

# Profitable Bonuses

**Everything You Need To Know About  
Using Bonuses To Increase Sales.**

**BY**

**Terry Gibbs**

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# Introduction

## *What Is A Bonus?*

A bonus is something given to a purchaser in addition to the primary product in order to increase sales, make the product more usable, lower buyer's resistance, raise the perceived value, or overcome faults in a product.

When used correctly, bonuses increase sales.

A bonus is giving a reward to someone for purchasing your product. This little "reward" can be the last compelling factor in getting the sale.

In this book you will learn:

- How to use bonus.
- Where to get bonuses if you don't want to (or can't) create them.
- Where to get inexpensive bonuses for use with your products.
- How to get others to create bonuses for you for free.
- How to create valuable and desirable yet inexpensive bonuses.
- How to select the best bonus for your product.
- How to position your bonus for maximum effect.
- The three things you must consider when selecting a bonus.
- 10 ways to create inexpensive or even free bonuses your clients will line up to get.
- Five places to find an inexpensive bonus.
- Three reasons other marketers will give you or even create a bonus for you, and how to use them to get great bonuses.
- How to use a bonus to lower returns.

## **The Purpose Of A Bonus**

There are many different reasons for using a bonus. Most of the time more than one factor will influence the bonus you select for your product.

Here is a short list of different reasons for using a bonus:

- Lower buyer resistance.
- Raise perceived value and expectations.
- Increase usability.
- Overcome product faults.
- Differentiate product.
- Move buyer to higher priced item.
- Force buyer to react now.
- Lower return rates.
- To get testimonials.

Below is a short explanation of each reason. Each of these reasons influences your prospect differently. These can and should be combined to make the most compelling argument for purchasing your product.

While you read through these reasons think about ways you can use bonuses in your marketing to increase your sales.

You want to position different bonuses in order to strike different buyer resistance points.

### ***Bonus Lowers Buyer's Resistance***

A common use for a bonus is to lower buyer resistance. If done correctly, a bonus increases the prospect's desire to purchase. The bonus provides an additional convincing element to entice the buyer to reach into his pocket and purchase something.

The bonus may be the small "shove" that helps push people over the edge. It may take your sales up a few points just because it is a more appealing offer.

### ***Bonus Raises Perceived Value and Expectations***

Offering a bonus is a great way to make prospective buyer feel they are getting more than what you are actually selling. A well selected bonus is a way to exceed buyer expectations before whatever you are selling has even been delivered.

Be it a product or a service, bonuses are a way to make the buyer feel they received more than their money's worth before even trying the product or service. This raises both the perceived and actual value of the product.

This means that the bonus either has to be an item that adds to the total monetary value of the product, or the bonus has to be something that people *perceive* as valuable based on their desires, regardless of the actual monetary value of the bonus.

Using a bonus that adds to the actual value is one strategy, but adding to the perceived value is actually the key. Perceived value is more important than actual value because buyers react to the perceived value not the cost.

### ***Bonus Increases Usability And/Or Overcomes Product Faults***

Bonuses can also be used to increase the usability of your product, to overcome faults in the product, or both. A perfect example of this is the stereo headphones I bought a few years ago. The headphones came with a four-foot cord, but a 20-foot cord was attached to the package as a bonus since the four-foot cord is too short to be of use.

Another example, in terms of information products, is my book on how to write an e-book. The book on writing ebooks comes packaged with a bonus book on how to sell an e-book, which is a complementary product that increases the usability of the primary item.

This works well because anyone who wants to write an ebook will also want to learn how to sell their completed ebook.

### ***Bonus Differentiates Product***

This is very widely seen in the cereal aisle at any grocery store. If you have ever watched a five year old pick out a breakfast cereal you have seen this in action. Kids do not select cereal based on the taste or nutritional value, they decide based on the toy packaged inside the box.

The headphones I mentioned earlier are another example. The extra cord packaged with the headphones increased the usability of the package and made that package stand out from the other headphones.

### ***Bonus Moves Buyer Into Higher Priced Item***

Bonuses are a great way to move a buyer from a lower priced package to a higher priced package. I don't sell packages so I will use one of my friends as an example.

Joe Polish teaches carpet cleaners how to market their services. He does this by selling memberships. A basic membership costs \$597. A gold membership costs \$797. The gold package contains everything in the basic package plus a \$200 video and a few extra bonuses like a longer subscription period.

By positioning the gold package like this, Joe is able to get 72 percent of his clients to buy the higher priced gold package. Joe's cost is only about 15 dollars for the additional bonuses.

### ***Bonus Introduces Take-Away Factor***

Introducing a take-away factor is another reason for using a bonus. A time-sensitive bonus is exactly that. The sales copy tells the prospect to respond now or you will not get this.

“Buy this before midnight April 1st and we will also give you this bonus.”

This take-away incentive lowers resistance by increasing the buyer's need to purchase now. Because the bonus is only available for a specified amount of time, you can force hesitant buyers to purchase.

This is a much underused way of positioning bonuses. When a buyer hesitates or defers the decision to purchase you risk losing sales. A time sensitive bonus forces buyers to react now.

Another way of positioning a bonus as a respond now or lose out motivator is with a limited number are available.

This is done with a statement like:

“The first 50 people purchasers will also get this bonus.”

Dr. Robert Cialdini, in his book Influence: Science and Practice, says studies have shown quantity limits work better than time limits. Cialdini calls this introducing scarcity.

### ***Bonuses Are Used To Lower Returns.***

There are ways to use a bonus to lower return rates. Bonuses that increase the perceived value and usability of the product will lower returns.

Additionally, a timed bonus can be an effective way to lower returns. To be effective the timed bonus must be a relevant bonus.

The way this works is you send the primary product and tell the buyer you will be sending additional material later. Because the buyer has to wait until the bonuses arrive to make a decision about returning the product, you will lower returns.

Using bonuses to lower returns will be explained in the How To Use A Bonus chapter.

