

Andrew: This session is about how to launch and price your products. It's led by Ryan Delk. He is the head of growth and business development at Gumroad. Gumroad, of course, let's bring up their webpage, is the platform that helps creators make a living by enabling them to easily sell what they make to their audiences. You'll see these guys have incredible, incredible users on their platform.

My name is Andrew Warner. I'll help facilitate this session. Ryan, thanks for being here.

Ryan: Andrew, thanks so much for having me. I'm excited to be here.

Andrew: One of the many creators on your platform is a guy named Sasha. What did he create?

Ryan: Sasha is a designer based in Japan. A lot of things, a designer by trade. He's worked with a lot of amazing companies. A couple years ago, he wrote a book called Step by Step UI Design. This book was on user interface design, aimed at tech companies. The book did well. He sold a bunch of copies of it. He made tens of thousands of dollars over the course of the book's life, over the last three or four years. It was his first product that he sold, and he was writing it on the side while he was doing design consulting work.

He was happy with the results. He thought it was good. He saw this trend of what a lot of other people were doing with pricing and promotion. He decided to do his own version of that and keep things very simple. He sold the book for \$5.99. He eventually added a couple different options and stuff, but kept things real simple. He made \$20,000 or \$30,000 over the course of the life of the book, which is great. That's a great income from a side project. He was able to, over the course of the next couple years, learn a lot of things about product launches. A lot of things we're going to talk about today that were able to help him make more than ten times as much on his next couple launches.

Andrew: Using the things the ideas that we're going to talk about today, including one specific idea that we'll discuss later on in the program, he was able to go to over \$300,000 from \$30,000.

Ryan: Exactly. Yeah.

Andrew: All right. That's the power of what we're talking about here today. Boy, you are the guy to do it. The reason we invited you on here is because I'm seeing more and more content creators use Gumroad. I figure as the person who's introducing them to the platform, and the platform that helps them earn a living, you guys, and you

specifically, know what it takes to do well. You've watched all these people grow.

Here's the big board of ideas that we're going to be talking about, all based on Ryan's experience. The first one is basic, but it sets the foundation for everything else. You're saying we should build an audience the smart way on our email list.

Ryan: Yeah, absolutely. When we first started with Gumroad, we had this idea of selling should be as easy as sharing. I think that's still very, very true. That's still something that's a very close part of what we do and what we try to do. We learned very quickly that this idea of just sharing products on social media, for some people that works really well, particularly very large creators with massive audiences. That can work well, but for the majority of people, social doesn't convert very well.

We learned very quickly through looking at data on campaigns and through data on where people were actually having conversions. People that would click through, view the product, and then end up purchasing. We started to see this amazing stuff where email would convert much, much better than social.

For every hundred viewers that came to a product on average, let's say through Twitter and Facebook, a hundred users, maybe one would buy the product. Maybe two, for someone with a really, really engaged audience. Versus that same person sending it out to a hundred people via email, we would start seeing cases where eight or nine or 10 or even 12 people would buy the product when coming from an email list.

You're talking about literally more than a 10x difference in conversion coming off of social versus email. We started to see this pop up with a lot of different people. A lot of different creators that were some of them learning it along with us, some of them we were able to share with them and say, "Hey, you should really invest super heavily in email."

It's hard because social is a very sexy and interesting thing. Everyone wants to build these big audiences on Twitter and Facebook, and there's a lot of value there. It's good for your brand. You can get a lot of engagement. Things can go viral. But when it comes to selling products, email is the way to go.

The person that I think does email probably better than anyone else I know is Brendan Dunn. He does a lot of things. He's a former agency owner. He lives in Virginia. He has written several books, has a couple course products, has a master class, all targeted at freelancers. Almost any type of freelancer could apply his stuff, but a lot of consultants, people that are billing by the hour, teaching them how to get more leads, charging more for their rates. And then eventually build their consultancy or grow their own consultancy

if that's the why they have a lot of interest in.

Andrew: Let's bring up his site it is, there it is.

