



Increasing Your Profits With Backend Offers

*- Complete Guide To Building
A Profitable Sales Funnel -*

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Building A Profitable Backend

No matter what type of business you are involved in, developing a solid backend system will *instantly maximize your income* and the overall value of every single customer you acquire.

Creating a backend system isn't all that difficult, in fact, all you really need to do is create two products that compliment each other and are focused on helping your customers expand their knowledge on your chosen topic.

For example, if you were to create an info product focusing on finding a work at home job, your ebook could include job sources, help with eliminating scams, dissecting opportunities and landing the job.

You could then create a follow up ebook that offers a step by step guide to freelance writing, or another specific work at home position that the majority of your customers would be interested in.

The objective when creating your back-end system is to offer exceptional value in your primary product so that your customers trust you and the quality of your work, and then focus on creating additional products catering to this built-in customer base.

When it comes to the timing of your back-end offer, you could release it within minutes of the original purchase, or even days or weeks later through follow up emails sent out to your customer base via your autoresponder account.

However, the easiest way to create your back-end system is in the ***initial product development phase***.

Instead of simply creating a single product, you will create two products, so that when you launch your first product, you have a secondary product already developed that can be offered to your customers either as an immediate upsell, or a few days later through your back-end.

You see this happening all of the time around you. From weight loss programs to car dealerships, you are often provided with a basic package as well as the option of adding upgrades and extended features to your purchase.

There are companies that will also offer you samples of products or services knowing that if they can get you into their sales funnel, they can reach out to you with additional products later on.

These people understand the true value of extending the relationship of every customer. When it comes to customer acquisition, it costs time (and often money), so by focusing on offering your customer base additional products that are relevant (often promoted as a component to the original product), you will be able to maximize your income without having to consistently search for new business.

One thing to keep in mind when building your back-end system however is that 'backend' and 'upsell' are considered two entirely different things.

For example, most of the time an upsell is offered during the actual checkout process where you would offer potential customers with the option to upgrade their purchase so that it includes additional material, or access to content.

When you offer an upsell option, the entire order usually takes place right away, with customers adding your upsell offers to their cart during checkout.

With backend offers, you aren't necessarily offering additional products during checkout itself, but instead are offering them to your customer base

a few days later after the primary product has been purchased.

With a backend system, you can consistently add fresh new products to the funnel and notify your customer base every time a new release has been created. If you choose your market carefully, you should be able to develop a deep funnel that allows you to create an unlimited number of products catering to the same audience.

Using our work at home example once again, if you were to create an info product on “how to make money online”, you would write the ‘platform’ to finding a telecommuting position or work at home job.

This ebook would offer an introduction to work at home, provide a variety of options for securing online work and perhaps touch on the different types of programs to avoid.

Your backend system would then kick in, and you would begin to create additional “modules” that blend with the original product, including:

Product 2: The Scam Report: How To Avoid Online Scams

Product3: Top 50 Work At Home Jobs: Complete Guide

Product 4: Freelance Profits: A Guide For The Home Based Writer

Product 5: Paid Survey Programs Revealed

And so on.

It all begins with choosing a niche market that allows for continued growth. You want to be able to create a series of products that will be of interest to the same customer base that purchased your original product.

With ClickBank, you can easily integrate a successful backend strategy by combining products into a single package and creating alternative hoplinks for each one.

For example, if you were offering a single product you would log into your ClickBank account and create a payment link selling the product for a flat fee (such as \$27.)

Then, if you were planning on offering an upsell product, you would create a secondary payment link that combines the price of both products so that a customer only has to pay once to access both products.

When it comes to building a sold back end system, it's all about leveraging

your customer list. You want to maximize the value of every customer by following up with additional offers that compliment your primary product.

Setting up your system this way, not only helps you to maximize your income, but it also puts you in the position where you can negotiate with potential affiliates and partners.

For example, since you are able to generate income from a back-end product, you could offer affiliates with a higher commission percentage on your front end product, or you could even give it away free to subscribers in order to build a targeted mailing list where you could begin promoting your secondary product.

If you are planning on getting involved with joint venture partnerships, offering a backend product is essential as your offer will be considered more valuable in terms of projected income from both your initial product and follow up offers.

There are many different ways to create a back-end system, from using private label content to develop high quality products that compliment your primary offer, to offering additional access to membership sites or service features that enhance a customer's purchase.

