

Big profits from small priced products

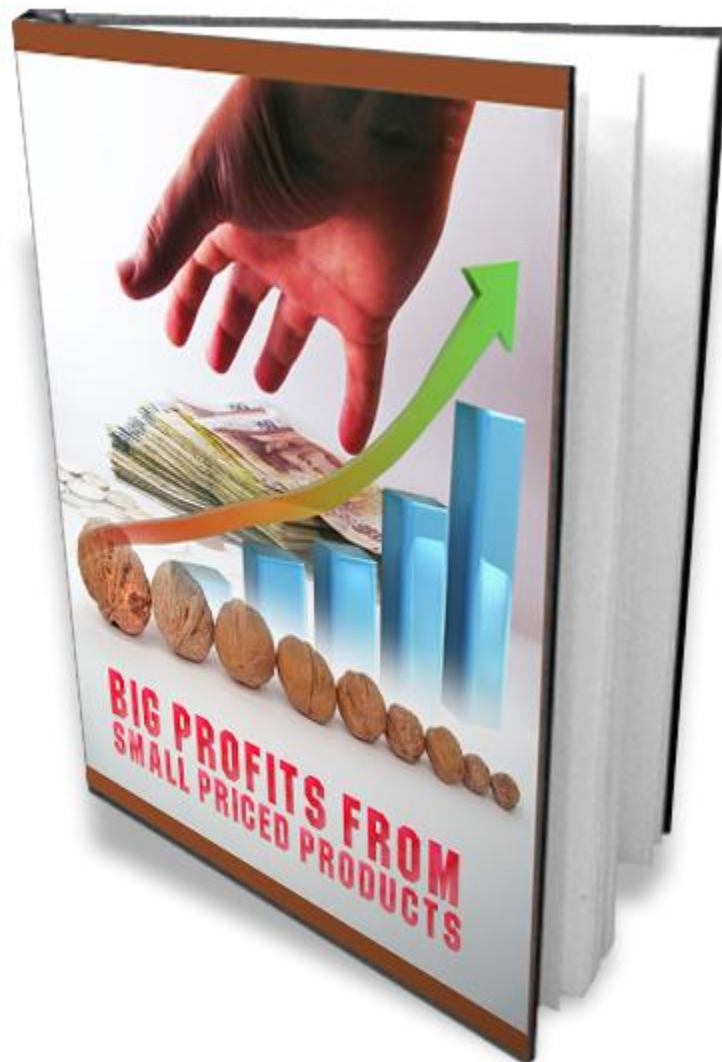


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Introduction

No matter what kind of business you operate and irrespective of whether that business is primarily focused on offline or online operations, there is one truth about running a business that none of us can avoid. This is the fact that business never stands still, it is something that is constantly changing and developing with something new happening almost every day.

If you are an online business owner or internet marketer, this will apply to you just as much as it applies to anyone else. It does not really matter how you make your money, whether you are selling products, services or even making money by featuring paid advertising on your website, the same proviso still applies. Whatever specific variation of the online money making 'game' you are playing, the rules of the game never stand still.

This by definition means that you have to be adaptable, flexible and willing to change as and when necessary in order to be a long-term competitive player.

So, let me play my cards on the table here because there is no point in pretending or beating about the bush.

Times are very hard, and there is no reason to assume or imagine that they are going to get better any time soon. The world as a whole has undergone some very traumatic changes over the last year or two, and the financial situation in most developed Western countries is almost unremittingly grim.

These changes inevitably bring new challenges with them, and it is a fact that if you are running your own online business, you need to rise and adapt to these new challenges. The bottom line is, what was working even as recently as a year ago is probably not going to work anywhere near as well now, and you can almost guarantee that yesterday's methods and tactics are going to become increasingly ineffective over the next few years.

On the other hand, the good news is that there is still plenty of money to be earned and that if you do adapt and develop your business to match the requirements of this new era, there is absolutely no reason whatsoever why you can't be really successful and profitable.

But the bottom line is, you have to change your way of thinking and the way you approach and transact business probably needs to be modified.

Let's consider in a little more detail why this is the case.

A few 'today' questions to consider...

Are high ticket items dead?

Over the past few years, there has been no shortage of stunningly successful online marketing product launches, and from my own involvement in many of these launches, I would say that quite a large number have been \$97 products. Not all of course, but this was the pricing point for the majority of these products and they sold like the proverbial hot cakes.

So, let me ask you a simple question.

Given a similar sized product launch with the same amount of mega-marketing resources behind it, would you expect the creator of a \$97 product to sell more or less of their product than they would have done with a similar thing a year ago?

I would imagine that most people might believe that a similar product launch today would not generate the same amount of cash as it would have a year ago, simply because online marketing is not completely immune to real world economic issues. In short, there is far less money about than there was a year ago, and I would therefore suspect that a mega-launch of this nature might do well but not as well as it would have done.

Look at it in another way.

Whilst there have always been more people who were able to buy a Dodge or a Ford than there were people who could afford Ferraris, the relationship between the two car buying groups has altered significantly in the last 12 to 18 months. Whereas at one time, there would be one Ferrari sold for every 20 or 30 Dodges or Fords, it is now nearer one for every 100.

Again, this is telling you exactly the same story.

There is less spare cash available as the global financial crisis has an ever more noticeable effect on private individuals, with rapidly increasing numbers weighed down by crippling debts and jobs falling by the wayside right, left and centre.

In short, it does not take a genius to work out that it is going to be far harder to sell higher-priced online marketing products over the next few years than it has been over the past few. Consequently, if your business is focused on selling high ticket products and services, it may be time for a serious rethink.

I do not imagine that there is anyone who seriously believes that high ticket items are never going to sell again. At the same time, it seems

highly likely that they are going to be far harder to sell in the next few years at the very least.

What are high and low prices products?

I remember reading somewhere in the not too recent past that a relatively well-known marketer was suggesting that anything that costs less than \$100 should be treated as a low-price, low-ticket product.

Whether this individual has changed their opinion in the past six months or so, I don't know, but I would guess that this figure is now far too optimistic for the average online consumer.