Ryan: Yeah, and what you actually say there was an exit model, prompting you to go to his email list, which is one of the reasons why he does this well. So this is a great example where he actually set this up, this is new. And a lot of people don't like these exit models and they think they're a little bit obtrusive.

But what he did he actually only shows you this if you come into his site from Google. So if you Google something and his blog ranks highly for it and you have no context for him prior and you're coming in, then he shows you this to try and get you on his email list.

But if you're a regular blog subscriber you'll never see this because he doesn't want to give you that obtrusive experience. Which I think is just brilliant.

Andrew: You will see this if you go directly in there. And again he's asking for an email there. Oh look his Mixergy interview is on his site.

Ryan: There you go.

Andrew: I see, I didn't realize that he valued email so well. So what does he do with email beyond the [??] we just say?

Ryan: Yeah, so there's a lot of things he does very well. The thing I think is really interesting is he launched this campaign, last year I think, where he basically started trying to convert his social following into email subscribers.

And value for him of an email subscriber is massive. He's amazing at marketing, amazing at using a lot of techniques we're going to talk about there. So he's able to drive a lot of revenue for every email subscriber that he can get. Particularly if you look at it on like a lifetime value angle.

So in the double digit dollars easily. For every new email subscriber he can. And so he started retargeting people who came to his website and would then visit Facebook or LinkedIn or other social networks. Retargeting them with an optimum to get involved in one of his email courses.

So I think he tried a couple different courses, things on how to raise your rates, how to get more leads as a freelancer, how to build your own agency whatever it might be. And

he had these incredible conversation rates because he has people ... he was giving them something valuable, which we know assuming that a lot of us here about like email.

We use something, tease them with some, and give them something of value in exchange for getting on your email list. So it might be access to course, a book whatever it might be. And we'll talk about that a little bit later.

Andrew: Let's look at how he's doing it, this is his page the moment ... let me bring up my web browser again. This is how I bring up my web browser.

Let's take a look this is Twitter account right now. And the very top thing that he has there because he pinned it and you can now pin Tweets to the top of timeline. It's this learn how to price yourself right with my new nine day email course. That's the link that he's promoting.

If I click on that I see a request for an email address, right there. If want to take this free first lesson and then reason for why I should do it and again another email input box. And so this is what he's doing to convert social viewers into email subscribers. And then from there as you said it's much easier to sell.

Ryan: Exactly because once you have the email address you have a direct line to them versus relying on them logging into Twitter and you see it and logging into Facebook and it appearing on the top of their feed. And that's a great example. Every person that hits his Twitter profile sees that direct URL which basically I call to action for them to subscribe to his list.

Andrew: It's really important to hear that coming from you guys because I know that Ty Hill created Gumroad as a place where you can sell as easily as you Tweet.

Ryan: Totally.

Andrew: It was social centric at first, but obviously you're finding that are other things that work even better.

Ryan: I mean I certainly see the value in social and definitely a huge fan of Twitter and Facebook. We just did a deal with Twitter while we're working on helping them bring in stream commerce to Twitter.com. So definitely see a lot of value in social.

But I think for people a lot of people in our audience, a lot of people that we work with especially in the creators email just convert so much better than any social channel.

And it's a huge opportunity especially if you're investing heavily. And so sure you want to convert these people and the email subscribers.

Andrew: All right on to the big board again, here's the next big idea which is you want to prime your audience for your product and use drip marketing and there's a company that you guys worked with Colt Ford.

Ryan: Yes.

Andrew: Excuse me actually it's musician not a company. I'm so used to calling everyone companies.

Ryan: Yeah, so something that I think that's interesting at Gumroad we work people don't know that's a lot of different types of creators. So we work with independent creators who don't have an agent, don't have a manager just write books or courses.

We work with well-known authors people like Chris Colbow, who Andrew and I were talking about earlier. And we work with really well-known musicians, filmmakers, people in the entertainment space as well. So we're able to sort of gather data and look at what works across all these verticals. And the cool thing about everything we're talking about today is that we've literally seen this work for every single type of creator and every single vertical. So this isn't just something that works well if you're an author.