For example, if you were offering customers access into a membership site your primary product would be entry into the member's area.

An upsell that could be offered before checkout would provide customers with the option of upgrading their membership account so that they could access additional areas on your site.

A backend offer would be released a few days later, offering yet additional upgrades or extended products and services relating to your main product.

Just the same, you could offer extended services as your backend offer, rather than a secondary product. For example, consider charging \$7-10 for unlimited upgrades, direct support or even access to a private community forum.

Creating your backend system doesn't have to be a time consuming process, and it will dramatically increase your online income.

Consider the fact that creating your back-end funnel requires no further customer acquisition costs, as you are selling to a build-in customer base that has already purchased from you.

If you have taken steps to develop a reputation with your customer base as someone who delivers quality material, it will be very easy to further monetize your customer list with additional products.

After all, they have already purchased from you and if you have ensured their experience was a positive one, they are going to be far more willing to purchase something of higher value from you in the future.

Failing to develop your back-end system will ultimately cost you a lot of money from lost sales.

Regardless of your niche market or the price of your info product, if you are not taking advantage of the opportunity to resell to an existing customer base, you are literally leaving money on the table.

Example:

You are selling information products via the Clickbank marketplace. Your ebook is priced at \$97. You run an advertisement for \$400, which yielded 10 customers.

Your gross profit would then be \$970 ($\97×10 customers) - while your net profit would only be \$470 ($\400 in advertising), based on those 10 customers and the costs to actually acquire them (advertising).

However, if you offer these 10 customers with a backend product or service, which sells for \$250, and only 30% of these customers accept it, you will generate another **\$750** ($\250×3 customers) in income.

Without having applied the 'backend' concept, your net profit would only have been \$470 for 10 customers. Even in small numbers, a backend system will ***dramatically increase your overall income.***

The backend concept can really help you to raise your profit margin quickly and easily. Keep supplying your existing customers with additional product offers that are relevant to your primary product and make more money on a consistent basis from the same customer base. It's as simple as that.

You can begin implementing a backend system just by using your existing customer lists.

For example, you release a product via the ClickBank marketplace and it generates 45 new customers. You simply create an email-based campaign

that goes out to all 45 customers offering them an upgrade or a product that accompanies or compliments your original offer.

You won't even have to list the secondary product on the ClickBank marketplace to be able to generate income from it, and can instead, offer it directly to your customer list as a "special, customer only release".

Leveraging your customer base this way doesn't require a lot of time or money, and you will be able to nearly guarantee results. If you've done your job of offering a high quality product in your first release, people will eagerly respond to additional products that you create, even if the costs are higher.

You've heard it said that 'the money is in the list', and it's absolutely true. Better yet, the money is in the "customer list", so always do your best to build and maintain email lists of anyone who has responded to your offers, whether they are paying clients or subscribers who are interested in joining a newsletter on your chosen topic.

You will be given the opportunity to convert those subscribers into repeat customers through follow up offers, so do not overlook the value in both a subscriber who hasn't yet purchased from you and a customer who has.

Building customer loyalty and overall brand awareness, always begins with your first product, and you need to ensure that their experience is a positive one so that you can continue to maximize the value of customers with each product that you release.

Your product needs to be of exceptional value and in many cases, developing a strong back-end system often involves offering your first product as a fraction of its actual value as a way of initially building your customer base and distinguishing your brand.

Your Price Structure

When you build your backend system, you want to gradually increase the prices of your products., so that your first product is always priced lower than all of your back-end offers.

Think of your primary product as a way of developing a relationship with your customer base, by allowing them to test the waters and determine the quality of the info products that you release, with every other product you sell making up for the lower-front end offer.

Your secondary product should always be set at a higher price point than your original product, so that you are gradually conditioning your customer base to expect to pay more for each product that they purchase from you.

For example, your first product featured on the ClickBank marketplace could be priced at only \$17 as a way of standing out from the competition by presenting an irresistible offer to prospects, while growing a large customer base quickly.

Your second product could then be priced at \$37 or \$57, and your third at \$97 +.

One easy way of justifying an increase in the cost of additional products is by offering different mediums for every other product in your back-end system. Not only will this increase the perceived value of your products, but it will allow you to connect with customers who are looking for specific delivery or formats.

