

\$7 Madness

The Pros and Cons of the famous \$7 script

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What is the \$7-script ?

The \$7 script is a very popular script that can be set up on your webspace to sell information products. It was originally offered by Jonathan Leger in 2007 through <http://7dollarsecrets.com> and was later taken over by Don Morris.

The concept

The script has some features that make it attractive at first sight:

- Affiliates earn 100% commission for reselling the product.
- Commissions are paid directly to the PayPal account of the seller. Affiliates don't have to wait until the site owner forwards their commission.
- The \$7 site owner can build a mailinglist with the PayPal addresses of people who have proven to buy online.

A closer look

It is not my intention to discredit the creator of the \$7 script.

Jonathan did a great job in writing the script, and the script has been so successful that you can see those \$7 sites popping up everywhere these days.

But ... some concerns about the system prompted me to write this report, so that you can make an informed decision:

- when buying from a \$7 site
- when setting up your own \$7 site

I bought the script myself to run a website where I sell a report about email delivery:

<http://emaildeliverysecret.com>

It looked promising at first, but at the time of this writing, I am converting my site to a normal membership website. The following list of disadvantages of the \$7-system, explains why.

PayPal only

The \$7 script uses PayPal IPN (Instant Payment Notifications).

- My market is limited to PayPal users only. Many people can't use PayPal, or don't like to use PayPal.
- Many people ask if they can pay for the product with another payment processor, and I had to tell them no.

Your email address exposed publicly

The script uses your PayPal email address in the affiliate link. This is a very bad thing to do, because it attracts spam from email harvesters that gather email addresses from the internet. Even if you cloak your affiliate link, your email address is still visible to email harvesters in the html code of the payment button.

No commission for admin

Buyers of the product can re-sell it and earn 100% commissions. This means that the website owner will earn no income from the sales that members make, only from his own direct sales.

Experience taught me that website owners/product creators usually have other tasks to do, and have little time for advertising. That's why they run an affiliate site, and earn a percentage of the sales of their affiliates. The affiliates in return can focus on advertising because they don't have to spend the time to create the product or manage the website.

For the \$7 website owner, the main purpose is not to earn from making a lot of sales. Instead, the purpose is to build a mailinglist where he can market his other products to.

As a member in a \$7 site, this means that you'll probably get a lot of ads from the website owner.

Many PayPal addresses not reachable

You would expect that people check the mailbox for their PayPal address, because they want to be notified when they receive a payment.

- My experience is that many people can not be contacted at their PayPal address. Their PayPal address is often over-run by spam as a result of exposing the address publicly, and at some point they abandon the email address and just check their payments online in their PayPal account.
- Many people also ask if they can use a different email address to be contacted, but the script specifically needs their PayPal address for the payment button on their resellers page to work.

The promise to build a good mailinglist from selling through the \$7 script, is a false promise. Many people prefer to be contacted at a different email address, and to keep their PayPal address more private.

Loss of reseller status by opting out

The \$7 is usually set up in such a way that only people who buy the product first, can sell it.

- Many people buy into this system to be able to re-sell the product. But when you later want to unsubscribe, you loose your reseller-status. That means, as long as you want to be able to sell the product, you'll be stuck with the ads from the website owner.
- Requiring people to buy the product before they can sell it, severely limits the number of people who will be promoting the product.
- Although the \$7 script could be set up so that non-buyers can also sell the product, it is my experience that most website owners don't use that setup.

Payment failures

The PayPal IPN system used by the script does not always function correctly. This means that sometimes, somebody buys from your \$7 site, but his transaction is not correctly recorded by the site. When the buyer contacts the website owner, the website owner does not always have all the information to help him. For example, the payment might have been sent to somebody who bought the product earlier instead of to the website owner, so the website owner can not check if a payment was actually sent.

Less control over payments

Since the payments are made directly to the PayPal account of the reseller, the website owner has no way to offer a refund. And eventually some people will contact the website owner for a refund. The website owner will have to say that the payment was made to one of his members, and he has no control over refunding it because he didn't receive the payment.

This can easily lead to PayPal problems, both for the website owner or any of the members who resell his product.

Low prices = low commissions

While the \$7 script allows you to choose your own price for selling your product, many marketers use the “magical \$7” price. Often this is a reflection of low-quality of the product. It might sell easily, but what good is it if you are (re-)selling garbage. Also, low-priced products imply that you have to sell a lot of them to earn a decent income. You get what you pay for.

Wave of low-quality products

The \$7 script allows anybody to quickly set up a website to sell their own product.

This inspired a lot of online marketers to write their own information report, just so that they have something to sell with the help of the \$7 script. This has led to a wave of low-quality products. People most often buy these products for the ability to sell it at 100% commissions, rather than for a genuine interest in the product itself.

People are starting to realize that these \$7 products are often of low quality. So even if your product is good, selling it through the \$7 script might give potential buyers the feeling that it is just another one of those low-quality products.

Theft of mailinglist

While you earn 100% commissions as a member, the website owner gets to keep the mailinglist that you build for him. In normal affiliate websites, you can usually email your referrals. But not in the \$7, because there is no members area where you can log in to email your referrals.

Conclusion

The \$7 script seems attractive on the surface. It is cheap and easy to start selling a product through a \$7 site. But, it is also quite easy to run into problems, both for website owners or affiliates.

There are some flaws in the concept that make it a questionable and risky system to use. The problems are subtle and debatable, but my opinion is that the \$7 concept sounds better than it performs.

While some problems are in the programming of the script, most issues are caused by the “concept” used in \$7 sites.

After giving it a fair try myself:

- I can not recommend people to start their own \$7 site.
- I also can not recommend to buy products from \$7 sites.
- I am switching my own \$7 site back to a normal affiliate site where people first join, then pay for the product/service. With 50% commissions forwarded by the site owner to the member who made the sale. It's more work, but it is safer to stay in good papers with PayPal, and it definitely benefits the quality of service.

PS: At the time of this writing, <http://emaildeliverysecret.com> is still using the \$7 system. When I am ready with the changes, the site will use a system similar to the one described below.

Sincerely, Valleyken

[You can contact me here](#)

My own system

Here is an example of what I think is a much better system:

<http://profitsdesk.com/order.php>

- A yearly recurring fee of \$100, to have your own helpdesk. You can hardly say that it is expensive. Especially since a helpdesk is a necessary tool for any online marketer, and you save yourself the trouble of having to install it on your own webspace.
- 50% commissions for selling helpdesks. That might not sound as exciting as the 100% promises from the \$7 script. But still you earn \$50 for every upgrade in your downline, and this is recurring if they renew their upgrade after a year. The lower commission percentage allows me to offer a much better service to my members.
- Free members can also sell helpdesks. This is ideal for people who can't afford the upgrade fee. They can earn money without any cost. But to avoid freebie seekers, I made sure that there is a very good reason to upgrade. Free members can only sell the tool, upgraded members can use the helpdesk tool. And it is an awesome marketing tool.
- Even if you can't find paying customers immediately, using the helpdesk can boost your advertising a lot. And at the same time, you can build a responsive mailinglist through your account.
- The site has optimized email delivery. 10 referrals in this site are worth more than 10 referrals in another site. In the other site, chances are very big that the site has trouble with delivering your emails successfully to your referrals. This is just one example of what I mean by "quality". It costs a little more, but it works better.
- Isn't that what ethical business is all about ? A quality product that really helps your online marketing, and that you can feel good about when selling it to other people ? A product that costs some money, but delivers a valuable service at a fair price.

Give it a try, and you'll notice the difference.

<http://profitsdesk.com/order.php>