

# "Mastering the Pricing Game"

By Matt Lopilato

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Pricing is something that you hear little about when discussing marketing strategies but without question, it's the most important element of your whole marketing plan.

Proper pricing can make an 800% increase in sales, yet poor pricing can completely ruin an otherwise sound marketing campaign.

Let's take a look at what you need to do to have that perfect price for your product.

You need to determine which pricing strategy you plan on using. There are basically three categories.

- 1) Low initial price for your initial market penetration
- 2) Higher price for larger profit margins (this is when you are already established and have some brand recognition)
- 3) Extremely low ball pricing to eliminate any potential competition. (Just look at Walmart)

Now for illustration purposes, we will use category #1.

You have just completed a new ebook that's filled with top quality information, far more than your competition, and you have a few outstanding free bonuses thrown in as well.

Now you need to put a price tag on it that will guarantee you a quick surge of sales. What do we do?

Do we just look at what our competitors are selling theirs for? Yes we do...it's part of your marketing research.

Once we've established the competition's price level we need to determine how much lower can we offer this product to enter this market and...

- a) Still hit our profit margin...and
- b) Not price it so low that people become skeptical and don't buy it at all. This happens alot, especially on the Internet.

You need to walk that fine line between a great deal and a deal sounding way to good to be true.

Remember, we humans are suspicious characters. We always hesitate to trusting someone we don't know personally.

Here again, you must know your numbers:

- How much does it cost you to produce/deliver one item.
- What will be your net profit
- Is this satisfactory for you?
- How many sales have you estimated you will make.
- What is your projected income at this price level.
- Is this satisfactory for you?

And, last but not least, are you providing 150% of the value the customer paid for? If not, go back and make it a 150% valued product. This is the secret to keeping your customers and turning them into lifetime clients!

I want to share with you now a secret from the greatest marketing mind in the world today, Ted Nicholas.

When determining your price for any product or service, never have the price end in either a \*0\* or a \*1\*

And, do you know what the very best single digit is for any given price tag?

Any price ending in a \*7\*

For example, \$19.97, or \$29.97 and so on.

Ted has spend years and years testing and proving this to be a human psychological fact, so follow his lead.

A rule of thumb I use when determining price is I want

the potential customer to see just the free bonuses as worth the price tag alone. And now you throw in the actual product your selling and it becomes a no-brainer for them to purchase...again, perceived value is everything!

Good luck and best wishes for your success

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