For example, if your primary product is an ebook, distributed in PDF format, your secondary product could be offered as a bundle package, featuring an ebook and an audio version of the product.

Adding extra value to your follow up products will explain the increased prices, helping you to ease your customers into your system while still focusing on encouraging repeat business.

When creating your backend system you should also consider creating individual landing pages for every new product that you release, even if the follow up products are closely related to your primary one.

By doing this, you can easily link to additional product pages from within your back-end funnel so that when you email your customer base, you can

direct them to a new offer, avoiding confusion as well as being able to cross-sell both products to new customers.

Another thing to keep in mind is that your back-end products do not always have to be ones that you personally developed.

You can actually maximize your income by promoting third-party products as an affiliate or by re-packing private label material into a newly revised info product that compliments your primary release.

NOTE: For the most part, your secondary offer should be unique as to lend credibility to your overall brand, however as you begin to solidify your place in the marketplace, you can start to create products that are a blend of your own releases, third party releases and high quality private label resources.

When creating your back-end product, consider the different ways of adding value to each release.

Here are a few suggestions for adding auxiliary components to your sales system:

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- ✓ Add video tutorials or guides that further explain your products and help your customers understand your information.
 - ✓ Offer a “customer only” newsletter with tips and information based on your niche market. This is a fantastic method of building your lists while also furthering brand awareness.
 - ✓ Create a private community forum with extended support options. This is a very easy way of creating a back-end service if your primary product is based on software, scripts or requires further technical knowledge.
 - ✓ Develop a membership site around your topic with various levels of access. Your primary product could be an ebook with your back-end product offering entry into a recurring subscription site.
 - ✓ Add audio versions to your ebook packages for people who have limited time or prefer to listen to your material rather than read it.
 - ✓ Offer physical copies of your information product to increase overall perceived value.

Remember, every customer has an acquisition cost and by presenting back-end offers to an established customer base, once the initial product has been purchased, that customer's acquisition cost is essentially "paid".

This means that every other product that you offer to this customer is free from any further marketing costs and is pure profit.

Building A Reputation For Value

In order for any backend system to be effective, you need to spend time building your brand so that it's recognized for value and quality.

You want customers to feel good about being associated to you, and confident that each time they purchase from you, they will be given access to high quality information and resources.

It's always far easier to sell to someone who has already purchased from you and believes in your brand than it is to convince a new customer to purchase from you.

Furthermore, since this customer base has witnessed the quality of your products first hand, it will also be easier to **sell higher priced products** to them, without having to reassure them that your prices are justified based on the quality of the material. They already know your brand, your quality and your value as a merchant.

Even better, as you build your reputation for value you will quickly discover just how eager your customer base is to purchase additional products from you, and in many cases may even request specific products and releases.

This is a great way to brainstorm for new ways of adding additional products to your back-end system based on existing demand from an active customer base.

Building a reputation for value is also very important in yet another way.

Apart from being able to easily sell to customers who believe in your brand, ***you will also have less resistance with higher priced products.***

For example, if your primary product were listed for \$200 and your secondary product for only \$47, you'd have a very difficult time reassuring first-time customers that a \$200 price point is reasonable, since they have never had any personal experience buying from you.

On the other hand, if you offer a \$47 product upfront with a \$200 back-end product, since this offer is made only to verified buyers who have already purchased from you and are familiar with your quality, it will be far easier to convince those buyers that the price point is not only reasonable, but that they are still getting a fantastic deal.

With a back-end system, you can actually sell fewer information products

and still make more money than if you are trying to sell a single product. Think about just how much easier it would be to sell 3 products at \$400 each than it would be to sell 100 products at \$1.00.

A back-end system is the easiest way to build a brand, establish a customer base and subsequently, make more money with fewer costs involved.

When it comes to planning out your back-end system, taking the extra time to research your market and determine what types of follow up products are in demand will help you better prepare your business for exponential growth with your very first product launch.

It's far more difficult to integrate a back-end system once your first product has already been introduced to the market, so by planning and preparing ahead of time, you will be able to create a solid back-end that can be consistently improved and expanded as your customer base grows.

You want to position your brand so that you are able to differentiate yourself from your competitors by focusing on long-term profits, rather than a short-term campaign that is difficult to expand later on.

Here is a simple checklist for developing your back-end system:

1) Research your market to determine what types of products are in demand, as well as what your competition is offering.