It is also important to understand and remember exactly what we're talking about here.

I am not referring to super successful online entrepreneurs who can attend a \$10000 training course without batting an eyelid or spending anything other than their loose change. I am referring to the kind of people who buy niche marketing products online, the individuals who previously spent \$47, \$67, or even \$97 on an e-book that taught them how to lose weight, how to get out of debt or how to prevent hair loss.

Taking just one very obvious example, the individual consumer who 12 months ago was willing to spend \$67 on a book that showed them how to get out of debt is no longer going to be able or willing to do so. Assuming that the \$67 they spent did not dump the miracle answer that they were seeking in their lap, the chances are that they are far, far deeper in debt than they were back then, so where is the \$67 to come from?

So I would say you should forget anything less than \$100 being a low ticket item, and instead focus on products or services that cost less than \$50 at the maximum.

As I suggested in the introduction, you cannot view your online business through rose colored spectacles or imagine that it is somehow completely divorced from the reality of most net users everyday life. If you are involved in niche marketing (if in other words you are not selling internet marketing products to other internet marketers), then those ordinary net users are your potential prospects and customers.

What affects their day-to-day life also affects your business, and this is a fact you cannot get away from.

Think value and salability, not price...

To continue with the previous debt example, let me propose an alternative scenario.

Say that you created a fantastic 'get out of debt' handbook, something that you know for a fact will work either because you have inside knowledge as a result of your occupation or because you have been in debt yourself and used these very tactics to get back on your feet.

Maybe this book genuinely represents great value for \$67 based on the time that it is taking you to research, the value of the information that you have included (some of which you may have had to pay for) and so on.

Unfortunately however, whilst this is all extremely valid information, it nevertheless ignores the fact that at \$67, your product is not going to sell because no one who is up to their neck in debt can afford it.

But, how would it be if you were to sell the same product for \$17 instead of \$67? Do you think that this would work?

I am extremely confident that this would be a very effective way of doing things for several reasons.

Firstly and most obviously, a \$17 product is far more affordable than a \$67 alternative. Consequently, by pricing your product at the bottom end of the market, you are bringing it into the realm of the people who most need it.

Secondly, it does not require a quantum leap of imagination to realize that most people who are in debt are likely to find it very difficult to spend \$67 on something other than essential items. Spending \$17 on the other hand is far more realistic, and therefore the number of sales that you generate should more than compensate for the lower amount you are receiving on each sale you generate. After all, five sales at \$17 will generate far more cash than one sale at \$67.

This strategy has another advantage as well. If you can sell five \$17 products for every \$67 sale that you have in theory lost, you have added an additional five new names to your mailing list instead of one.

Okay, at this point in time, most of the people on this mailing list do not have a great deal of money to spend, but you will still be able to generate some income from this mailing list, and the people whose names are on there are not necessarily always going to stay in their current predicament forever.

If however you are supporting them in their time of need by providing a product that they desperately need to have, you can be relatively confident that there will be a degree of loyalty built up with your list members over time.

By selling a product that you could in theory sell at \$67 for only \$17, you are providing a tremendous amount of value to your customers for

every dollar they spend. This is significant, because most consumers recognize value, and they tend to become regular customers of businesses that provide the best value.

Hence, by supplying what could be a medium to high priced ticket item at a low price, you are building your business for the future.

For your business, it's all about total income, not sales numbers...

In the previous example, I suggested that the \$67 price tag might be justified for your product because of the amount of work you have done and the research you have put into it.

However, far too many product creators think in a 'straight line' when it comes to pricing their product, never realizing that this 'straight line' pricing method is often inappropriate to online marketing.

'Straight line' pricing works when every individual unit of your product costs a certain amount to produce. If every blue widget that you manufacture costs \$5 to make including raw material costs, labor and all subsidiary costs, then pricing your blue widgets at \$10 each gives you a fairly accurate price to profit ratio.

However, when you are creating an information product, it might cost you hundreds of dollars to produce it in terms of time spent, research materials bought and other peripheral costs such as the electricity that you burn when your computer is switched on.

But you only ever go through the product creation process once, and once your product is launched into the market, your costs are minimal. Whether you sell 10 units, 1000 units or 100,000 units makes no difference whatsoever to your costs, but of course, with every additional units sold, your profits are increasing.

For an online marketer who is selling an information product, it is therefore fairly irrelevant how many units you sell in terms of production costs.

The critical thing is the total income that product sales generate. Hence, you once again come back to the idea that selling five units at \$17 each is far better for your business and your long-term growth than selling one unit for \$67.

You can't ignore the competition...

In the previous example, we considered a situation where you make what amounted to a unilateral decision to reduce the price of a product that you believe is worth \$67 to only \$17.

However, selling a low-priced product into a market where there are desperate people who cannot afford anything more is not the only scenario where promoting a lower priced product makes sense.

For example, you might use a low-priced product in the same way that supermarkets and hypermarkets use 'loss-leaders', a low-priced product which is designed to entice people into your store so that you can sell them something considerably more expensive.

So, it is important to understand that there are many different scenarios where promoting lower-priced products makes a great deal of sense.

However, no matter what market you're working in, it would not make sense to sell your product at a reduced price without considering the overall nature of the market into which you plan to sell such abrupt. In particular, you must establish exactly how or where you would position yourself in that market if you chose to jump in with a low-priced product.

For example, imagine that you have a product that you plan to sell for \$10, but the 'going price' across most of the businesses in your industry who would be potential competitors is \$20.

In this case, you would undoubtedly pull plenty of traffic to your site and probably make a reasonable number of sales as well, but you might be creating a slightly negative impression of your products and business in the minds of many who visit your site. After all, they might reasonably question why in a market where the standard price is \$20 you would be selling the same for \$10 unless your product quality was only half that of the competition.

Fine, in this scenario, you could continue to sell you a \$10 product, but what happens if you also have a \$47 product to sell?

With most of your visitors having a general perception that your product quality is perhaps not as good as that of the opposition, the sales of your more expensive product (which are obviously the sales but you really want to generate) are likely to suffer.