It also works well if you're a filmmaker, if you're trying to sell software products, whatever it might be. This artist, Colt Ford, he's a country artist. His label is Average Joes Entertainment, out of Nashville. They had an album coming out. He has a pretty decent very, very engaged following that loves all of his stuff. He's sort of a hybrid hip hop country artist, which is sort of a weird, niche market that he just dominates.

We were talking with his label about doing this release through Gumroad, and they came to us and they said, "Hey, what could we do that would just really send us over the top? What are you guys seeing that works really, really well? What can we emulate?" Props to them. They were very open about trying new things, things they had never tried before and weren't sure if we're going to work.

I said, "Listen, there's a lot of things that could work. I think what would really crush it is if you guys A) invested really heavily in getting everyone off of social onto your email list," like we just talked about, "And then B) took that email list and started priming people to get excited about the album."

Previously, what they had done is they would just email everyone the day the album

was out and say, "Hey, go get it on iTunes. It's here. Go." That can work, but as something that Nathan Barry, who I think has also been on Mixergy, talks about often is that you should convince your audience to buy before they have the opportunity to buy. You want them already so excited about what you're offering that they've already decided in their head, "I'm going to buy."

We worked with them to craft these little nuggets that they would drip out. They would try to get everyone on their email list by saying, "Hey, if you join the email list, you'll get to hear 30 seconds of the new single." Or, "You'll get a sneak peek of the new music video." That would get people onto the email list. Once they were on the email list, they sent out this series of drip emails every single week. For people who don't know drip emails, it's just a fancy term for emailing people over time, leading up to a product launch.

They would send out little 15-second teasers of Colt doing something related to the album. They would send out interviews with him that were behind the scenes about the album. They would do all sorts of these little teaser things leading up to the album. They saw this work in a huge way. They were going to be excited if it was Top 50 in the category. He's got a decent audience, but he's not this international superstar.

We actually just recently got the results back from this campaign. We saw the sales, but we weren't sure how it was going to stack up. The album was actually a massive hit. It actually went to number one in country. Obviously, he was very happy. The label was very happy. They attribute a lot of the success to this campaign. They just sent us this framed album plaque.

Andrew: Tilt it so the top is down and the bottom... Yeah, there you go.

Ryan: They sent us this framed album plaque of the album going number one, thanking us for our help and helping make that happen. That was cool. We actually literally got that yesterday.

Andrew: That's so cool.

Ryan: A very timely example. It's a good example. I think we hear a lot of tech people writing about these things, but these strategies work. They work across the board. They work for everyone.

Andrew: What are some of the things that we can think about dripping out? It's hard to come up with stuff to write to tell people about a product that they can't even buy yet.

Ryan: Are you asking... Sorry, you're breaking up at the beginning.

Andrew: What are some of the things that we can drip out over time?

Ryan: I actually think that it works really well to give away some of the best content or best parts of the product that you're trying to get them to buy before it's actually available. If you're selling a course, things like snippets of video interviews, or maybe even a full interview that's a part of the course. Chapters of a book. An extended trailer of a film. The first single off an album. All these types of things work really well.

What I've heard from a lot of people is that they're hesitant to give away anything too good. They're afraid people won't buy the product. I think in some cases that might be true, but in most cases if you give me something really cool, my instinct going to say, "OK. There must be a lot more cool stuff in this product. I'd better get it." I think in general, giving away the coolest, most awesome stuff to the list, especially as a drip sequence, is the best way.

Andrew: Okay. That's easy to come up with. If we have the actual product, then slicing off pieces of it and handing it out is so much easier than trying to come up with yet another piece of content, and another, and another, and another.

All right. Let's go on to the next big idea, which is to have a three-tiered pricing plan. I think everyone knows it, but I think it's still worth explaining what this is.

Ryan: Yeah. Tiered pricing is basically the idea of rather than launching a product at a single price point, rather than selling a book at \$5, rather than selling a course for just \$25, you should have multiple product tiers at different price points with different levels of value. You have the basic edition at one price point, a mid-tier edition at another, and then a deluxe, extreme edition up at the high end.