You want to write down as much information as possible regarding existing products as well as ideas you have as to how you can enhance your products so that they offer something of unique value.

2) Create two products for your back-end system before launch.

The first product should be set at a lower price, so that you are able to motivate new customers to purchase your product and become part of your back-end system.

You want to focus on consistency and demonstrating to your customers that this isn't just a single, one-off purchase, but that you have developed a consistent, high quality program that offers additional products that compliment or enhance their initial purchase.

If you are running an affiliate program, it may be difficult to offer your front-end product at no cost as you will have to be able to motivate your affiliates to promote you, so instead, consider offering affiliates 100%

commissions on your front end product.

3) Your second product should be priced at twice the cost of the initial product, but preferably less than \$147 (since you are still conditioning your customer base so they are willing to pay higher prices for your products).

You want to bundle in as much value with this product as possible, by offering various mediums (audio, video, etc) as well as bonus products.

Note: While determining your back end product, remember to keep it compatible with your main product. If you select an inconsistent product the customers will feel that you lack expertise and this can damage the customer's confidence in your main product as well.

4) **Collect leads from every single customer.** Focus on building a solid mailing list using an autoresponder account (www.aweber.com or www.getresponse.com are both reliable providers).

Consider setting up your campaigns so that customers only have to enter in their information once (no double-opt in required since they are a paying customer).

Add your opt-in box to the download page and deliver the product via email through your autoresponder to ensure that every single customer is required to subscribe to your list.

5) Set up your follow up email campaigns so that your customer base receives notification of your secondary product within a few days of purchasing your primary product. I recommend sending the promotion out within -5-7 days of their original purchase.

Do NOT let your list run cold. You want to begin establishing a reputation with your subscribers from the moment they purchase your first product.

Set your autoresponder campaign to send out a promotion for your second product automatically so that you do not have to manually send out the email.

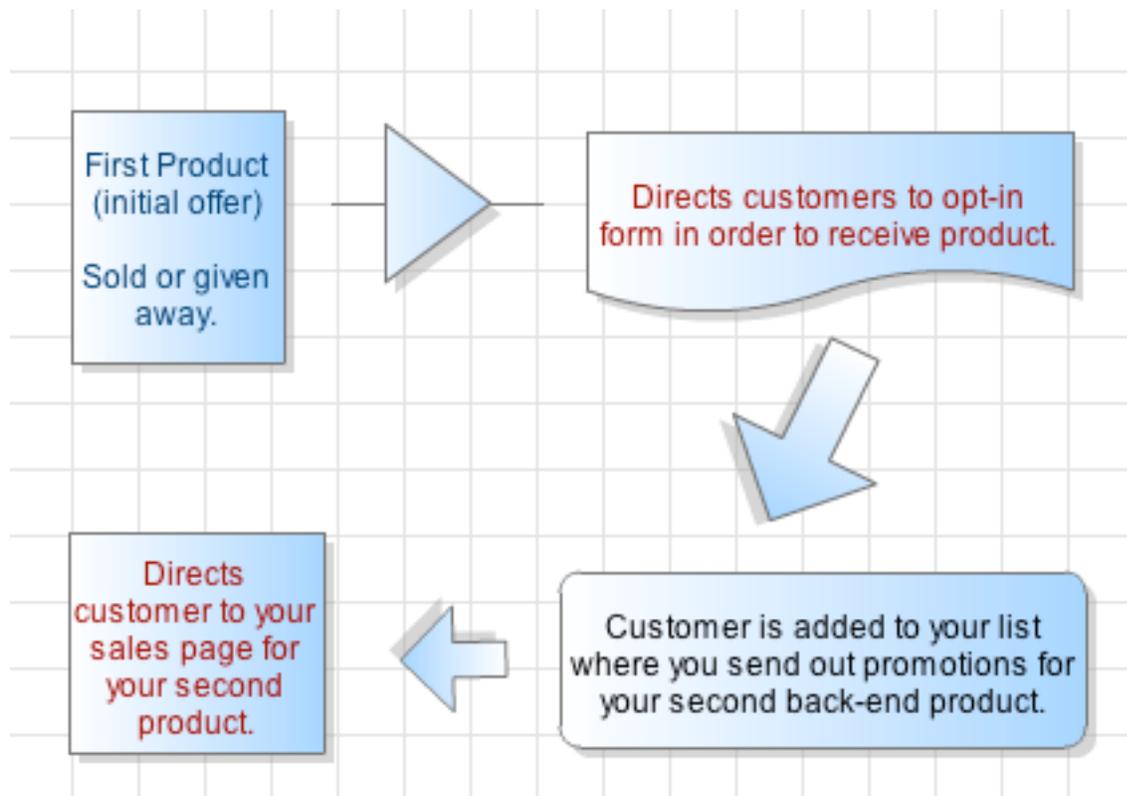
(If you struggle to write email sequences for your subscriber list, consider purchasing pre-written autoresponder messages that you can edit and customize for your list promotions.)