For more information about lowering returns see my book “**Profitable Guarantees - Everything You Need To Know About Using Guarantees To Increase Sales And Lower Returns.**” In Profitable Guarantees you will learn 18 ways to lower return rates, and everything else you need to know about using guarantees to increase sales and profits. This book is include in the package you downloaded from:

<http://www.nalroo.com/fordad.php>

### ***Using Bonuses To Get Testimonials***

Offering a bonus in exchange for a testimonial is a great way to get testimonials. It is also a very effective way to lower returns. This type of bonus lowers returns because writing a testimonial forces the buyer to examine the benefits of the product.

When you use this type of bonus it cannot be something that would naturally fit within the product. If the bonus appears to be something withheld in order to get the testimonial, you will piss people off and raise your returns.

This should not be positioned like extortion. Also it usually works better as a surprise than when mentioned in the sales material.

One important note here. If you offer a bonus in exchange for a testimonial the FTC considers this a ***compensated testimonial***. This will require you to state adjacent to the testimonial that the testimonial was received in exchange for something of value. Rather than trading for a testimonial, I offer everyone who emails me a bonus, and ask for ***but do not require*** a testimonial. Most people who respond do write testimonials.

## Common Mistakes With Bonuses

### ***Wrong Bonus Cheapens Product***

Using the wrong bonus can cheapen the product in your buyer's eyes. This is a really common mistake, such as when somebody sells a really high-quality piece, like a jeweler selling a \$100 diamond tennis bracelet, and then uses a 20-cent necklace as his bonus giveaway.

When the buyer or prospect looks at the difference in quality between the actual piece that is being purchased and the bonus that is being offered, there is such a mismatch that it creates buyer resistance.

### ***Bonus Does Not Match Product***

Another common mistake is using a non-relevant bonus, or a bonus that does not match the product being sold. To be relevant, a bonus does not have to match the product exactly, but it at least has to match the selling points of the product being offered.

For example, *Sports Illustrated* offers a video of the best outtakes of basketball shots. While not necessarily related to the magazine, the bonus itself matches the buyer's interests and is desirable.

A good example of a non-relevant bonus is:

**“We will send you a box of chocolates if you buy this golf video tape.”**

Chocolate is completely unrelated to golf. A bonus of a few golf balls or a journal allowing the buyer to keep track of the his improvement would be more suited.

Actually the chocolate might work if it was positioned as a gift for the buyer's wife. Remember you want to position your bonuses so they compel your prospects to purchase.

I do not want to confuse you, but I do want you to start thinking about how bonuses are used, and what makes them effective. Too many marketers just throw bonuses onto the pile in thinking this is the way to increased sales.

Another common way that bonuses do not match the product is when the bonus quality is either higher or lower than the value of the primary product. This

is a very damaging mistake, because it causes increased returns. An example of including a bonus of lower quality is if you are selling an information product and you have a really nicely done package of materials, but then you throw in a bunch of photocopies that do not match the exterior appearance of the other materials. This introduces buyer's remorse and buyer's skepticism the moment they open the package.

An example of using a bonus of higher quality is, if your primary product is something printed at Kinko's and stapled together, including as a bonus a glossy paperback or trade paperback-sized book. The paperback, with illustrations and everything, will make your information product look downright shabby. So it is very important that everything the purchaser gets has a unique quality to it and gives the same message.

Think about this for a minute before you go on to the next section. I will explain this later in the *Selecting The Right Bonus* chapter.

Auto glass companies give away restaurant meals as bonuses for windshield replacements. A meal is obviously a non-relevant bonus, but it is a very effective bonus. Why is this such a good bonus?

### ***Too Many Bonuses Overwhelm The Buyer And Cheapen Product***

Using too many bonuses is also a mistake. Too many bonuses can overwhelm the buyer. While there is no fixed number of acceptable bonuses, it is all too common for sellers to just pile stuff on as bonuses. This is usually because the seller does not have a good understanding of the value of the primary product.

This is really common online, where you can join a reprint-rights site for \$19.95, then download an unlimited number of products you can then sell or give away as bonuses. Many people, rather than selecting a bonus that matches their product, go out and say, "Oh, I am going to sell a book on Ebay," and write a sales letter about their book, stacking up all these bonuses down at the bottom.

Imagine this – I think seven or eight is the typical number for these Ebay-related sites where they are selling a primary book and they give you six or seven bonus books. They sell the primary book for \$20, and then give six or seven additional e-books to you that each have prices between \$10 and \$30 on them.

What ends up happening is the buyer, when he reads the sales letter, looks at it and says, "This book must not be worth \$20 if they have to give me

\$120- or \$150-worth of additional bonuses in order to sell it. The prospect also thinks, "This book must not contain the information that I need, because I have to read all of these other books in order to get the information I need."

In these cases, the seller would be better served by either selling everything as a package of interrelated products, or selling the primary book with one well-selected bonus that increases the value and exceeds the buyer's expectation that they are getting the information they need.

Most people who just pile stuff on as bonuses have not taken the time to build a compelling case for the main product they are selling. Instead, they think, "If I just give them a bunch of extra stuff, it is going to make the sale." The truth is, in many cases, all this does is confuse people and overwhelm them. It is a mistake.

A lot of people, especially in the how-to business, have really exceptional products, but they do not know how to sell them. If these sellers took the time to develop a really good sales letter clearly explaining all of the benefits of owning their product, versus just trying to throw in everything but the kitchen sink, they would be able to uniquely package and unbundle some of their things, thereby making more money than if the items are all bundled together. We will talk about this more in the How To Use A Bonus chapter.

### ***Bonus Is Not Presented Correctly In The Sales Letter***

The next common mistake is not presenting the bonus correctly in the sales letter. The bonus is not the primary product. So, unless you are doing a buy-one-get-one-free deal, your sales letter should explain to the purchaser the exact benefits of the primary product and get the buyer interested in the primary product before introducing or explaining the bonus.

Introducing the bonus later in the sales letter allows the buyer to form a value conception of what the primary product is worth to him without additional information to confuse him. If you introduce the bonus too early, the buyer never understands why the primary product itself is beneficial to him.