On the other hand, if you decide to sell a low-priced product at \$20 without first researching the market, you might be competing against dozens of others who are selling an equally high quality product for \$10

or \$15. In this case, you are going to enjoy considerably lower sales but you are nevertheless still going to create the wrong impression in the marketplace.

Research is therefore essential, because you have to know what your competition is like and exactly what they are doing.

Fortunately, research of this nature is not at all difficult to conduct given the power of the internet. All you need to do is search Google or Yahoo! using various different terms or phrases that describe the market or product that you want to become involved with, and you should be able to find everything you need to know.

Other advantages of selling low prices products...

We have already seen a few of the advantages of selling low-priced products in previous chapters.

For example, when there is less money about, you are likely to sell far more low-priced products than you are going to be able to shift products with a premium ticket attached. Sometimes, this will give you access to markets that would otherwise be denied to you as we saw in the debt example.

Also, selling a low-priced product can often be a very effective 'door opener' for a more expensive product in the same marketplace. For instance, most online marketers have an 'upsell' product that they present to anyone who has bought a product from them.

If your 'front end' product is a low-ticket item, it naturally follows that it will sell in far greater numbers than would a higher-priced item, thus enabling you to present your 'upsell' product to a greater number of customers.

Most experienced marketers understand that once you have pulled a new customer into your business with a relatively low price product sale, the next thing to do is to start qualifying that customer. In particular, it is important to establish how much money that customer is able or willing to spend with your business, because the customers who are willing to spend most money are ultimately your most important customers.

Thus, the most effective upsell tactic is to present the new customer who has just purchased a front end, low-priced product with a complementary product with a significantly higher price tag attached. In this way, you can immediately 'ask' the new customer whether they are able or willing to spend more money with your business.

As an example, on the back-end of your \$17 'loss-leader' product, you might have a \$47 item.

Some of your new customers who were drawn into your business funnel by your \$17 offer will be able to afford \$47 and equally willing to spend that kind of money. On the other hand, a significant proportion will not.

As it stands, you therefore know that a proportion of your customers are both willing and able to spend \$47. At this juncture, they are therefore more valuable to your business than those people who have only spent \$17, so you should focus more of your attention and efforts on these individuals.

All of your customers have been added to your mailing list. You must therefore be actively mailing them trying to promote another higher-priced product as a way of qualifying whether they are able or willing to move to the next stage in your business.

To illustrate this point, you would be sending promotional messages about the \$47 product to those customers who have only spent \$17 with you so far. However, to the customers who have already spent \$47, you might be promoting a series of \$67 products to see whether they are willing to spend the additional money.

In this way, you can establish who your most serious, dedicated customers are so that you are able to focus most of what you do on keeping them happy, because it is them that spend money with you.

In contrast to the situation where you 'upsell' a higher ticket item as part of your initial sales process, low-priced products also present you with the opportunity of building your business for the future.

Although some people might buy your \$47 product after spending \$17 with you, many will not.

Nevertheless, assuming that your initial product provided quality and value and that it did exactly what your customers expected it to do, you have already made a significant deposit in the 'good will' bank with that customer for the future. When your small-level customer is looking for products or services in the future that they believe you might supply, it is likely that they will turn to you as the first source to which they turn.

Thus, even when your relatively small initial sale does not immediately lead to a bigger sale on the back-end, you have put your business in prime position to sell to this customer again sometime in the future.

Another significant advantage of selling lower-priced products is that you can generate significant visitor numbers to your website, primarily because the whiff of a bargain tends to pull in visitors by the truck-load! It stands to reason that the more targeted visitors you can bring to your site, the greater your sales numbers are going to be.

If the product that you are selling is low priced but is nevertheless of high-quality and represents good value, you have almost the perfect customer – product producer relationship.

Your customer is happy because they understand that buying your product represents a bargain and at the same time, you are adding new customers to your mailing list, confident in the knowledge that because your customer has got a good deal, they are likely to come back again to buy from you in the future.

Also, consider this. If you are selling a very low priced item, buying it is going to be something of a no-brainer for targeted visitors that come to your site. After all, if someone is paying only \$7 for a product that gives them only one good idea or piece of advice, it is likely to be seven dollars well spent as far as they are concerned.

In this scenario, it is reasonable to suggest that the majority of people who come to your site would not even think twice about spending only \$7. Therefore selling low-priced products in this way ensures that your products are spread far and wide all over the market place, which in turn means that your name and that of your business is becoming increasingly well-known.

Using low-priced products as your brand-name builder in this way is therefore another advantage that you should bear in mind.

What can you sell for a low price?

The answer to the question is, you can sell almost anything you want for a low price assuming that you have the right to do so.

If you consider the simplest scenario where you are selling a product or service that you have created, you can do absolutely anything you want with that product or service. If for example you decide that you want to sell your product as a rock bottom price loss-leader for \$1 only, there is absolutely nothing to stop you doing so.

However, approaching the market in this way would represent a significant risk because it is a fact that most online consumers equate price with value and quality. On a conscious or subconscious level, most of your potential customers will assume that a product that you are selling for this price has little or no value, hence the risk inherent in adopting this strategy.

Nevertheless, there is no reason why you couldn't do it as long as you had a well thought out marketing plan backing up your initial actions.

If the product or service that you want to market is not one that you have created or built yourself, then the position becomes a little more complex and less clear.

For example, you might obtain a product that comes with 'Resell Rights' (RR) or 'Master Resell Rights' (MRR), meaning that you have a license enabling you to sell that product to your own customers.

The license document itself might suggest a minimum price and it might even imply that the price suggested is a legally enforceable minimum. However, in most Western legal jurisdictions, such a minimum price is not legally enforceable, so in reality it is nothing more than a suggested price that the product creator would really like you to adhere to.

But, as you do not have to, should you?

The answer will depend on a couple of factors.

Firstly, if you have acquired an RR or MRR license, it is likely that plenty of other marketers have done so as well. The first thing that you would therefore do is establish who else is selling this product and how much for.

If there is an established market for the product and a 'standard' price, you should probably aim to sell the product for a broadly similar price.