6) Rinse and repeat the process by consistently researching your market,

surveying your customer base and creating additional products based on existing market demand.

Contact your customers via email each time you create a new product and add it to your back-end funnel.

It's very important to have two products created prior to launching your first product, so that you can begin to develop a relationship with your customer base and have an additional product ready to go out, while they are eager to purchase more from you.



If your first product is being offered for free, it could very likely go viral, which will help you launch your second product without any further advertising costs involved.

Note: If you are offering your primary product for free, make sure that you advertise your second product within the ebook as well as include any affiliate links if you are promoting third party products.

That way, if your free product goes viral and is wildly distributed to your prospective audience, you can still retain control over your sales funnel and direct readers through to your back-end product even if they downloaded the ebook from another source.

Essential Factors For Creating A Value Proposition

You really need to demonstrate the value of your product **at your point of sale.**

There are different factors associated with creating a value proposition during the buying process, and while it does take a lot of work in implementing the many different components, the more you do it, the easier it will be to motivate potential buyers into purchasing your product.

Here are the top ten most essential elements that should always be included within your sales process to give buyers a compelling reason to purchase your products:

1) Deliverability

You need to address any concerns that a potential customer may have about your product.

By explaining how your product will be delivered as well as when your customer can expect to receive their purchase, you are directly addressing one of the biggest concerns that new customers who are not familiar with your system may have about their purchase.

Consider:

When will the product be delivered?

How is the product delivered?

In what format is the product delivered?

2) Money Back Guarantee

A solid guarantee goes a long way in reassuring customers that their purchase is protected and that there are no risks involved in the event they are not satisfied with your product.

Keep in mind that ClickBank requires that you offer your customers with a 60-day money back guarantee, so you need to highlight this refund policy on your sales page if you have decided to sell your product within their marketplace.

3) Price Point

You want to highlight your product's price if it is set to a price point that is lower than industry standard, so that you are able to get into the mind of your customer and showcase how your product offers more value at a lower cost.

While you never want to compete on price point alone, when introducing your first product it's important that you illustrate the value and quality of your offer in comparison with others featured within the marketplace.

Remember, your first product will be deliberately priced lower than the majority in the marketplace so that you are able to begin building your customer base and solidifying your place in your industry.

4) Support

Highlight the different methods that are available to customers who require additional support. If you have a help desk installed, offer a direct line of communication to new buyers who need a bit of extra help.

Consider additional methods of communicating with your buyers such as via live help, direct email or a private community forum accessible only to customers.

5) Benefits

It's important that you showcase the benefits of your product, including how it will help your buyer save money, time, or how it's simply more convenient, effective, simple, or cost effective.

You need to emphasize how your product will improve their lives, situations, finances, relationships, or however else your product may address and solve their current problem.

6) Bonuses

Bonuses are a simple method of increasing the perceived value of your package with very little work involved.

Consider bundling up private label material that you have rights to distribute, or rewrite existing content to create higher quality reports that can extend the value of your main package.

7) In Depth Information

You absolutely need to provide a clear description of your product so that potential buyers know exactly what is included and what to expect.

The more descriptive your offer is, the easier it will be to convince your website visitors to purchase your product. Use bullet points to emphasize key elements or benefits of your info product.

For example, rather than indicating that the “cost” of your product is \$97,

you should instead, highlight the “savings” that each customer will receive by utilizing the information within your product to avoid alternative, higher priced options (including competitor products).

For example, if you are selling an ebook on how to prevent Acne using home based remedies, rather than indicating the “cost” of your **Acne Prevention** ebook is \$97, you would highlight how your customer will be able to save money by not having to purchase expensive drug store remedies.

You would then break down the costs versus savings like this:

Investment of only \$97 for a full featured product that reveals the secret home based remedies for preventing acne.