On the other hand, do not present the bonus as an afterthought in the sales letter. This is another all-too-common mistake. You do not want to have a three-page letter about whatever it is you are selling, and then a P.S. saying: "By the way, you get this as a bonus," without ever explaining to the buyer the value of the bonus, the benefits of it, or the relevance. You do not want to just say, "I am giving you this and it is worth this price."

Which leads into another common mistake in the sales letter: not fully explaining the bonus. Just as the primary product needs to be presented and sold to the buyer, the bonus needs to be presented and sold.

This means explaining the benefits and demonstrating to the buyer how the product will benefit them or how it enhances the purchase of the primary product, and convincing them that it is something they need.

### ***Unloading Product***

Another common mistake is using bonuses to unload excess product. All too frequently, when bonuses are mismatched or non-relevant, this is because a company is just trying to unload a bunch of inventory. Because the items are not salable, they throw it in as a bonus.

This is a big mistake. If you have products you cannot sell to consumers, sell them to a liquidator or do something else in order to move it. Don't just use it as a bonus.

Remember to be effective, a bonus must be salable on it's own. If an item has no value it will not add compelling reasons to purchase the primary product.

## **How to Use a Bonus**

### ***A Bonus Increases Prospect's Desire To Purchase***

If done correctly, a bonus increases the prospect's desire to purchase. Remember, the bonus provides an additional convincing element to compel the buyer to reach into his pocket and purchase something.

In many cases, the bonus is really the item that drives the sale, so you want your bonus to be as desirable as the actual product that you are selling. You want to have a very powerful, appealing bonus that people would want to buy on its own. A bonus will not be effective otherwise. If you could not sell the bonus on its own, you will not be able to use it as an additional incentive to buy.

Some products would never be sold at the level they are without additional bonuses to inflate their value. A perfect example here is the *Sports Illustrated* swimsuit issue, which significantly inflates the level at which *Sports Illustrated* subscriptions are sold.

A lot of people would never subscribe to *Sports Illustrated* if it were not for the bonus offer of the swimsuit issue. That is what adds the sexiness, the appeal to get people off their butts so they say, "I want to get this!"

Every time I am marketing something, I evaluate every little element that I incorporate to make the sale. Every single benefit, item and bonus is like a strategic "hit" in a boxing match; every hit matters. Sometimes the bonus is the punch that creates the knock-out and makes the final sale.

Even if your bonus is not the knock-out punch, it may be the supporting punch that helps push people over the edge. It may take your sales up a few points just because it is a more appealing offer.

### ***Explain Bonus After Primary Product In Sales Letter***

As mentioned in the Common Mistakes Made With Bonuses chapter, you need to present the bonus correctly in the sales letter, selling the main product before selling the bonus. The bonus explanation should come after the main product is completely explained, to allow the buyer to form a value conception of what the primary product is worth to him without additional information to confuse him.

Remember, a bonus can be mentioned early in the sales letter, but explanation and elaboration needs to come after you have explained to the purchaser the exact benefits of the primary product.

### ***Selling The Bonus***

Remember - just as the primary product needs to be sold to the buyer, the bonus needs to be sold to the buyer. Fully explain the bonus, so it does not end up a weak, meaningless punch that has no impact.

Holding your fists in the air and threatening someone, or just saying, "Hey, look here," is never as strong as smacking them in the face with it. Explain the benefits of the bonus and demonstrate to the buyer how the product will benefit them or how it enhances the purchase of the primary product. Convince them it is something they need.

Obviously, I am using this boxing analogy in the context of selling in an ethical manner. The point is - make sure your bonus has impact, or do not include it in the offer. If you do not put some punch behind the bonus by fully explaining it, the bonus can end up just being a distraction that takes away from the primary product.

## ***Bundled Versus Unbundled Products***

Also mentioned in the Common Mistakes chapter, a lot of marketers, especially in the how-to business, are best served to unbundle their items and build really strong cases for each individual item, selling each with maybe one well-selected bonus as opposed to just throwing a bunch of things together and trying to come up with one price.

There is a huge difference between bundling things together to make a more complete, higher-priced package and just lumping things together because the seller does not know how to uniquely package their items to the best advantage. A lot of information marketers, especially, would be much better off taking the time to develop a good sales promotion that clearly explains the benefits of their primary products and using selective bonuses that are complementary and specific to each product.

## **Selecting the Right Bonus For Your Product**

### ***Use A Bonus That Adds Value***

A good bonus is relevant and complementary. It enhances the primary product. You want the purchaser to believe that this bonus is going to make the primary purchase even better. Like when you buy a set of headphones and the bonus is a carrying case, or when you subscribe to a monthly audio series and get a free walkman. These are things that enhance the product and are relevant.

### ***Use A Bonus That Changes The Prospect's Focus***

Consider the earlier example of the auto glass companies using restaurant meals as bonuses. Although this is not necessarily a relevant bonus, it is a fantastic bonus. One auto glass company in Phoenix has been running the same ad for more than 20 years, offering a coupon good for two to the Stockyard's restaurant as a bonus. It is obviously working for them.

The reason that this is a great bonus for having your windshield replaced is that it is something that people can feel special about. It changes the prospect's focus.

If I have to go and get my glass fixed because a truck in front of me on the freeway threw a rock up at my windshield, that is a chore. I have to sit and wait for 20 minutes while they are fixing it. Even if they come to me to fix it, it is an inconvenience.

In fact, as I am writing this, I have a chip on my windshield that has been there for three months. I have glass coverage, and my insurance company will pay for the repair, but it is a hassle. I do not care enough to go through the hassle of arranging for someone to come out and fix it.

In order to get people motivated to do something that is really a hassle to do, like repairing their car's windshield, it is a great idea to use a bonus that is very enjoyable. This enjoyment transforms the perceived value of the product.

By offering the free dinner, the hassle factor of getting the windshield fixed is replaced with --

"Hey, I can go out and get dinner for free, and the insurance company is going to end up paying for it because they cover the glass."

All of a sudden, instead of dreading having to get the windshield fixed that I have been putting off for three months, I am thinking, "I am going to go have a nice dinner, and all I have got to do is put up with this for 20 minutes."

