to self-respect to self-pride. But if you can't create a problem, then you have scarcity. Scarcity can't work if your product doesn't solve a real need. In other words, there must be a want for what you sell, even if it doesn't fix an urgent problem but it must fix a problem.

And scarcity is creating the pain of missing out on the solution completely or at a lower price. Nobody needs a big plasma TV to survive. I haven't seen anyone not sleeping at night for not having a huge TV to watch HD movies or 4k movies, that are more popular now.

Yet, people experience discomfort when they see a TV discounted from \$600 to \$400 and not buying it. They don't think so much in the term of paying \$400 but rather the \$200 they are saving. It is strange and this is why I suggest that you don't buy discounted things. Paying \$90 instead of \$100 on something you don't need is not saving you \$10, is costing you \$90. Paying \$90 on a \$100 product for something you actually need now and you were looking to buy is a different story.

So through scarcity, you are giving them an incentive, a real reason to buy now otherwise they'll feel the pain of not buying. This is the main idea and it works very, very well.

In the next sections, I'm going to cover different ways on how you can use scarcity in your marketing materials.

Method #1 – Discount based scarcity

This is the most common method.

Is when you offer a limited price if they act within a certain time period. The logic here is that they can get this at a lower price but only if they don't think about it, only if they take action right now or within the same day.

For example, I've received an email today from a self-improvement coach which discounts his entire product catalog for 33% but only for 48 hours. If I want any of his books, then for the next 48 hours I can get it at two thirds of the price.

Of course, if there is no perceived need, the discount is useless but this applies to all scarcity methods. Focus on creating the need and scarcity is the final nail in the coffin, the one required to close the deal.

Method #2 – Bonus based scarcity

This method focuses on providing bonuses if they order in a limited time. I've first seen it in direct mail where the time frame is actually limited. This is because when you send

a physical letter, you know when it is going to get there and it is not a website that you can visit whenever you want.

I've seen this method ranging from "if you send your money now, you'll receive bonuses X, Y, Z" to "if you call right now at 555 – 123 – 123, you'll also receive...". This method is highly used in teleshoping, where they pile up on limited time bonuses through "but wait, that's not all. If you order now you'll also get ...".

Method #3 – Psychological scarcity

This is a bit more complicated. It comes down to what is he going to lose on a general level, on an outcome level if he doesn't take action now. Let's say that you promote a dating product. This dating product can be interpreted as a solution in two different ways.

The first one is for future benefit. You don't have a girlfriend but if you use the methods here, you'll get one. The second one is to fix a problem – fixing a bad love life right now. In a way, it is the same thing, but fixing a problem works better from a psychological point of view than presenting a future benefit.

Psychological scarcity is when you say something like ...

"OK, you can decide not to take action now. It is your choice. But do you really want to do this? Do you realize what you're going to miss?"

Right now, there is a hot, beautiful girl that wants to fall in love with you. That likes you for exactly what you are. You just need to know how to "sell" yourself to her, how to get her to see the good parts in you so she can fall in love. You can't manipulate someone into loving you, you can only manipulate into getting to know you good enough to make that decision herself.

And every single day you're not doing this ... is a day without her. A day without her laughter. A day without hot nights within the sheets. A day without her kiss in the morning. A day without hearing "I love you" from her.

So yes, you can delay, but you're not delaying investing in this product, you're delaying into meeting that beautiful girl, you're soul mate, that has been waiting for someone like you her entire life.

So are you willing to live another month without that kind of happiness? Even a week? Even a day? This is because if you do this, if you learn what I have to teach you, you'll see massive improvements in your life in no time. But the more you wait, the longer you'll be alone.

Don't wait. Take the decision now to change your life."

As you can see, this is an example of psychological scarcity and it is not manipulative, it is actually real and rational.

Here's another example that I like. This was for a "get your ex back product".

"You miss her and she misses you. Maybe the two are meant to be together, maybe not, but at least, you want to give it another shot, another try.

But you see ... when people break up, they go through pain. Just like you are suffering, so is she. And women in general when they suffer, they will look for comfort. At some point, I'm not going to say that it is going to happen but it happens rather often, she'll meet someone.

Maybe it will be after a day of crying. Maybe it will be in a club with her friends. That dude will make her laugh and feel comfortable. Will buy her drinks. Will make her feel OK. And she'll sleep with him.

And you know ... that's the point of no return. If this happens, it is game over. Check mate. Even if she wants to come back to you, you don't want to be with someone who slept with someone else, even if the two of you were separated in that period. In theory is not cheating ... but if you get together, it is in practical terms cheating.

So if you want her back ... and you don't want to be cheated on ... if you don't want to know that she'll be with another men in the sheets, a men that will take advantage of her sexually, then you need to take action now. Doing this even one day later may mean that it is too late. You don't want to take any chances.

So invest in XYZ right now and get her back, before it is too late".