Andrew: We talked about how one of the people who's especially good at is Chris Guillebeau, here is one of the way's he does it. So there's three different packages, he puts check box next to each one. Software programs are really good at this but content creators like me often do it. And this is what you're talking about. So Nathan Barry is someone who's done this really well.

Ryan: Yeah, so Nathan has done an amazing job at this. He actually did it on all his products. And I think it stemmed from a conversation he had actually with Chris. Just in passing that Chris mentioned, you know Tier Pricing's has actually worked pretty well.

And so Nathan actually tried it for his first product, it actually worked really, really well.

And there's a couple reasons why I think Tier Pricing works well, and we'll talk about that first then we can talk about the specifics of the actual price points.

But I think Tier Pricing works well because we all have people in our audience, regardless of the size of the audience, regardless of how long you've been creating content. You have people who are, you know they have an expectation of how engaged they are, how excited they are about products.

And if you only release a product that is single price point you're really limiting yourself. And you're limiting yourself in for a couple reasons. The most of important of which I think is because people who are really engaged and really excited, you don't give them an opportunity to fulfill their desire to get the most insane amazing package they can possible get. Even if it cost \$250.

So Nathan's case you can look at his App Design Hymn book or the Web App Book whatever...

Andrew: Let's go look at. There it is.

Ryan: He was several different pricing tiers, that basically...

Andrew: Here's the package for \$249, we scroll down we see the book and videos for \$99 and we scroll down below we see just the book for \$39.

Ryan: Exactly, and I think those pricing points sort of cover all the different people in our audience. So you could have people that are just to get on your list, just checking it out. And they're not ready to spend \$250, but they might spend \$29 on getting access to a new product you came out.

Versus people who have been on your list for three years been getting a bunch of value from you, love everything that you do. And they say, you know what I want the expensive awesome thing, because I want all the video interview, I want all the extra bounce content I want everything.

And for those people you don't want to push them into just a small price point, if you only still want price point. You want to give them the opportunity to grab that highest price package and fulfill the desire they have for that.

Andrew: So lets' look at some of his results. Here is one of the screen shots, one of the images you sent me. Can you describe what we're looking at?

Ryan: Yeah, so this is an image that we sort of came up with, or our design team came up with, during a case study. Where we basically looked at with Nathan, and obviously with his approval, with the percentage of sales, so this is like the actual number of transactions for each product verses the amount of revenue, the percentage of total revenue for each product.

So as you would image the book is the \$29, \$39 package, the book plus videos is the \$100 package, the complete package is \$250 package. So as you would image more people on like a quantity level purchase the book, then purchase the higher price packages.

But the interesting thing is you look at the revenue piece and you see that more than half of his revenue, I think during this case study was maybe 54-56% of the total revenue of the product release came from that top package.

And so even though more people on an actual numbers bases are buying the lower price product which is what you would expect. The higher price packages which often we think about as something that maybe a few people would buy or maybe only a few people would be interested in actually make up the majority of the revenue, in this case more than half of the revenue from the product launch.

We're talking about 50, 60, 70 thousand dollar product launch to a large audience that makes up a large amount of money just by having that complete package.

Andrew: And this is how you're suggesting that we think about it. Let me bring up one more in here. This is how we think about the tiers.

Ryan: Yeah, so this is a talk I gave I think at Micro Comp last year. And I was looking up sort of what are the ideal pricing tiers because that's a question that I was getting a lot I was like I know I should use tier pricing but what should those tiers be. And its hard question because I think it's pretty contextual based on your audience, based on the product.

But what we found to be the highest converting tiers was and these are in multiple so it works for whatever price point you want to set. But 1X, 2.5X, 5X so if you're thinking about your bottom package being \$20, your middle package might be somewhere between \$50, \$60 I mean your top tier package should be \$100 or more.

And that will feel really aggressive at first especially if it's your first product launch to think about that extreme of a tier. It's much easier to do 9, 20, 30 or something. But that's really, you need that big of a spread to really push people into the correct package

for them. What most people find is that the middle package actually just ends up working like a price anchor. People then either say, "Okay, I'm either going to just get the small package, or if I'm interested in the middle package, I might as well pay more and get that top package."

Andrew: I see. That makes sense. I can't believe that it's working that well for so many of your people.