This works much better than the glass company offering as a bonus such as a free oil change or a free car wash. Those are just additional hassles. I hate having my oil changed. I hate going to the car-wash. And because those are additional activities that take up my time, they are not rewards. I do not want to deal with that stuff; what I want is a reward!

Offering a free dinner as a bonus is a much better selling proposition, because it changes the buyer's attitude. This reaffirms what we have already talked about with bonuses in that effective bonuses raise the buyer's expectations, increase the value of the product as a whole and change the perceived value of the product.

### ***A Good Bonus Has High Perceived Value And Low Cost***

You also want to select a bonus that has a high perceived value but a low cost. Back to the auto glass/restaurant example, the perceived value is high because it shifts the buyer's expectations from a hassle factor to an enjoyment factor or reward. In this example, I would bet at least half of the people who get the coupons never use them.

I know from my own experience giving away movie coupons that only about 45 percent of the coupons that were given out were ever used. Since you only pay for the coupons that are used, this lowers the cost dramatically. If you give someone a coupon bonus and they never use it, you never have to pay for anything except for printing the coupon itself.

Other examples of great bonuses with high perceived value and low cost are audiotapes, telephone consultations and printed reports, which we will discuss in greater detail in the Creating Bonuses for Information Products chapter.

Bonuses with high perceived value can be anything that buyers really want to have, no matter what the actual monetary value. In the case of an information product, a bonus with a high perceived value would be something that makes it either easier to assimilate or use the information.

The point is - if you are going to use something as a bonus, you want it to have a high perceived value without increasing your costs dramatically. That is why information products are always such a great bonus.

## **Finding Bonuses**

### ***Reprint Rights***

Reprint Rights Websites have lots of great items you can use for bonuses. Some sites have monthly fees, while others have a flat fee to join.

I use Allan Wilson's [Reprint Rights Marketing](#) site to find bonuses. Allan's site is a monthly membership site, but the monthly charge allows access to all the new stuff he ads every month.

There are lots of different types of products on Allan's site. Software, ebooks, PDF transcripts of interviews and more. It is easy to find something to great bonuses on reprint rights sites.

When I wrote my book on [Magic Subscription Boxes](#) - you saw one of these on the website when you bought this book – I found a program that creates HTML ebooks. The program is a great bonus because Magic boxes work inside the ebooks it creates.

Marketers who want to give away ebooks in order to build an opt in list can use Easy Ebook Creator and my Magic Subscription boxes to create an ebook that allows readers to sign up for their newsletters from inside the ebook.

Other marketers sell Easy Ebook Creator for \$19.97. I give it away for free to everyone who buys my Magic Boxes Manual. This is a great bonus.

You can find other rights sites by searching for “reprint rights” on your favorite search engine.

There is another way to get rights to products. Some marketers create products with great value and sell rights to them. For example the marketer sells the product for \$19.97 or sells the rights for \$97.00.

If you find a product you would like to use a bonus, ask the seller if he offers rights. See the section below on Joint Ventures for more information.

### ***Closeouts***

Another place to find bonuses, especially if you are dealing with hard products, is through the closeout dealers. Companies like Big Lots and MacFrugals sell all kinds of interesting items. *The Associated Surplus Dealers / Associated Merchandise Dealers Marketplace* magazine, is a great source to find closeouts and discounted merchandise.

There are all kinds of ads within the magazine for new items at closeout prices. The quality ranges from the chintzy items you would see at a gas station to higher-priced items. It can be a good place to find bonuses if you are actively selling hard goods, like anything that you would ship.

I got my subscription by going to one of ASD/AMD's trade shows. I think subscriptions are still free, call or write them and ask.

ASD/AMD Trade Shows  
ASD/AMD Marketplace Magazine  
2950 31st Street, Suite 100  
Santa Monica, CA 90405  
1-800-421-4511 (Toll Free)  
(310) 396-6006 (In Los Angeles)  
[editorial@merchandisegroup.com](mailto:editorial@merchandisegroup.com)

The ASD/ASM Marketplace is also a great place to find grabbers for your sales letters.

### ***Joint Ventures***

One of the best ways to find bonuses is through joint ventures, where you go to someone else to partner with you. For a lot of my books, like this one, I do joint ventures in order to get bonuses. When you buy this book, for example, you will also get essays from a number of other marketers. These additional comments about using bonuses profitably in your business, were written by other marketers just for the exposure value of being included in this book. There is virtually no cost for me to include them, but they add value to you as you read this.

Another way that you can do joint ventures is finding people who offer products that are complementary to your market. For example in the back of this book, you can get a transcript of an interview with Dr. Robert Cialdini in exchange for sending me a testimonial about this book. Joe Polish gave me the interview to use because he knows some of you who read the transcript will decide to subscribe to his monthly interview series.

It is important to find the right people to work with when you do joint ventures. There are a lot of marketers you can do a joint venture with so look for marketers with marketing knowledge.

Look for joint venture partners who know:

- The value of new clients.
- The power of referrals.
- How to get things done.
- The cost of acquiring new customers.

Do not spend a lot of time educating someone on the value of doing a joint venture with you. There are a lot of people you can do deals with, if the person you approach is hard to work with, find someone else.

My dad always said,

**“You won’t get what you want unless you ask for it.”**

You can approach almost anyone for a joint venture. Just be sure you properly explain how they will benefit when you ask. Most will either discount the items or give items to you for use as bonuses. A joint venture partner is easy to find, because both parties benefit. After all you are giving them something they would have to buy otherwise. New Customers.

Another important thing to keep in mind with joint ventures is the importance of testing to make sure the bonus selected is the best match for your product. The auto glass company certainly tested to see which restaurant, type of food, and location had the most appeal.

## **Creating Bonuses For Information Products**

### ***Take Material From Product To Create Matching Bonus***

One of the easiest ways to create a bonus for an information product is to take material from your primary product and separate it into a secondary product. This is as simple as, rather than having one book, separate your product into two books, like my *How To Write And Sell Ebooks Package*.

Rather than having one book that tells people how to do both write and sell ebooks, I have packaged them in two separate books - one that takes the reader step by step through writing an ebook, and one that explains how to put the ebook on the web and promote it.