If there is no established market, did the product come with a 'recommended' price or a suggested price range? If so, then these guidelines should provide you with a reasonable pricing start point.

The one thing that I would not recommend you do is look on a site like eBay to see whether the product is being made available for sale. If it is, it is almost certainly being sold for a rock bottom price by someone whose only sales strategy is to sell as cheaply as possible.

The problem of someone else selling products in this way should be obvious.

Whilst they are happily selling a \$27 or \$47 product for \$3.50, they are literally destroying the market for everyone else, reducing the value of the product which you have probably paid \$27 for to next to nothing.

Even though this report focuses on selling products for very low prices, you should nevertheless retain sight of the fact that you are running a business with the primary objective of making a profit.

If you buy a product license for \$27 and are only able to sell the product concerned for less than \$5, it becomes difficult to see where your profits will realistically come from.

The problem with selling other people's products is that there could be 10, 100 or even 1000 other people selling exactly the same product. Of course you can try to differentiate what you are doing by including other products in a 'package offer', but you still come back to the basic fact that everyone is selling the same thing.

Consequently, there will always be people whose only marketing strategy is to sell on price, and as soon as you start competing on price alone, the price that you can command for your product can only ever go in one direction, which is down.

However much you might try to resist it, if you sell other people's products, you will end up competing on a like-for-like basis with people who are selling for \$3.50.

In short, unless there is a great degree of exclusivity attached to the product that you want to promote, selling products that you did not create yourself is a pretty poor idea generally speaking.

Starting to consider specific 'small price product' ideas

In this chapter, I'm going to give you some specific ideas of the kind of products and services that most online marketers are using as low-priced door openers.

However, before beginning to do so, I would emphasize that you are the one who should have the most accurate idea of what is going to work in your market sector or niche. Thus, as you read through the next couple of chapters, try to take a moment every now and then to visualize how what you are reading could be best applied to what you do every day.

For instance, whilst in some markets or businesses, written materials will have the most value, it may be that there are other market sectors where audio materials might be far more appropriate.

Remember that the primary idea is to get your foot in the door with potential customers and to add them to your mailing list so that you can build a long-term relationship with them from that point on. Thus, all of your focus should be on this particular aspect of your business and on how promoting lower priced products can help develop your business in this way.

That being said, let us consider some of the more popular low-priced products that online marketers use to promote and develop their business.

Special reports...

Special or short reports is the term that is generally used to refer to written materials of less than 15-20 pages in length, although there is no set limit or length because the most important thing is the information contained in the report, rather than the length of it.

Indeed, you will see some very powerful short reports that contain lots of extremely valuable information that are of less than 10-12 pages in length, which is perfectly acceptable as long as the quality and value of the information is top class.

For your customer, one of the attractions of a short report is exactly that – it is short and therefore the information contained therein is immediately and easily accessible. A report of this nature is going to take no more than 10 to 15 minutes to read through so if you can create a report that is information packed which can nevertheless be got through in this short time period, you're likely to have one very happy customer on your hands.

From your point of view, of course, creating a short report is far easier and much less time-consuming than creating something of twice or three times the length. This is therefore a very time and cost effective format for you to present information to your prospects and customers in.

Furthermore, because you are likely to create such a short report on your computer, you can send it to your customer immediately after they have completed their payment. They can literally buy it now and be reading it in five minutes time, which is once again a significant advantage.

Imagine that a prospect is looking for information about which you have recently written and published a top quality, excellent value for money short report. The prospect is desperately looking for information for some reason, so they naturally search Google or Yahoo and by doing so, they end up on your short report sales page.

They desperately need information, and they need it now. In this situation, you can provide exactly what they want and you can do so at what clearly represents an outstanding bargain price.

In this situation, do you think it is likely that the prospect will become a customer by spending \$7, \$10 or even \$17 to get what they need?

The information that they want in their hands in less than five minutes... I think you could say that it is an absolute no-brainer, dead certainty that you have just landed yourself a brand new customer.

Even if this particular prospect does not want to use the information immediately, if they see your short report advertised and know that it is the kind of information that they are going to use in the relatively near future, the chances are that they will buy now rather than waiting till later if the price is attractive enough.

After all, we have all been in the situation where we stumble upon a website that is going to be useful to us sometime very soon, and we even bookmark it. However, if you are anything like me, you probably bookmark several new sites every day, so when it comes to finding a specific one, it is not always easy.

How much easier would it be to buy the product there and then, especially if the price is at a level that really doesn't require a great deal of thought?

E-books

Selling and promoting e-book is a staple of the online marketing industry, and it is probably fair to say that a significant percentage of

people who have ever spent money online have probably bought an e-book or two at some time in their life.

Consequently, selling an e-book as your low ticket item has the immediate advantage that almost everyone who you will be trying to sell it to immediately knows what it is beforehand. They therefore have a fairly good idea of what to expect and are probably relatively comfortable with the idea of spending money online for an e-book (an e-book like this, for example!).

Generally speaking, the only significant difference between a special report and an e-book is that the latter tends to be a least a couple of times longer than a short report and it will generally be more thoroughly researched as well. Traditionally, e-books would be expected to sell for a higher price than would a special report, but in the current marketplace, the asking price for e-books is falling fairly steadily.

In fact, it is now relatively common to see e-books priced at the level that you would have expected a special report to be priced at a year or two ago. Nowadays, it is relatively common to see e-books available for \$27, whereas \$47 was a more common pricing point a couple of years ago.

Nevertheless, despite the fall in prices, it is still an attractive option to create your own e-book to sell as your low-priced product.

Yes, you do have to do a little more research than you would do for a special report, but you still enjoy the power of leverage in that you only need to create your e-book one time after which you can sell hundreds or even thousands of copies.

The secret to successfully writing, promoting and selling your own e-book is to make what you do different to what your direct competitors are doing. More importantly still, make sure that your product is noticeably better than theirs by studying them thoroughly, analyzing both their strengths and weaknesses.