Ryan: Yeah. It's unbelievable how well it works, especially just looking at how much more revenue you get because of it.

Andrew: Well, actually, I was going to ask about whether musicians can do it, but I guess the answer's about to come up. Here, let me bring up the next big point, which is you want to determine your highest converting price point per product. What do you mean by that?

Ryan: This is a really, really important thing that I think there's starting to be more people talking about. Hopefully, we can contribute to that discussion. I think that for specific types of products, you have to be in specific price ranges in order to convert well. This won't work for everyone, but I think in most cases you can basically classify your product into an impulse buy category. Something that people are going to stumble upon, read, check out, and then decide, "You know what? That's for me. I want it. Let's move forward."

Or something that people are going to have to think about for longer. For most people, this is anything over maybe \$25, maybe \$30. That would include things like what Nathan's selling all the way up to \$1000 courses. A lot of things that remit safety sales. Things like that that are things you have to think about a lot longer and really make a commitment to.

I think that it's easy just to look at what a friend's doing and then price your products accordingly. I think you have to think about the goals for the product, and then price it accordingly, based on what you think will convert well. If your goal is to just drive exposure, get your message out, build your audience, build your email list, then maybe it makes sense to release a \$2 e-book. That might make perfect sense. It's an impulse buy. It's quick for people to buy. It's easy for them to share with their friends. That's a very quick and easy thing.

If your goal is to create something for a lot of value, to drive a lot of revenue, to spend a lot of time on, then a \$2 price point is probably not what you want to aim for. You want to do something that's much more in the \$30 or \$40 or \$50 or much higher range.

I think it's important, because we as humans have been conditioned to make assumptions about the value of the product based on the price point. If you tell me a car is \$80,000, I'm immediately making assumptions about the quality of the car. Even if I've never seen it, never heard of it, I'm immediately thinking, "Well, since it costs \$70,000, it must be decent." Versus if you tell me, "Hey, I found this sweet deal on a car. It's \$1500." Likewise, I'm immediately making assumptions on the quality of that car.

I think that we do the same thing in a lot of other things in life, including products when we look at them. I think thinking about what the type of price point you want to offer, the way you want to condition your audience, is really important. Both of these can be successful. It's not to say that you can't sell products at a low price point, you should only sell high price products. I think it's important to think about your goals when you're pricing it, and then optimize accordingly.

Andrew: Let's look at an example. Is Eminem a good example of this? Is this a good place to bring him up?

Ryan: Yes. Eminem. That would be perfect.

Andrew: I didn't know, by the way, until I saw the notes for this session, that Eminem is on Gumroad.

Ryan: He is. He is one of the many Gumroad creators.

Andrew: All right. How is Eminem using this idea?

Ryan: Eminem is a hip hop artist. Most people are probably familiar with him. For most of his career, he did the standard music/merch artist release strategy, which was...

Andrew: Yeah, what is that?

Ryan: You release an album, \$9. Maybe the deluxe addition is \$16. You sell some merch, and that's sort of the...

Andrew: Merch meaning like a T-shirt for \$25 to people who would complain that they have to pay that much for a T-shirt.

Ryan: Exactly. You have a store on your site. That's what his audience was conditioned to. About four, maybe three years ago, his team had this idea. They actually looked at what Michael Jordan was doing with his shoes, with Nike. Every single one of the drops

is very exclusive. It's fixed quantity. They're expensive. Everyone knows Jordans are expensive. If you're going to buy Jordans, they're going to be expensive. You've got to act quickly to get them. Most people don't complain about the price of Jordans. They're just excited to get them.

They said, "Well, Eminem is very iconic. He has this massive fan base." He actually has the third largest Facebook page, with a hundred million fans.

Andrew: I had no idea.

Ryan: They basically said, "Let's do the same thing." They spent three years essentially conditioning his audience and his fans to this new strategy. They no longer sold products for a \$12 beanie and a \$15 hoodie or T-shirt. Everything was exclusive, limited edition, limited quantities, never going to be made again. And so now if you check out his Facebook page on any given week. Almost every week they drop a new exclusive something, it's a hoodie, it's a pair of shoes, it's a beanie, it's a t-shirt.