Selling two books rather than one, adds to the perceived value. In the sales letter I tell the prospect that the primary book has a \$50 value and that he gets the second book, also a \$50 value, for free. Although it could have been packaged as one long book, I divided the package to maximize selling points and perceived value.

By dividing your information product into two or more separate products you can emphasize the benefits of each section much better within your sales letter. On my [www.eBook-Writing.com](http://www.eBook-Writing.com) site I use cover graphics for both books to increase the perceived value of the package.

### ***Using Outtakes To Create A Bonus***

Another method that works very well is using outtakes to create a bonus. I did this very well with my [Collector's Strategies Package](#) of books on how to get people to sell you their antiques and collectibles.

When I was writing the package, there was a lot of material about estate sales left over that did not fit within the book. So I created a second book just about getting into estate sales early. Anyone who buys the package also receives the estate sales book. I also sell [How To Get Into Estate Sales Early](#) by itself.

### ***Interviews And Transcripts***

An easy way to create bonuses for an information product is to use an interview or an interview transcript. This can be as simple as calling an expert on what your information product teaches, and asking questions with a tape recorder running. Offer this either as a transcript or an actual interview on audiocassette or CD.

Creating Audio tape interviews is very simple. Here are some simple guidelines.

Before you start the interview:

1. Prepare an outline or list of questions.
2. Consider your audience. Who is going to be listening to the tape and what do they expect to get out of it?
3. What do you want the listener to do after they listen to the tape?
4. What are the obstacles that will stand in the listeners way? What will prevent them from assimilating the information? ex: inertia, know it all attitudes, inability to recognize value etc. . .
5. What is the value to the listener?

Always phrase your questions so you will get long answers. Rather than asking, "Is being honest important?" ask "Why is being honest important?" This sets up the interviewee to provide longer more detailed explanations.

A few other quick suggestions.

1. When you are doing a phone interview do it. Don't call and do a sound check and go over the questions then call back later to do the interview. You'll lose the spontaneity. If you are going to go over the material once record that also so you can then edit it into the tape.
2. When you get someone on a roll let them go. Don't interrupt or make noises like uh huh or whatever. Just let them talk.
3. If you have call interrupting on your phone TURN IT OFF. Also turn off the ringers on fax machines and other noisemakers.
4. Try to anticipate noisemakers and remove them. On one tape I did the guest was on a roll. Right in the middle of this my pet rabbit decided it was time to sharpen his teeth. He does this by grinding his teeth

against the steel framework of his cage. You cannot remove these outside noises from the tapes.

5. If something happens, back up and start the sentence or segment again. You can have the mistakes edited out.
6. When you have the tapes transcribed for the editing have the transcriber mark extraneous noises. This will lower your editing costs as the editor can then go right to those parts rather than listening to the whole tape.
7. Have the editor give you a CD with the interview and a copy of the master, then place them in a safe place.

Some people will tell you, "you can edit the tapes on your computer." I think this is wrong. I know where my strengths are and I am willing to pay someone else to do things outside my area of expertise.

Paying for editing is money well spent. Unless you do this for a living, you will spend hours editing and learning to use the software. Your duplicator will do this for you for 15-30 dollars an hour.

Talk to a duplicator before you make your tape and get advice. They know what goes wrong and what causes problems. A good duplicator will make and label the tapes for you for about what you can buy quality blank tapes. It is money well spent.

## ***Teleconferences***

Another great bonus for information products is teleconferences. This is kind of new; people did not do teleconferences 15 years ago, but now it seems like everyone is doing it.

A teleconference is where anyone who buys your product can call in and listen to an interview that you are doing, listen to a lecture, or actively participate and ask questions. These can be very simple to do, and cheap - especially if you host a teleconference or teleseminar where the caller pays for the call.

Teleconferences are also good because you can package them and sell them later or do other things with them. I will discuss this more in the Creative Ways to Use Bonuses chapter.

## ***Consultation And Critique Coupons***

Consultation and critique coupons are another simple bonus for use with information products. These are great for four reasons.

1. Most buyers will never use the coupons.
2. When buyers do use a critique or consultation coupon, the time you spend with them helps you build credibility. This credibility means increased back end sales and lower returns.
3. The coupons put a value on your time. When you tell someone a half hour of consultation sells for 100 dollars, this adds to your expert status.
4. Charging for access cuts down on time sucking vampires. It's an easy out when you want to get a non paying vampire off the phone to ask for his credit card number so you can charge him for your time.

When you use a critique or consultation coupon, all of a sudden, it is a privilege to speak with you. People do not just take for granted that they can call whenever they want. And the majority of people will not avail themselves of the privilege to call you; some people will not call unless they feel they have something really important that merits a call.

It is also very easy to sell additional materials to people that you are doing consultations and critiques with, as you build personal relationships and have interpersonal communication.

You will have problems if someone calls in for a consultation and you immediately suggest he buys something. But after you have done 20 minutes of consulting with him and addressed his issues, you will have his confidence and respect because you have now earned it.

It is very easy, and quite acceptable, to then suggest a backend product, such as a book, that might interest or benefit him in some way.

In fact, it is quite common for people to ask about other products after a consultation. These clients have reached a greater appreciation for you and your products and want to continue the relationship. The easiest way to continue the relationship is to buy something.

Another added value of consultation and critique coupons is they reinforce the you as an expert. When you say in your sales letter, "in addition to this package of material, you will get a critique coupon worth \$100 for a half-hour of

my personal time and a consultation coupon worth \$100 for a half-hour of my personal time, because I charge people \$200 an hour for consultation services,” you are confirming your expert status.

Whether or not you are actually doing consultations, placing a value on them increases the reader’s respect for you and the perceived value of your product is increased due to that fact.

This also can be considered an implied testimonial, because if someone else would pay you \$200 for an hour of your time, it must be worth reading your book. So this adds to the your value.

Every opportunity that you get to present the idea that talking to you is a privilege, by requiring a coupon, customers will value talking to you more because you have placed a value on your time. And, perhaps more importantly, you have bumped up the value of your entire package.