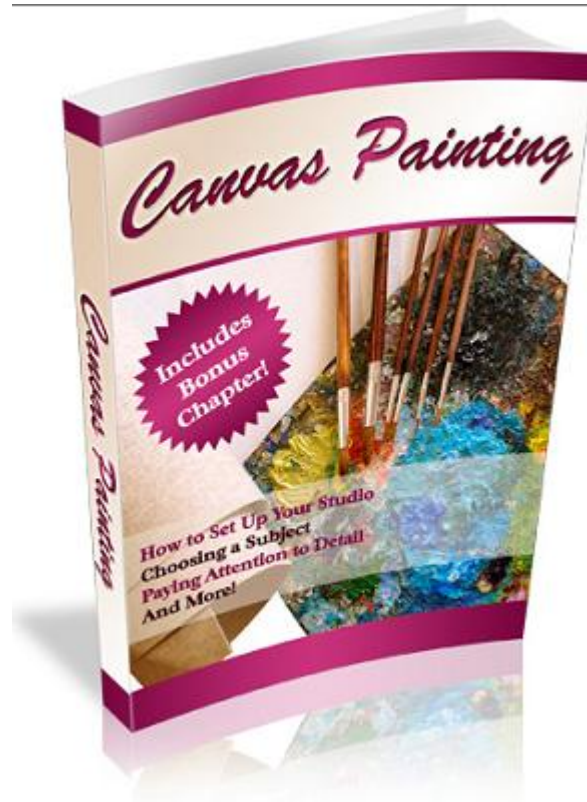
In the areas where your competitors are strong, make sure that your product is equally strong. However, in the areas where they are weak, you can give yourself a significant advantage by making sure that your product does not fall down in the same way as theirs does.

Presentation is also important.

It is for this reason that many online marketing experts recommend that you should be willing to spend money to make sure that the graphics on your sales page are as attractive as possible.

For example, my own testing results clearly indicate that a sales letter that features an attractive, professional looking graphic of the e-book

'cover' (which does not of course actually exist in reality) makes a huge difference to the number of visitors who will buy from that page:



The important point to understand is that the obvious quality of the sales page implies that the product being promoted from that page is of an equally high quality. It is presentation that forms the most effective way of convincing the visitor that your product represents excellent value for money, so you should not underestimate the importance of it.

Video materials

Perhaps the biggest online marketing success story of the past couple of years has been the boom in video marketing materials that have become available. With almost any digital camera having the ability to shoot a short video and even mobile phones that can do the same, there really is no reason why anyone cannot make video materials that they can supply to their customers at a very low price.

Because video is rapidly taking over from TV as the preferred choice of entertainment medium for the internet generation, it has become more common and more acceptable for serious information to be disseminated using video materials. Whereas a year or two ago, video was all about kids and teenagers goofing off in public on YouTube, it is

now taken so seriously that some fully accredited universities use video materials as an integral part of their training and testing resources.

The beauty of using video to create a low-priced product is that it is far easier to do than you might initially imagine, and the chances are that you need no special equipment or software to do the job.

For example, if you plan on creating a 'how to' information product, something that can be demonstrated and mapped out on a whiteboard, there is no reason whatsoever why you could not video the whiteboard 'action' before editing it using Windows Movie Maker which is found on any machine running Windows XP or Vista (or there is free editing software available [here](#) or [here](#)).

After this, you have a choice of whether you want to make your video materials available to your customers in the form of downloadable or streaming video which your customer can access on your web hosts server.

If you do this, you need to make sure that your web hosts are happy with this and that the download or streaming speed is acceptable, because there is nothing more frustrating than video materials that you cannot get to download or stream properly.

Even with this potential problem dealt with, there is another possible difficulty because downloading huge files or streaming video almost always fails without a high speed internet connection.

And whilst the majority of internet users in developed countries are already using high-speed connections, there are many millions of people in other parts of the world who are not. Assuming that one of the major advantages of selling digital products is that anyone with an internet connection can access them, you may have to be very careful offering video materials in this way.

However, there is a very simple and attractive alternative.

A site like [Kunaki.com](#) will enable you to create hardcopy CDs or DVDs of your materials for only \$1.75 a copy. Thus, there is absolutely no reason why you cannot supply hard copies of your materials to your customers instead of or as well as downloadable or streaming copies.

There is another advantage to doing this.

Tangible, physical products are generally considered to have more value than digital products, and there is little doubt that most people (presumably including your customers) love to receive physical goods through the post.

Consequently, making hard copy CDs or DVDs in this way would be a very easy and highly effective way of differentiating your business from everyone else in your market.

At the same time, given that each individual copy is relatively cheap, you would still be able to supply these products at bargain prices whilst at the same time knowing that there is a considerably higher perceived value attached to a physical CD or DVD than there ever would be if the only option was a digital download or a streaming video.

Other low cost product ideas

As I suggested earlier, as an original product creator, you have the right to do whatever you want with any product you produce. There is therefore no limit on what you can use as a low-priced product.

However, the following list might give you a few more ideas in addition to those that we have already considered.

In no particular order, any or all of the following can be used as low-priced products to build your business:

- Graphics;
- Software;
- Paid for newsletter;
- A 'valuable resources' document that lists free online tools, suppliers, drop shippers etc;
- Audio materials;
- Recorded interviews and/or transcripts;
- Case studies;
- Templates or themes;
- Swipe files or spreadsheets with data;
- A short private consultation.

Remember that in each of these different scenarios, the low-priced product that you are supplying your customer with at a bargain price is a 'sprat to catch a mackerel', the small bait that is designed to land the more profitable business.

In every situation, you must therefore have a clear objective in mind when supplying the lower priced front end product, even if you do not have a ready-made 'back-up' product that is more expensive.

For example, if you were to supply graphics, you might do so on the basis of trying to land a bespoke web site design contract. In this case, you would not have a ready-made product to supply to the customer as

an immediate back-end sale, but you should have pricing materials that you can supply or use as the basis of contract negotiations.

In a similar way, if you were to supply a short private consultation as a low-priced 'foot in the door' product, you would presumably be doing so as a way of proving the breadth and depth of your knowledge and skills. In other words, you would provide a short consultation where you proved that it would be money well spent for the customer to consult with you on a more detailed (i.e. more expensive) basis.