And the price points are very high. You're not buying a t-shirt for \$20, the t-shirts going to cost \$55 and the hoodies going to be a \$130. But the audience knows there's only going to be a thousand of these made, there's only going to be 2500 of these made, once they're gone they're gone.

Maybe they're going to be collectible there's going to be a lot of grad in terms of your friends are going to be jealous whatever. And it basically totally conditioned his audience to now understand that everything that Eminem puts out is a high quality, high price point product. Its limited edition and you better act quickly because it's going to sell out in seconds or minutes in those cases.

Andrew: Let's look at that on his Facebook page, see if I can bring it all up fast enough. This is his Facebook page, here is pre-order bundles now available including prints of the original written lyrics to Lose Yourself. If we click over and check out the next tab we can see there it is a thousand bucks for this print. Two disk CD and hand signed canvas print.

Ryan: Exactly and this thing is selling very, very well. And this is a great example of there's very few artist that could put out a thousand dollar item of any type regardless of its signed or not. And not have a massive revolt on their hands or just not sell any.

But over the course of three year Eminem has completely commissioned his fans to know that he's going to put out this type of exclusive awesome products, and the love it they eat it up. I think this is great example of the importance of sort of understanding

that your audience is going to be conditioned to what you price your products at. And if you work hard and you sort of are very intention about it you can build sort of an exception around price that can be very locative in terms of driving a lot of revenue.

Andrew: By the way I thought that Gumroad was just for digit sales I didn't realize you guys do stuff like this.

Ryan: Yeah, so we're slowly expanding in the physical. It's very complicated with fulfillment and all that.

Andrew: Who does the [??]?

Ryan: We just partner with a couple different filming companies. So not in house. Fulfillments not something you want to be involved in actually.

Andrew: No you don't, it's really tough.

Ryan: Yeah.

Andrew: All right but that's good to know. All right and we'll come back in the end and talk about how the first story that we started telling at the top of this interview with I guess it was ... let me see what his name was...

Ryan: Sasha, right.

Andrew: Yeah, well talk about which one of these ideas Sasha used and how well it worked for him.

Ryan: Yeah, absolutely.

Andrew: The next one is to pick that tactics that work for your audience and there's one person who I know has been doing especially well with you guys Kyle Webster. What does Kyle sell?

Ryan: Yeah, so Kyle. Kyles actually an incredibly talented artist, who does a lot of illustrations for the New Yorker and the New York Times, Time magazine. And his entire career has been doing basically contract freelance illustrations.

Andrew: Is this his work?

Ryan: Yeah, totally. And so he over the course of the last 25 years grew a little bit just

unhappy with the current photoshop tool that were available. And so he actually started designing his own brushes. He would build his own photoshop brushes.

I'm not an illustrator but from what I understand like the brushes you use in photoshop are very important and it's sort of like the type of pencil you use to draw, it's a thing. And so he decided after maybe five or six years that maybe other people would want these brushes too.

And a year and half ago decided to just put a brush out, and see how it worked. He launched a brush, said hey this is \$3 just put it on Twitter, put it on Tumblr and it blew up. He made I think almost a thousand dollars off that brush. By just releasing it and saying, hey all my illustrator friends you can have it.

So fast forward to today a year and a half later Kyle has crossed over \$250,000 in total brush sales closing in on \$300,000. And now makes more money selling photoshop brushes than he does from his other sort of contract work. Because he doesn't need to do as much of that anymore. He just does it when he enjoys it.

And what I think is really interesting about Kyle is that there's a lot of blogs, there's a lot of articles about how you market product this is how you do it, this is what works. But I think there's this element of like you have to know your audience, and you have to know what they're going to want what they're going to be excited about and what's going to convert.