Just by creating a piece of paper that costs almost nothing to produce, you create an enormous perceived value. You, as well as your product, have now become a valued commodity.

### ***Use Questions From Buyers In A FAQ Or Quick-Start Guide***

Another great way to create a bonus for an information product is to package questions from buyers into a frequently-asked-questions booklet. This type of bonus answers questions and makes the information more accessible to the reader.

A quick start guide is nothing more than simple instructions telling your client where to start and how to get the most value out of the material. Quick Start Guides are very powerful because they reinforce the expected result and get the buyer involved in your material.

You can change the names to increase their value within your sales letter. For example, in my package on [writing and selling ebooks](#), I call the quick start guide a timeline worksheet. The timeline worksheet helps my clients finish their ebooks.

This is a big selling point. Many people start writing ebooks just to lose focus and never complete them. The timeline worksheet keeps them on track.

### ***Newsletter And E-Zine Articles***

Newsletter and ezine articles can also be packaged into bonuses. Gary Halbert's famous book, "*How To Make Maximum Money In Minimum Time*" is nothing more than previous issues of his newsletter. By slapping a title and an introduction onto a compilation of past newsletters, Gary created a terrific bonus.

This is called leveraging. Using something for multiple purposes will save you time and make you more productive.

## **Creative Ways to Use Bonuses**

### ***Position Bonus As Separate Product***

A creative way to use bonuses is to position the bonus as a separate sale introductory product. The bonus has its own web site or web page, with a price so anyone can purchase the bonus.

This proves the value of the bonus. Anyone can purchase the bonus separately. This also helps with your online promotion, because affiliates can promote each product.

This works very well because it allows your prospects to buy a lower priced introductory product. Then after reading the introductory product, The client is more likely to purchase the more expensive product.

Inside the separate sale bonus, include a coupon good for the price paid for the bonus off the higher priced package. This works great because you will get additional sales for both products.

Another benefit of this two tiered selling system is few of the buyers who advance to your higher priced product will request refunds.

### ***Use Bonus To Bump Buyers To Higher-Priced Products***

An advanced method of selling the bonus separately is to use the bonus to bump prospects into a higher priced item immediately.

This is quite easy to do. At the bottom of your sales letter you put two links. One link to order the bonus by itself, and one link to get the bonus free when the higher priced item is purchased.

To do this effectively you must convince the prospect to buy the introductory item before you introduce the higher priced option.

### ***Buyer Loyalty Program***

Another creative way you can use bonuses is a buyer loyalty program. Coffee shops do frequently do this. If you buy 10 cups of coffee, you get one free. Every time you buy a cup of coffee you get a punch on your card, and then after 10 punches you get a free cup of coffee. It is a bonus designed to bring

clients back repeatedly and reward them for loyalty, hence the name “loyalty program.”

Another example of using a bonus as part of a loyalty program is a retailer who offers a free gift for X dollars worth of receipts within a given time frame. For example, at Roy's Train World if you bring in \$100 worth of receipts all dated within a year's time, you get a free t-shirt worth \$15.

Burt Dubin of [Speaking Success](#) does an interesting version of a loyalty program. Burt teaches people how to market themselves as public speakers. When you have purchased \$1500 worth of his materials, you are eligible for Burt's inner circle coaching.

### ***Send A Timed Bonus After Purchase***

Another creative way to use a bonus is by sending out a timed bonus after the person purchases something. I talk about this in my book about how to use satisfaction guarantees to increase profits in your business, as well, but it applies here too.

With a timed bonus, when someone purchases something, four or five days later, or whatever day is a heavy day for returns and refunds, you send them something extra. This can either be an expected bonus or an unexpected bonus.

As an expected bonus, you mention in the sales letter or product itself that you will be sending them an additional bonus at a later date. This is a way to keep people from refunding while they are waiting for their bonus.

If unexpected, you send it to them so they get it right at the time when your average client is deciding whether or not to return the product for a refund.

When your client receives a package of bonuses, they must reassess whether or not they are going to return the primary product, Postponing and hopefully removing the possibility of return.

Any time you make someone wait to make the decision to return a product or not increases the chances that they will keep the product.

## **Summary**

### ***A Word About Testing***

It is important to test bonuses. As we discussed in the auto glass example, I am sure the auto glass company tested different kinds of restaurants to find out that steak houses work better than Chinese food restaurants.

You should to test different bonuses, different combinations of bonuses and different presentations, just like you test the way that you sell your primary product. In some cases it can be the bonus driving sales of your product, so you may want to switch them.

For example, I know that in my “How to Write And Sell Ebooks” package, “How to Write An Ebook” is more powerful than “How to Sell An Ebook.” More people want to know how to write an e-book than how to sell an e-book. I know this because I have tested and analyzed traffic on the web site, with each book positioned ahead of the other one to measure effectiveness.

Testing is the term that is used in the marketing world for research. The more research you do to identify each little thing that can make a difference, and increase you sales, the better your chances for success. Look at every single variable that may alter the results: product, bonuses, premise and offer. Test each of them, one at a time, and find the best combination to get your highest profits.

### ***Closing Statement***

Bonuses are a great way to increase your sales and increase your profitability. By spending a bit of time selecting a good bonus for your product and testing its success, bonuses can be used in very creative ways to increase sales. Bonuses that complement or match your primary product, and that raise the perceived value and enjoyment factor of your product, will undoubtedly increase your sales.

As I mentioned earlier, in the *Sports Illustrated* swimsuit issue example, in some cases bonuses drive the sales and are more important than the primary product.

While in other cases the bonus is used to push prospective buyers over the buying threshold into actually deciding to buy. The bonus provides the last punch that compels the prospect to buy.

At this point you have taken the first step to increasing your sales and profits. You have a good understanding of how to use bonuses. The next step is to start testing different bonuses in your sales letters.

Remember. . .

**“One little thing can make a big difference.”**

Thanks for reading,

Terry Gibbs  
November 14 2004.

## **Bonus Essays**

Following are a series of bonus essays contributed by other marketing professionals. These essays provide you with alternative viewpoints and will help you understand the material better.