Again, you would not be in a position to have a ready-made upsell product, but you should have everything available to take this further as soon as the customer is in a position to do so (which just might be immediately!).

Thus, the only thing that really limits what you can supply to a customer as a low-priced introductory product is your own imagination, talents and skills.

There is absolutely no reason why the low-priced product that you use to introduce your business to your customer has to be something like a special report, an e-book or video materials.

However, if you do want to move beyond these parameters, you will need to apply some thought to how you can most effectively take advantage of your efforts, skills and abilities.

Creating a low priced information product

The creation process in a nutshell...

In the world of online marketing, perhaps the most common low-priced product format is the special report, a 15-20 page report that is short on 'fluff' and long on research, detail and information.

Of course, the product that you produce should be based upon your own abilities and the market sector that you wish to make a splash in. And as you have already seen, if you are more focused on using video materials in your business venue than on using written materials, there are plenty of online resources that you can use to help produce appropriate video products very cheaply.

However, for the rest of this report, I am going to assume that the low-priced product that you want to produce is going to be a special report that in some way promotes a more expensive product.

The first thing to mention is the fact that if you are creating a relatively short special report which is designed to act like a 'trailer' for your main product, you should not try to compress all of the information from your main product into that report. Whilst this may seem relatively obvious, it is nevertheless a mistake that marketers who have not used low-priced products in this way before commonly make.

Ignoring for a moment the impossibility of packing all of that information into 10 or 15 pages effectively, if you try to do so, you completely defeat the object of the operation. After all, why would anyone buy the more expensive product when you have already given them all the information that it contains at a fraction of the cost?

Having decided to create a special report, the next decision is to choose whether you are going to do the work yourself or whether you want to find someone else to do it for you. Perhaps surprisingly, finding other people who can write reports of this nature for you is remarkably simple, because there are plenty of sites through which freelance workers with almost every imaginable skill set under the sun offer their services for hire.

Once you have a specific description of what you want doing, you simply post your work on a site like Elance.com, Get-a-Freelancer or Script Lance to invite bids for the job that needs doing. Irrespective of which site you post the work on, you will receive quotations that vary by quite a considerable degree, whilst the cost of the work will also be affected by exactly how much input you need from the freelancer you employ.

For example, if they are expected to do some or all of the research, this will obviously push the cost up. Nevertheless, it should be possible to find someone who will write a 5000 word report for you for somewhere in the region of \$100.

However, do be aware that it is not necessarily always the best idea to go for the cheapest quotation purely because it undercuts everyone else. There is always a reason why someone is willing to bid lower than everyone else so you must at least make sure that you know what the reason is.

Armed with this knowledge, if you are still satisfied that this person can do a good job for you, then by all means use them, but do not fall into the trap of automatically choosing the cheapest bid.

If you are using a freelancer, it should be obvious that you must read every word that they have written, and that if significant additional work is needed to bring the document up to scratch, you must ensure that you give them very specific instructions about what you want. Indeed, it is even more efficient if you give them very specific instructions about what you want before they start to work because the more accurate you can be with them, the more likely it is that they will get the job right first time.

The bottom line is, when the special report that you have either written yourself or had written for you is released, it will have your name on it and it will carry your reputation with it. It is therefore of paramount importance that you make sure that it is truly representative of the quality of your business.

Remember that if your customer is not suitably impressed with your special report, it naturally becomes less likely that they will spend money on your more expensive product.

Given that this is the whole reason for this operation, you must be completely certain that your special report does its job. Ask other people who are not directly concerned or involved in your business to read it, and get their honest opinions. Based on what you have written, would they be genuinely interested in knowing more, and if they were, would they consider spending money to do so?

Asking other people in this way is an excellent way of getting an unbiased objective view of how effective your report is. Bearing in mind that if it is not effective, you are giving money away, it is something well worth doing.

To sell, you need a sales letter...

Even though you are selling a low-priced product, you nevertheless have to create a 'full blown' sales letter in exactly the same way as you would if you were selling a \$2000 product.

In essence, you have to apply all of the same techniques, tactics and ideas to creating a sale that are for a \$7 product as you would to sales letter for a product that sells for 100 or even 1000 times this amount of money!

For sure, it is likely that a visitor to a sales letter page for a \$7 product is far less likely to be overly critical about the content of that page, nor are they likely to be as nervous about spending \$7 as they might be about shelling out \$97 or \$997.

It might therefore be reasonable to suggest that your sales letter for a low end product can get away with being marginally less persuasive than one for a considerably more expensive product. Nevertheless, there must be a powerful sales letter that persuades the site visitor that what you are offering justifies the amount of money you are asking for.

Once again, you are faced with a choice. Creating effective sales letters is by no means easy – if it were, the top sales letter copywriters would not be able to command six-figure sums for every sales letter they create.

Hence, you may not feel comfortable with the idea of creating the sales letter yourself. In this case, you can go back to any of the freelancing sites that we looked at earlier to find a suitably qualified professional who will do the job for you, although if you do this, you should expect to spend several hundred dollars on quality sales letter copy.

But, let's imagine that you're going to create your sales copy yourself. How do you go about doing so?

There are two things that you must do before you start to create your sales that are, or write the copy for the page.

Firstly, you must research your market, so that you know exactly what the special report that you're presenting to your customers through your sales letter can actually do for them. You must have all of the facts, information and details at your fingertips before you even begin to create your sales letter.

Secondly, armed with information and details from your research, you have to apply what you have learned to answer the number one, most critical question that every visitor to your sales letter will ask themselves. Unless you're giving something away completely free

(which you are not), every individual who is considering whether to spend money on a product or service makes a value judgment.

And when it comes to making this value judgment in terms of buying information on the internet, every single visitor to your site is asking themselves 'what's in it for me?' They are not in the least bit interested in all of the super high-tech gizmos that you might be offering, or the fact that you have bang-up-to-the-minute flash videos adorning your site.

All they are interested in is, how does your product or service benefit their life? They are not interested whether your widget is blue, green or psychedelic pink – all they want to know is, how will their existence be improved if they buy your widgets.