Some products, as the two above, have built in psychological scarcity. **Others do not but it is rather simple to show a person what she or he will be missing by not taking action exactly right now.**

Method #4 – Limited spots available

First of all, let me tell you that your market is not stupid. Ten years ago, people were not tech savvy and saying that there are only 100 copies available of a digital product was at least plausible. Now everyone knows or at least most people know that it is not really like that.

So don't say that there are only 100 copies of a digital product unless you support it with a strong reason why, like why you're not selling more than 100 copies (for example, because if too many people know this, the method would not be effective anymore or that it is a marketing test).

Limited spots or limited products work best when it is physical in nature. If you're selling a DVD, you can say that you have only 500 DVDs available and that's it. It is actually real as you can't produce an infinite number of units for anything.

When you're promoting a seminar, you have maybe 50 spots available. When you are a coach, you have a limited number available (as you can see, you always need to justify – in the second example, you can dedicate only 10 hours per week and this means you can take only five clients).

You can combine this technique with other scarcity forms (actually, all of them can be combined). You can sell the first 10 products at a discounted price and then the rest at the full price.

Method #5 – Qualification, who is not this for.

While this doesn't exactly qualifies as scarcity, it serves the same purpose.

When you impose conditions for getting something, like who is this for and who isn't or a questionnaire, you create automatic scarcity through the fact that this may not be what available for everyone (remember, demand > quantity = scarcity).

Let me give you an example, for a biz op product ...

"Is this for you?"

I don't know ... I've been in this field and this product is a gold mine for maybe 1 out of every 25 people in the IM crowd.

Yes, so few.

Why? Because it requires hard work. It is not a get rich method. It is not a press this button and make millions type of software.

Instead, it is the kind of program that requires you to put in almost as much hard work as in a real job ... and to be honest, this isn't the kind of thing that is appealing to most people.

Plus, I have a real track record of helping people ... and I prefer to sell only to those who are actually interested in using it.

So if you're the kind of person who likes get rich quick methods ... then please don't buy it. You'll save \$397 and I'll sleep better at night.

But if you're a fighter ... if you work hard ... if you go through obstacles like a 5 ton tank ... and you're not willing to get a no for an answer from life no matter what ... then please do so. This may be the best thing that ever happened to you".

Do you see what I've done there?

I've made it clear who is this not for and I've been very specific. I could have taken this a step further by having him feel a questionnaire with his experience in IM to qualify even more. And yes, this will turn some people away but will generally boost conversion. Why?

Because everyone thinks of themselves as hard working and ambitious. I have yet to meet a single person say "I'm a lazy bastard and I'm always looking for stupid get rich quick methods".

The idea is that the more you qualify the market, the more natural scarcity you create (as you limit availability) and the better it works.

Method #6 – Application fee

This is an advanced method and works only for high ticket items.

Let me give you an example.

Let's say that I have a \$4997 home study course that includes 1:1 coaching. You come to the site and since you know that I'm the real deal, you try to buy it. You can't.

You can't because I'm selling only 10 of these every three months as I want to focus on establishing relationships with clients instead of going for volume. So instead of this, you can deposit an application, fee, let's say \$100.

Then someone will call you and ask you some questions to see if you're a good fit. If you are, then you can buy the product and the \$100 application fee is decreased from the final price. If not, you'll get your fee back (I wouldn't keep the money).

But you need to pay to even be considered for benefiting from this course. This is high level scarcity and it works rather well. When people are ready to pay \$5000 and you don't even want to sell directly to them, the value goes through the roof.

It is like getting into those exclusive clubs. You will pay \$15 for a Cola there and \$100 for a cocktail but you can't just go there. There is a waiting list and you need to know the right people and the harder you work for this, the more valuable it looks.

Method #7 – Waiting list

This is very similar to paying an application fee, but without the fee itself.

Instead of simply offering the product, you are putting that person on a list. As soon as the program becomes available, you will inform him or her about it and offer the possibility to buy.

As you may have already understood, the principle here is that if a resource is so hard to access and it is not readily available, even if the other party is willing to pay, then the resource must be very valuable.

I've seen this method applied especially to product launches.

In a launch, the product is not offered right away. Instead, interest is built over a period of time with free bribes, email marketing and marketing copy so when the

product is launched, the chances for the list of prospects to buy is maximized. It is like when the iPhone was launched, there was lines of 100 – 200 people to buy one.

Why? Because Apple did a great job to let everyone know what the iPhone is but it also limited the purchasing options at start, so there are few locations that sell it and a lot of people who want it. This explains the logic why huge lines would form to purchase a \$600 mobile phone.

In IM, the implementation is simple – you don't offer the product but you sell him on the product. Instead of taking his money, you'll let him know that the product will be available for sale (again) at a later date. This is one of the most effective methods of monetizing a list as compared to straight selling whatever you have to sell.

Conclusion

Thank you for taking the time to read this report.

I hope you've enjoyed it.

If you want to get in touch or simply say hello, feel free to email me at razvan.rogoz@gmail.com.