

# Prices Down The Drain: Protecting Your Reprint Rights Income

By Andrew Peacock

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Prices Down The Drain: Protecting Your Reprint Rights Income <http://www.reseller-rights.com>

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Regards,  
Andy Peacock  
<http://www.reseller-rights.com>

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## PRICES DOWN THE DRAIN: PROTECTING YOUR REPRINT RIGHTS INCOME

Have you ever been in the situation where you are trying to sell a product at one price, and everyone else is giving the same product away?

If you've been in the reprint rights business for any length of time, then this has probably happened to you at some point. But the question is: how can you spot this before it happens? And what can you do to avoid it? Before I answer those questions, I'll write a little bit more about what happens.

If you follow the price of a particular ebook that comes with reprint rights, you might notice that when it is first released,

it sells at the recommend price (let's say \$40). However, as more and more people becomes resellers, some of them start selling at a lower price. And the price keeps on getting lower, until eventually, some of them end up as one or more of the following the following:

== a free bonus from a website

== as a free reward for subscribing to someone's newsletter

== as just another book in a "bundled packages"

== all of the above

The bundled packages mentioned above contain a large number of ebooks for a low price, and represent an attractive offer to people who are new to the reprint rights concept.

However, the new potential reseller does not realise that the book is often in these packages \*due to the very fact\* that it can't be sold for the price quoted. The new reseller then tries to sell the ebook at \$40, only to realise that everyone else is giving it away.

And if he or she is unlucky, every product in the package may have the same problem...

## BUT WHAT CAUSES THIS SITUATION?

There are a number of key factors:

== The author does not impose a limit on the price at which resellers can sell at.

== The product comes with full master reprint rights included.

== Customisation rights are most likely either not available, or come with the product, or are \*very\* cheap.

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Note: Additionally, the author may or may not allow the product to be bundled with other items. If they do, the product will \*certainly\* appear in the bundled packages; if they don't it will be offered only as a free download or bonus for subscribing to newsletters.  
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Then, once these factors are in place, the following happens:

First, the author get an initial surge of income from the sale of the book, as they are the only person supplying it, and so if someone wants the book, they \*must\* purchase it from the author.

Next, those first resellers start to sell it at the recommended price. Some of them (the more experienced ones) will make money, as they are experienced at marketing, and at writing effective email advertisements and web sales pages. They will also have a list of people who are interested in what the reseller has to say and what they have to offer.

However, those resellers who are not experienced will find it difficult to sell, since they have no mailing list (or low numbers of subscribers), an inability to write effective advertisements or email announcements, and they may be trying to market the product to the wrong audience and/or using ineffective methods.

So, once the inexperience resellers realise that as the price is not fixed, they assume that they can lower it and make more sales. After all, if everyone else is selling the ebook at \$40, and they are selling at \$30, they'll get the sale. Won't they?

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Little do they realise that they might get more sales, but they do so at a lower profit, so they may end up making less money than if they had stuck at it and sold at the recommended price with better marketing to the right audience.

It sounds better to make 15 sales instead of 10.  
But is it better to make 10 sales at \$40 each,  
or 15 at \$20 each?

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Back to our story....

Other resellers see the price drop, and lower their price to match it or beat it. Still more resellers see this new price, and drop their price, until eventually, the product is being given away in the ways listed at the top of this page.

At some point in this process, the book will also become part of all the "pay \$40 and get 200 ebooks with reprint rights" type of sites, which decreases the value again. Potential customers see the book on it's own at, say \$30, and the book bundled with 10 others for only \$40, so which would they take?

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You can witness this in action with the Gary Shawkey's Secrets ebook, which you can find at <http://www.reseller-rights.com/catalogue/gssecrets>

At the time I wrote this article (June 2002), the ebook has only been released about a month ago, and many sites are still selling it at the recommend price. However, the authors have allowed people to sell it or give it away free. As such, I can search the web and get prices ranging from the recommended price all the way down to zero, as people compete for the sale.

The authors have also said that you can include the ebook in with other products, so it has started to appear in the "bundled packages" mentioned above.

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Does this effect the author's profit?

Not at all, since the core component of resell rights products is that once the author makes the initial sales, they don't see any more direct income from that ebook - when the reseller sells it, the reseller keeps 100% of the income (unlike an affiliate program where the author still takes a large percentage). It doesn't matter in this case whether the book is being given away to subscribers, sold for the recommended price, or sold for \$1,000,000 per copy, the author still sees their income drop away.

However, there are two things that happen here:

== If the ebook cannot be customised, that means it will typically be loaded with links to the authors' products and sites, or to their affiliate links.

So, as the price drops, the book gets spread around even faster, and the authors get more income through back-end sales.

== If the ebook can be customised, the author will typically see the immediate sales drop off, but will see back-end sales increase (from those resellers who promote the ebook without purchasing or using the customisation rights), and also their income from the sales of customisation rights will start to roll in.

Now, I'm not saying that this was the intention of the authors of Gary Shawkey's Secrets when they started selling the ebook, but it certainly seems to be the effect.

So, watch out for this in products that you are interest in.

## A WORD OF WARNING TO PURCHASERS OF REPRINT RIGHTS PRODUCTS

If the price that resellers can sell at is not fixed, be careful.

If the product can be included with other products, be careful.

If you cannot customise the ebook, be careful

If the price that resellers can sell at is not fixed, AND the product can be included with other products, AND you cannot customise it, be *\*very\** careful.

If you are not careful, you could pay good money for something which is next to worthless within a month. OK, you still could get something from the information within the ebook, but don't expect a huge amount of income from it.

## A REQUEST TO AUTHORS OF REPRINT RIGHTS PRODUCTS

If your product is NOT free to download, and you DO charge for customisation rights or reprint rights, please, *\*don't allow your product to be bundled with others\**. If possible, ask your resellers to stick to a certain price. Help *\*your\** resellers protect *\*their\** income.

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