I got these essays by asking the writers to submit a short article in exchange for a link to their websites. All of these writers have free email newsletters you can subscribe to by clicking on the links below each article.

I explained the process for getting these articles in the section on joint ventures.

## ***Rules For Successful Direct Response Marketing.***

By Dan Kennedy.

1. Don't start with a flawed premise. No amount of creativity, celebrity hosts, artsy production value or money will overcome the burden of a flawed premise. Whether it's the wrong product for your market or vice versa, or the wrong offer.

Tilt the probabilities in your favor by sticking to proven categories, such as weight loss or fast wealth and, even more important, to proven direct response marketing foundations such as greed, beauty, youth, ego and sex.

2. Make a strong offer. Offers can be placed on a line with soft at one end and hard at the other. A soft offer is 'Buy this stuff and you'll be a happier person with better self-esteem.' A hard offer is 'Buy this stuff and your friends will swear you had a facelift.' Simply, the harder, the better.
3. Evaluate the piled-up, perceived value of your offer. Nothing beats the 'And you get this and this and this and this, and wait... this too.' It's the Ginsu knife style of building perceived value. You cannot get \$10 for \$10 of value. \$20 for \$10 isn't exciting enough. \$200 for \$10, maybe.

This is why mail order, where audiocassette courses are sold based on content value to more discerning buyers, they tend to be packaged with six or 12 tapes in one shiny vinyl album. While on TV, the masters put one tape in an album, so there are 12 individual albums spread out and it looks like a wheelbarrow load of stuff.

4. Premiums and bonuses drive sales. Too often, the premium is an afterthought. I think it's at least as important as the core product.
5. Pay attention to sales basics. Advertising should be salesmanship via media. For direct response, that goes double. Yet many people jump in without the first iota of knowledge about the fundamentals of making a sale.
6. At a bare minimum, required reading ought to include all of Bob Stone's books, Claude Hopkins' *Scientific Advertising*, and Victor Schwab's *How To Write A Good Advertisement*.

7. A lot more money has been made with ugly shows than glamorous ones.

Entrepreneur Magazine says Dan Kennedy has "at least 101 moneymaking ideas for any business owner." Dan's "NO BS" approach aggravates many, but enriches those who act on his advice. For more information about Dan Kennedy see his website at:

<http://www.dankennedy.com>

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## ***What Premiums Work Best In Newsletter Subscription Marketing?***

By Robert W. Bly.

Offering one or more premiums is a standard ploy in direct mail used to sell newsletter subscriptions. But what premiums work best? What are your choices? This article presents a round-up of what's working in newsletter premiums today.

### **Print premiums**

Most premiums for newsletter subscription marketing are print products -- typically special reports:

*The super-premium.* A super-premium is a special report that delivers all or most of the information, secrets, or strategies promised in the mailing piece. Example: A magalog for Weiss's *Safe Money Report* offers a super-premium, "Grow Up to 1,000% Richer in the Great Stock Market Panic of 2002," that delivers on the big promise of the mailing. The offer of the super-premium is made on just about every other page of the 24-page magalog.

*The owner's manual.* An owner's manual advises the subscriber how to use the service for maximum results and benefits. An options trading course, for instance, will typically have a premium explaining terms (e.g., "puts" vs. "calls") and the types of trades the service makes (e.g., "straddles").

*The vertical premium.* A vertical premium is a report covering in depth one specific area the newsletter deals with rather than the bigger picture. A newsletter on Information Technology, for instance, might have a special report on supply chain management (SCM) or enterprise resource planning (ERP).

*The resource guide.* A resource guide is a mini-directory of vendors, suppliers, associations, Web sites, and other resources of interest to the newsletter's target audience. Be sure to include addresses, phone numbers, e-mail addresses, and Web URLs for listed resources.

*Surveys.* The results of subscriber surveys are of great interest to potential subscribers. When *Hospital Admitting Monthly* added the offer of a salary survey premium, response to its control jumped 50%.

*"Best of's."* If you have a regular column that is highly popular with subscribers, collect a dozen of them or so in a "best of" premium. Newsletters

covering regulatory or legal issues have done this with monthly columns on court cases and their outcomes (e.g., “The Best of ‘You Be the Judge’”).

*The editor’s magnum opus.* Be careful of offering a book by the editor as a premium, especially if the book is a best-seller or the newsletter is expensive. If the book is a best-seller, many potential subscribers will already own it. If the newsletter is expensive, you’re better off offering a premium with a higher perceived value than a book.

## **Online premiums**

You may already offer your subscribers information online. Consider positioning some of these online services as premiums:

*E-zines.* If you send weekly e-mail updates between monthly print issues, talk about the “free e-zine” they get as a bonus for subscribing.

*E-Alerts.* Some newsletters offer periodic, unscheduled e-mails when there is important news or instructions that cannot wait for the next print issue or e-zine. If you do this, position it as a value-added premium service.

*Online archives.* Access to your password-protected subscribers-only Web site is a bonus for subscribers to your print or online newsletter. One feature subscribers look for is an online archive of back issues. If they are searchable by key word, even better.

*Forums and chat groups.* Hosting a forum, chat group, or other online community where subscribers can network and share best practices is another nice little online extra. Reading the postings is also great research for your marketing and editorial people.

## **Other premiums**

Here in no particular order are some other premiums newsletter publishers have used with varying degrees of success:

*Telephone hotlines.* Many monthly newsletters offer subscribers a telephone hotline they can call to hear current news and advice; such hotlines are typically updated weekly.

*Conference invitations.* You can offer potential subscribers invitations to exclusive conferences, workshops, and seminars. They should get these invitations early, before the general public, and a subscriber’s discount on the registration fee wouldn’t hurt either.

*Transcripts.* Transcripts of conferences, seminars, speeches, lectures, even TV or radio appearances by the editor can make attractive premiums.

*Audio and video tapes.* You can tape your editorial staff when they give presentations and offer audios or videos as premiums. Videos have a higher perceived value. I prefer audiotapes because busy people can listen to them in the car.

*CD-ROMs.* A CD-ROM can present multimedia material that's difficult to reprint in a printed report. The CD-ROM that comes with my book *Public Relations Kit for Dummies*, for example, includes samples of video news conferences.