This is therefore the question that your sales letter page has to answer. You have to tell the customer that almost despite the fact that you're promoting a lower price product, there are significant benefits that they will enjoy from getting hold of their copy.

Do not say things on your sales at the page that are not true, and be wary of over exaggerating the benefits of your product. At the same time, this is called a sales letter for the very good reason that it is designed to sell your product or service. A certain degree of hype and a strong sales pitch are therefore perfectly acceptable, indeed, they are most likely expected!

The single most important part of your sales letter is the main headline at the top of the page. However, one mistake to avoid when creating your main headline is to try to sell the product or service from that headline.

Perhaps this sounds a little counterintuitive, but if you listen to any copywriting expert, they will tell you that the purpose of the main headline and also the sub-headlines underneath it is to do nothing more than to keep the visitor reading.

In the main headline of the page, make certain that you include one of the primary benefits of downloading your report, and try to keep the number of words to less than 12 if possible.

Also, it is generally considered best if your main headline appears as an inverted triangle, simply because it is more aesthetically pleasing, something like this:

Need \$5000 Extra Cash This Month?
Here's how it's done...

Note that in this example, each of the sentences is on a different line and every individual word is capitalized. You might be tempted to drop the word 'Month?' to the second line because that would make the 'inverted triangle' a little neater, but it is more important to have each sentence or phrase on a different line if at all possible.

You can then do the same with your sub-headline, although if you are using red type for your main headline, you should avoid doing so for the sub-headline because that would be too much.

In effect, your sales page has to have a top to bottom flow, with each individual section of the page being designed to push the visitor to read the next section.

At the same time, you're also trying to build the momentum of your sales message as you go along as well, so that by the time the visitor arrives at the 'Buy Now' button, you have already answered the 'What's in it for me?' question many times over and in many different ways.

As suggested earlier, writing your own super effective sales copy is not easy. On the other hand, it does not have to be particularly difficult either, because there is very quick and easy way of discovering sales copy that works which you can then 'duplicate' in your own efforts.

The largest repository of digital information products on the internet can be found at Clickbank.com where there are over 10,000 products listed at any given time. Some of these products have sold in their thousands, which tells you something but perhaps not what you think.

The fact that a Clickbank product is selling well tells you nothing whatsoever about the quality or value of that product. However, what it does indicate is that the sales letter is doing an extremely good job. Consequently, all you need to do is find the products that are selling best because they are the ones with the most persuasive sales letter.

As always, there is no point at all in attempting to re-invent the wheel. But, if you are going to copy or duplicate other people's efforts, it makes a great deal of sense to copy that which is most effective.

Open the Clickbank 'Marketplace' page, type a word or phrase into the 'Keywords' box and click the 'Go' button:

Search the ClickBank Marketplace

Category: <input type="text" value="All Categories"/>	Subcat: <input type="text" value="All Sub-Categories"/>
Keywords: <input type="text" value="weight loss"/>	Sort by: <input type="text" value="Popularity"/>
Product Type: <input type="text" value="All Products"/>	Language: <input type="text" value="All"/>
Show: <input type="text" value="10"/> results per page <input type="button" value="Go"/> <input type="button" value="Reset"/>	

Alternatively, click the drop down 'Categories' menu and then do the same:

Search the ClickBank

Category: <input type="text" value="All Categories"/>	
Keywords: <input type="text" value="weight loss"/>	
Product Type: <input type="text" value="All Products"/>	
Show: <input type="text" value="10"/> results per page <input type="button" value="Go"/> <input type="button" value="Reset"/>	

All Categories
 Business to Business
 Health & Fitness
 Home & Family
 Computing & Internet
 Money & Employment
 Marketing & Ads
 Fun & Entertainment
 Sports & Recreation
 Society & Culture

Use the ClickBank keyword search "view pitch page" and the product to view

Whichever way you do it, the result will be broadly the same. In either case, you will be presented with the most effective sales pages at the top of the results list, so all you need to do is check out a few of these sales letters to see what it is that is making people buy from this page:

Search the ClickBank

Category:

Keywords:

Product Type:

Show: results per page

- 1) [New** Day Trading Robot](#). Watch The Video. Enuff Said...
 \$/sale: \$101.05 | Future \$: - | Total \$/sale: \$101.05 | %/sale: 75.0% | %refd: 71.0% | grav: 492.14
[view pitch page](#) | [create hoplink](#)
- 2) [InternetWealth.com - How To Make Money Every Day!](#) Secret System To Generate Massive Internet
 75% Commissions - Free Affiliate Training Worth \$497 - Sign Up www.InternetWealth.com/wealth.
 \$/sale: \$68.80 | Future \$: - | Total \$/sale: \$68.80 | %/sale: 71.0% | %refd: 68.0% | grav: 166.49
[view pitch page](#) | [create hoplink](#)
- 3) [PPC Web Spy - New Generation Of Keyword Research!](#) Uncover All Of Your Competitions Adwords K
 Real-time... And Much More! Huge Affiliate Payout! Recent Affiliate Made \$5,000+ With A Single Promo
[Http://www.ppcwebspy.com/affiliate.php](http://www.ppcwebspy.com/affiliate.php).
 \$/sale: \$50.56 | Future \$: - | Total \$/sale: \$50.56 | %/sale: 65.0% | %refd: 87.0% | grav: 282.52
[view pitch page](#) | [create hoplink](#)
- 4) [Converting At 1 In 14 Hops \\$1.37 Epc To Affiliates - Must See!!!](#) Sales Copy By Top Copywriter In
 Promote This Site And Earn More Guaranteed! [Makemoneytakingnsurveys.org/affiliates.php](http://makemoneytakingnsurveys.org/affiliates.php)

Of course, you cannot copy other people's sales copy word for word, because that is plagiarism which is illegal. However, there is known rule that says you cannot take other people's best ideas, rewrite them in your own words and then use them for your own sales letter.

In this way, you can shortcut the whole sales letter copywriting process, confident in the knowledge that you are basing your sales letter on copy that obviously works.

