

Have you've ever wondered how much should you ask?

**“FREE REPORT: How To Price And Squeeze The Maximum Profit From
Your Ebook / Course Or Membership Site.**

**PLUS: Why Websites Like Udemy Are Revolutionizing The Way People Buy Educational
Materials Online And How You Can Use This To Your Advantage.**

Inside, you're going to discover:

- ★ Why people buy \$700 smartphones and what you can learn from this (value perception).
- ★ The #1 reason why you'll shoot yourself in the leg by selling a very cheap product.
- ★ Why so called gurus package small courses on 15 - 20 - 30 DVDs (is bigger, better?).
- ★ Why you should raise your prices until profits starts to drop (margins and mark-ups).
- ★ BONUS: The evolution of online education and why sites like Udemy are the next step.

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Dear friend,

Hi.

My name is Razvan. And since I've first discovered Internet Marketing in 2008, I've always asked myself the same question ...

How much should I price my products or services ... in such a manner that I'm getting every client out there (even at a loss) ... but still squeeze every bit profit that I am capable of?

Where is that sweet spot ... so I'm not leaving any money on the table ... but in the same time, I'm appealing to the masses.

Well, to save you the anticipation, I've never fully discovered it. I wish there was a formula, a slider you can move where you can see how many people will buy at any given price.

And theoretically, the more you move it towards zero, the more would buy. But this is hardly true. There isn't a true correlation between sales and price. Let me give you an example.

How A Mistake Made Her More Money ...

In his amazing book Influence, Robert Cialdini, explained how a woman owned a jewelry shop and sales were slow. In an desperate effort to increase them and get rid of her stock, she decided to cut prices of all products dramatically.

However, in a twist of fate, the prices were increased, not dropped and were far more expensive than before. When she returned from vacation, virtually all of her products were sold. The moment she increased price, the products became far more valuable in the eyes of the customers and she sold every single one of them.

To put it clearly, she was unable to sell them because they seemed too cheap for what they offered. So yes, price can work against you sometimes and at least in our perception, more expensive is better.

Let's take the iPhone. This is a great phone. I own one. However, it is not the best and it carries a premium price. There are better and just as stable phones at half the price of an iPhone.

Yet, it is one of the best sold phones in the world. Why? Because iPhone = Quality.

And this is the theory of value perception.

There is a difference between value and perceived value. There is a major difference between how good you consider your product to be and how good your prospect considers it.

It Is Not About How You See It, But Your Prospect

You maybe invested 150 hours to write your eBook and spent \$2000 to get everything done. This means that your product is very valuable, at least from the point of view of effort invested. But your prospect only cares if it is a bargain for what it is offering or not.

As a copywriter, I know a fact. There isn't a huge difference between a \$1000/copy copywriter and a \$5000 one. The copy is not ten times better. It is maybe 20 - 30% better. It enters the area of marginal returns. Yet, there are \$5000, \$10000 and even \$20000 copywriters.

And they get paid this sums of money. Will a copywriter that charges \$20000 increase conversion 20 times compared to one that asks for \$1000? No. Not by a far shot.

Is a course sold for \$1000 ten times better than one sold for \$100?

No, from both my personal experience in investing my education and no. It is only marginally better. Just as a \$250,000 car is not 25 times faster or better than a \$10,000 car.

What is my point here?

While more expensive generally means better, the “better” factor is never directly linked to the price. The difference between a \$100 and a \$500 product may be 25% in quality, not 500%.

So when you are buying a \$500 infoproduct, don't expect a 10x increase compared to a \$50 one. Yet, how can this help you price your products?

It is simple. In Internet Marketing, there may not be a direct link between quality and price but there is one between size and price.

Bigger Size = Higher Price

This means that the bigger your product is, the more you can charge for it. Even if you could summarize the entire system in 15 pages, bigger still means better.

How do I know that? My own products, other people's products and my own purchases.

Asking \$1500 for a 15 PDF file is marketing suicide unless that file contains the proven secret to life. Yet, asking \$1500 for a 30 DVD course that can be summarized in a 30 page cheat sheet is actually within boundaries.