*Software.* At least one financial newsletter I've seen recently includes trading software as a premium for new subscribers. Software has high perceived value. Is there a simple spreadsheet, such as a cost calculator, you can put on a disk or CD-ROM and offer as a premium?

*3-ring binders.* For a newsletter that has lasting shelf value as a reference, you can offer a free 3-ring binder the subscriber can use to store all his issues in one convenient location.

*Merchandise.* Merchandise, a common premium for magazine subscriptions, is seldom used in newsletter promotions. There are rare exceptions. *Release 1.0*, a technology newsletter aimed at high-level decision-making executives, offers a *Release 1.0* baseball cap as a "payment with order" premium.

Are you using a premium, with success, that I haven't listed here? Please share it with me so I can share it with my *Subscription Marketing* subscribers. E-mail the premium to me at [rwby@bly.com](mailto:rwby@bly.com). Or mail it to Bob Bly, 22 E. Quackenbush Avenue, Dumont, NJ 07628, along with your take on how well it's working and why you chose it. Thanks!

*Bob Bly is a freelance copywriter and the author of **The Complete Idiot's Guide to Direct Marketing** (Alpha Books). Check out Bob's website and sign up for his free newsletter at*

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

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## ***A Surefire Tip that Always Increases Sales***

By Ted Nicholas.

How much would it be worth to you to possess a marketing secret which is almost certain to double, triple, even quadruple your sales?

Plus, you can build even better rapport and a closer bond with all your customers. This secret can also result in significantly increased revenue and an increased profit margin in the long run.

The key is the creative use of free gifts.

I've never sold anything that didn't sell better after offering well-chosen free bonuses and gifts.

Including valuable free bonuses and gifts within your offers can have a remarkable effect on increasing sales. No other strategy is as powerful in creating sales than building greater value for your products.

I'm sure you and everyone reading these words loves to get things free. I know I do. It's a universal human quality.

The word free, in fact, is the most powerful word in any language. (However, in electronic marketing using the word free can have your offer kicked out by spam filters. Always avoid using free in all caps. Use upper and lower case. To avoid many of the filters, the word can be presented as it is in this article. Plus, see other tips later in this message.)

Free gifts can also be effectively used as surprise, unadvertised bonuses in your outgoing shipments.

**Tip 1:** While bonuses do not have to be expensive, to be effective they must be of good quality. Otherwise, if your free gifts are cheap looking, junky and don't work, as are far too many sent by direct marketers, your efforts will have a negative result. You will turn off your customers forever.

Example of a good, low-cost quality product.

More than 10 years ago with an order from a direct marketer, I received a simple but attractive rubber jar opener (with company logo on it). This piece of rubber is designed to easily open sealed jars. We use it often with gratitude to the sender.

There is also a powerful psychological reason to incorporate free gifts in your marketing strategy. Based on the law of reciprocity, if you shower customers with valuable gifts, people tend to feel more obliged to continue doing business with you.

**Tip 2:** An almost irresistible marketing strategy is to reverse the risk completely. How? Make the total actual value of the free gifts included in your offer exceed the value of the product you are selling.

**Tip 3:** The number of free gifts makes a difference. I've found the use of either 3 or 5 free gifts works best.

**Tip 4:** In all forms of marketing, delay is death. Make including the free gifts conditional upon making an immediate buying decision. For example, "If your order is received within 7 days (or by a given date), you will receive 5 early-bird bonuses."

**Tip 5:** Do not use failed or unappealing bonuses. Use only highly desirable and appealing items as bonuses and gifts for which people would gladly pay their hard-earned money.

**Tip 6:** As with all products you market, differentiate each free gift with descriptive benefit-driven copy.

For example, if you offer a calculator in a bonus, make sure you include a description of why it's unique. This could be extra large keys. Or an easy-to-read screen.

### **Examples of Successful Free Gifts**

- Book
- Special report
- CD or DVD
- Calculator
- Coin purse
- Travel alarm clock
- Travel lamp
- Personal alarm device
- Vitamin carrying case
- Mont Blanc pen set (for expensive products)
- Tee shirt
- Baseball cap
- \$10-50 discount certificate for your product  
(with cutoff date)

- Wristwatch
- Mercedes convertible (for \$5 million and up mansions)
- Bracelet

### **Examples of Successful Unadvertised Free Gifts** (to be included in outbound shipments)

- Key ring
- Jar opener
- Flashlight
- Magnet with your logo, telephone number and email address
- Pen
- Pocket knife
- Pocket calendar
- Diary
- Flower seeds

### **A Quick Note About Email Marketing**

In e-mail marketing, the word Free is unfortunately often associated with spammers. Therefore, why do ethical marketers continue to use free as a key part of their strategy?

Simple. It works.

Caveat. While this is not to be construed as legal advice, a few suggestions regarding Federal Trade Commission (FTC) rules may be helpful, particularly to U.S. marketers.

Be careful when making free offers. You could be charged with misleading consumers. Free must truly mean free. You must not recoup the cost of a free product in any way. Your advertised product cannot be of lower quality than the same type of product you normally sell. And the price cannot be increased to make up for the free product. A product should not be advertised with a free offer for more than six months in any 12-month period.

Furthermore, 30 days should lapse between offers. And a free offer should not be promoted more than three times in a 12-month period.

If you are in doubt about your offer, check with a lawyer who is knowledgeable on FTC (or the governing body in your country) rules.

Use the free gifts to build your business to entirely new levels. Deliver more value than ever before. And I trust you'll enjoy your increased success so well deserved.

*Ted Nicholas has been called the "**Four Billion Dollar Man**" because he has marketed over 4.5 billion dollars worth of products and services world-wide. Ted's founded and sold 23 companies and has written 15 best-selling books. Ted is perhaps the highest paid direct marketer and copywriter in the world. In his new book, **How To Turn Words Into Money**, he reveals all his secrets that will skyrocket your success and income.*

*If you are a serious entrepreneur, marketing executive, student or writer, you need this book!*

[www.tednicholas.com](http://www.tednicholas.com)

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