Saves you thousands of dollars by avoiding:

Costly over the counter medication: \$297

Painful laser treatments: \$997

Time Consuming Dermatologist Visits: \$597

Savings: Over \$1799

Breaking down the savings versus costs helps to demonstrate how much money your customer will SAVE rather than focusing on what your ebook costs and will also make it easier for you to increase the price of your information product while still emphasizing the value and overall savings.

8) Quality Of Your Product

You want your offer to showcase the high quality of your info product. From your sales page copy to the graphics you use to represent your info product, every little detail matters.

Hire professional designers to create e-covers for your product and use a high quality, original design template that represents your brand.

You should also consider **assigning a value to your products**, so that the actual cost of the product is far lower than the “market cost” or “retail cost”.

Make sure that you assign a specific dollar amount to EVERY product as well as all bonus products that are included in your package. This helps solidify your offer and increases the perceived value of your product. It also illustrates the value or savings that your customer is being given access to

as well.

A clever and effective technique of adding value to your product is by emphasizing the “free” element.

For example, even though you are assigning a dollar amount to each bonus package, you should consider breaking it down so that customers believe they are only paying for the primary product, with all of the bonus items being offered at absolutely no cost (of course the actual cost of these bonus items have been incorporated into the cost of your primary product).

9) Unique Factor

You need to clearly emphasize the uniqueness and exclusivity of your offer so that potential customers understand that they are unable to obtain this product from any other merchant.

This is why it’s extremely important that your primary product is original and that you own full rights to all included content.

You absolutely need to be able to express to potential customers that your material is not available anywhere else, so that they don't go off looking for a cheaper alternative from your competitors.

Having a custom, unique product gives you the competitive edge you need to push customers into purchasing your product, while establishing a brand of your own. You can't do that as easily by selling products developed by someone else.

10) Addresses Their Questions & Concerns

It's your job to identify and address the most important concerns that potential customers may have about your product.

- ✓ What is your customers greatest concern?

- ✓ What do they feel is lacking in your competitor's product that you need to address in your own?

- ✓ How easy is your product to use and understand?

- ✓ Is any technical knowledge required in order to use your product?

You need to get into the mindset of your customer so that you can address any underlying issues and pertinent concerns that they may have. The more you focus on eliminating any reasons not to buy your product, the easier it will be to make the sale.

By focusing on implementing these essential factors into your sales process, you are able to begin building a relationship with your customers, while establishing a rapport with your target audience, and developing your distinct brand.

In addition, you clearly demonstrate to your buyers that you are committed to offering quality products and full support after the sale, encouraging repeat business.

Final Thoughts

You now have the information you need in order to create an effective and highly profitable backend system.

Begin by creating two products focusing on the same market. Then, when you launch your primary product, make sure that you have your secondary product ready to go out to the same customer base.

Tie in your offer so that it is offered within the first five days following your customer's purchase.

You can set up this offer to go out via email if you are requiring that all customers subscribe to your newsletter, which is the easiest way to increase the value of every customer and will give you the opportunity to consistently follow up with your customer base.

Keep in mind that your backend system is by far, much easier to execute, market and profit from than your front end itself.

Your front-end system requires the majority of work, time and effort, as it is the doorway into your complete sales funnel. This means that you need

to consistently recruit new business that you can direct through to your other backend offers in order to maximize your online income.

The easiest way to build a profitable back-end is by offering a low cost front-end system, allowing the price factor to do most of the work for you at recruiting new customers, and motivating them to purchase your product.

Once they are inside of your sales funnel, your back-end system will kick in and the majority of your actual profits will be made.

Consider pricing your front end well below industry standard. If your competitor's are setting their prices at \$97, set yours at \$47 or even less. Since you will have a solid back-end strategy in place, it will more than make up for the decreased cost of your primary product.

With this strategy, you will be able to actually earn more money with fewer customers than if you were focused exclusively on a high front end price structure with no back end in place.

The majority of new info product marketers focus solely on monetizing the front end with a high priced product, while savvy marketers and developers

know that the real money lies in the backend.

You now have all of the information you need to begin building your high profit system.

Spend some time evaluating the different product types that are in current demand, and create your business plan so that you can easily expand your sales funnel and back-end system as you become more experienced in your market, and have established a unique brand all your own.

To your success,

Your Name