So if you want to ask more, make your product bigger. I know that everything in life, ranging from self-improvement to Six Sigma can be summarized on a simple napkin. I know that bigger is not necessary better. Yet, if you want to increase customer value perception, go big.

If you have an audio course, a normal DVD can hold around 4.4 GB of data. This means around 4400 minutes of audio at 128kb/sec = 73 hours. Will you ever see a 73 hour course on a single DVD?

Hell no. You'll get 73 different DVDs, one hour each. Why? Value perception.

The same can be said about seminars. You can put a lot of video, as long as it is not HD, on a single DVD. Yet, one DVD = one hour or module. It is the rule. It is easier to ask \$997 when you send 15 DVDs compared to only one or two.

Value perception is not limited to size. It also covers esthetics. A nice cover, good formatting and anything that screams high value can command a higher price. I know that from a practical POV, the info can be written in a simple text document as long as it is useful but this works.

Finally, you can increase value perception by artificially increasing package size with different formats. Let's say that you have an 90 page eBook on a given topic. For such a product, you can command no more than \$29 before you lose sales.

How can you get this to \$49.97?

Well, you can pay someone to do a voice-over and create an audiobook from it.

You can create cheatsheets containing the main ideas from the eBook. Use your outline when you've created the product to get this done quick.

Once the audiobook is done, you can offer it in MP3 and M4A format (compatible with iPhones and iPods). You can even create a power-point presentation and transform everything in video using programs like Camtasia. This adds to value perception too and once your main eBook is done, getting everything else done is easy, both from a time and costs point of view.

Simple Pricing Strategy

So how much should you price your product though?

I use a simple system. There are several tiers of prices.

These are:

0 - 9.97

9.97 - 19.97

19.97 - 49.97

49.97 - 99.97

99.97 - \$299.97

\$299.97+

The psychology here is simple. I always aim to maximize at this range. So if I have a very small product instead of selling it for \$5.97, I sell it for \$9.97. If I have a \$25 product, I aim to sell it at \$49.97. This is not a fixed science but for me at least, these are the psychological margins to pushing a product's price up.

But in practice, you need to test.

Always test different price points. If you have a \$30 product and you decrease the price at \$20, you may sell three times as more and then actually make more money. But in the same time, you may have a \$30 product, raise it at \$30 and keep the same conversion or at least increase it.

So every month, test if possible a 25% variation up and down. This means that if your product sells for \$100, test to see if it sells better for \$75 and then for \$125. Test with at least 1000 unique visitors for each offer and see what happens.

Udemy - The New Perfect Medium For Marketing Information Products

Finally, I want to talk to you about Udemy. This is a service that I've discovered only a few weeks ago and I love it. I've already bought two courses from it.

You see, I like to educate myself. While I've never bought an WSO, I've invested in over 150 books on Amazon, around 50 books in paperback form and a few hundred dollars in different courses.

Udemy is better because it provides you with an actual step-by-step program that contains audio, video and supporting materials at a smaller price than what these products usually sell for. I've found amazing courses there for \$19 (discounted from \$99 or \$197) that are as valuable as \$497 products sold elsewhere.

And since it is an organized platform for learning, it is far easier to consume than buying PDFs or video courses. The only downside is that you don't actually own the files. You gain access to them. You can download them to your phone but you still need to use their platforms to access them.

So if you haven't used Udemy so far for marketing your products, please do so. Go there and check out the format employed. It may be the best thing that ever happened to online marketers.

Ending

I hope that you've found this report useful. Please take the time to write down three ideas from this report and then transform them into practical steps you can take in your own business. Just reading it won't help you. Knowledge is not power. Knowledge applied in definite plans of actions is.

If you want to contact me, you can do so by email at razvan.rogoz@gmail.com or on Skype at Razvan.Rogoz. As far as sharing this report to your list, you can not do that but you can

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contact me for other materials that you can share and offer value to your subscribers (all originals, all my own, ranging from 5 to 50 pages).

Best regards,
Razvan Rogoz