Once you have your copy written, the next step is the mechanics of creating your sales letter page. Of course, if you have appropriate HTML skills, you can do this yourself. However, as there are at least a couple of free sales letter creation programs that I am aware of, it would make sense to at least take a look at these alternatives before deciding whether you want to take the time and make the effort to do the job yourself from scratch:

<http://www.pagegorilla.com/>

<http://www.download3k.com/Web-Authoring/Site-Management/Download-Sales-Page-Generator.html>

You might also want to search Google using a phrase like 'sales page generator' to see whether there are any other programs which are suitable for your own requirements.

Pricing your product

I have already suggested several important considerations that you must take into account when deciding upon a suitable price for your low-priced product.

For example, you have to know what competition there is in the marketplace in which you are going to operate, and how much those competitors are currently charging for their product.

What this should immediately indicate is that there is no hard and fast rule for 'pitching' the price of your product at exactly the right level. What is going to work best in your marketplace or industry is going to be dictated by many different factors such as competition, general market pricing, how unique or at least unusual your product is and so on.

In practical terms, you are therefore going to have to be willing to take something of a gamble when you first launch your product. Although you can do plenty of research to establish the kind of price you should be charging for it, it is impossible to target an exact price which is perfect. There is no such thing as perfect pricing hence, there is an element of chance or risk.

Nevertheless, there are two facts that are to be taken into account when you are positioning your product price.

The first is that you should price your product or service as cheaply as possible. Given all the reasons why you would create a cheaper product that you have already read off, it should be clear that the lower your price is, the more effective your marketing campaign is likely to be as well.

On the other hand, there is the risk of devaluing your product if you pitch the price too low. For proof of this, you need look no further than the fact that many leading online marketers do not release free products because they have learned through personal experience that for most net users, free equates to no value.

Whilst you could debunk this theory with little more than a few seconds of thought, the fact is that this is how a large majority of net users think. By extension, if your product is too cheap, people are automatically going to assume that it has no value too.

Another disadvantage of offering something for free is that you build no customer or brand loyalty. For instance, there are many organizations that provide excellent services for free (see the free sales page creators as examples) that people will use without ever considering their

whether there is any value in making a commercial commitment that company.

There are many online resources that offer two levels of 'service', a free 'loss leader' and a paid upgrade service which offers a far greater range of benefits and advantages. Nevertheless, many people who have tried the free version will never move to the upgraded version because they do not appreciate the extra added value inherent in doing so.

It is an unfortunate fact that most customers do not take something seriously unless they pay what they believe to be a reasonable amount of money for it. Hence, you have to charge your customers a reasonable amount of money, even though you are trying to 'give' the product to them as cheaply as you can.

The fact is, cheaper is not always better, and therefore what you have to do is try to find a suitable 'middle ground' price where you are offering excellent value at a reasonable price (as you would see it) that is also a price that tells your customer that there is value in the products they are buying.

You might also need to factor in brand or name awareness. If for example you have already launched a tranche of low-priced products and have acquired a reputation for high quality, low cost products while doing so, many of your customers might expect to pay a little more for your latest offering. Don't disappoint them – increase the price by a dollar or two as a way of increasing the perceived value of your new product.

With all of these things said, there are some general guidelines that you can use to establish an initial idea of the kind of price that you should be charging that will be sufficiently high to indicate value, but low enough to attract custom.

A short special report of the kind that you have just created would normally retail for somewhere in the region of \$5-\$15, with many marketers pitching in at \$7. Remember that even if you are pricing nearer the top end of the scale rather than the bottom, it is not the length of the report that is important but the information that it contains.

10 pages for \$15 is perfectly acceptable as long as those 10 pages are full of exactly the kind of information people in your marketplace want or need.

If you were to write something a little longer, say an e-book that ranges from 40 to 100 pages, you should expect to charge somewhere in a price band of between \$17 and \$47. Again, bear in mind what I said at the very beginning about prices falling in the current economic climate,

so use these figures as a general guideline, but do not be scared of going cheaper if that is the way the market has gone by the time you read this report.

In a similar manner, a short video course should sell for approximately the same price, because unlike a couple of years ago, videos no longer have a higher intrinsic value than do written materials.

So, use these pricing guidelines if they match the product that you have produced, but also bear in mind that undercutting your competition by a small amount is often a very smart decision.

As long as you do not pitch your product price at such a ludicrously low level that you immediately devalue it, giving yourself a slight competitive edge in pricing terms is not necessarily a bad thing.

Conclusion

As you have read in this report, there are many different ways that you can use low-priced products as a way of building your business for the longer term. It is also possible to use low-priced products as a 'hedge' against a deteriorating global economic picture that is inevitably going to impact online business in one way or another at some point, if it has not already done so.

If you are anything like me, you're probably a person who reads many new books and special reports, watches videos and listens to lots of audio materials.

If you have done so, you will undoubtedly have heard the view expressed that the only way to make significant money on the internet is to sell high ticket products, and at some point in your online business development, I have no doubt that this may become applicable.

However, for the majority of online marketers, the concept of selling a \$2000-\$5000 product is pie in the sky, something that they would love to do which they nevertheless understand is not realistically going to happen just yet.

Getting to the point where that might be possible is a step by step process, and there is no reason whatsoever why the first step of this process could not be launching a low-priced product as a way of expanding your mailing list, attracting new customers and getting your name better known in your market sector or niche.

Furthermore, as emphasized on many occasions in this book, with a low-priced product sale in the bag and the proceeds in the bank, you will naturally move on to bigger and better things anyway.

This should not however necessarily mean that you completely abandon the concept of selling low-priced products, because you should as far as possible have a business that offers something which appeals to every level of the market in which you are operating.

Continuing to sell low-priced products which can attract new visitors and customers whilst also promoting more expensive products from which you actually make a reasonable income represents a sensible, financially astute business strategy, one that you could certainly adopt and profit from.

The bottom line is, selling low-priced products can make you a lot of money although each initial sale is going to make just a few dollars a time. Nevertheless, low-priced products are the key that opens the door to greater profitability and ultimate online business success.

Consequently, if you have never considered selling low-priced products before, there has never been a better time to do so now...