And so with Kyle he tried a few different things, he tried doing guest post, he tried building an email list. And does some stuff with email that works decently well. He tried a couple sort of leveraging his press contracts to get a few really, really big, you know, pieces and New York times people like that, and none of these things really converted. But what he found was that most of his audience, and then most of the other illustrators, were very, very active on Tumblr. And so what he decided to do was just throughout the week he would post different things he was drawing on Tumblr and tons of people would reblog them, which is like the Tumblr equivalent of a retweet and share them and say this is amazing, this is amazing work, and then every Monday, he does what's called mega-pack Monday, and so he basically gives away a mega pack of his brushes, which is all the brushes he has. He sells them for 30 or 40 bucks.

Andrew: Let's look at that too. This is his Tumblr page, right?

Ryan: Yeah.

Andrew: And here is what a mega pack looks like, right? Kyle's ultimate mega pack for

Photoshop.

Ryan: Exactly.

Andrew: Let's click on that. And that takes us over here.

Ryan: Yeah. So that's his gum road profile. And so what he does, he says, this is mega pack Monday. Anyone who reblogs this on Tumblr will be, or retweets it on Twitter, will be entered to win a free mega pack. And what happens is, you know, if you look at some of these posts, they'll have like 3000 reblogs of people that want to win. Their friends see it, they want to win. They just get incredible, incredible engagement because people want to win these free mega packs, but then in the posts is a link to his store, and so he's able to generate a ton of traffic to his store from people that are basically entering to win this thing. It's not something that I would think about as a main marketing channel for products; I don't think much about Tumblr. I had no idea that this whole audience exists, but he's basically built, not his entire business but a massive percentage of his business, on this Tumblr audience.

I think it's a great example of learning where your audience is, learning how they engage with you, learning how they engage with other people, and then just playing your cards to that and not necessarily spending time on what everyone else thinks will work really well, or your sort of prescriptively says "hey, you should do this". But just learning what works and then doubling down on that, and I think he's a great example of how you can be incredibly, incredibly successful, you know, if you find something that works and double down on it, even if it's not like a conventional marketing tactic.

Andrew: And know what, it's so much easier than guest blogging on other sites.

Ryan: Exactly. Writing 30 guest blog posts.

Andrew: And hoping that they'll work. Here, I think this is one of them. I was searching a moment ago, and you can see that people are starting to. There it is.

Ryan: Yeah. It's just insane.

Andrew: Reblog, reblog, reblog, reblog. And this is the way that he's promoting it today: "great new pencils for Photoshop designed by Kyle included in every single mega pack. 3PM Eastern, Kyle. Reblog and win. Reblog this post for a chance to win a mega pack of photoshop brushes, yes, the same brushes used by artists at Disney Dreamworks." Well, great. He's done incredible work. I mean, just looking at him in preparation for our conversation, I didn't realize how many places his work was featured. Here's one...

Ryan: Yeah. It's amazing.

Andrew: that's on the Washington Post, on the cover.

Ryan: Yeah. He's incredibly, incredibly talented. And what's cool about the story, he's able to now just do what he loves, which is do illustrations, and he's not now bound by making sure that he can make enough money from this illustration work. He just does it when he enjoys it, when he's excited about it, takes projects that he's excited about it and is able to have a very healthy income stream on the side through his brush sales.

Andrew: Okay. The next big idea is keep pushing to drive ongoing revenue, and I think now we're going to talk again about Sasha, so why don't we look at all the points up here. Which of these is the one that helped him get to 300,000 the most? Which of the ones that we've talked about so far before we get into keep pushing?

Ryan: Yeah. So the tiered pricing is definitely the one that was the game changer for him. And I can tell a little bit of the story around that, and then also, he did a great job of this last tactic, keep pushing to drive ongoing revenue. He was able to really leverage a lot of cool stuff to keep that revenue coming in after the product launch.

Andrew: So, for tiered pricing for him, he started out with 5.99 ebook.

Ryan: Yep.

Andrew: What did he do to add to that?

Ryan: Yeah. So, Sasha, Sasha's awesome because he actually was very staunch on how he thought that tiered pricing was not a good idea and very public about it.

So him...

Andrew: Oh, really.

Ryan: ...and a few other people sort of had a little, it was like a little thing, sort of in jest but there were some sort of notes of seriousness, and he was sort of very against this idea, and what was awesome is he sort of saw it working. He was working on this new project called Discover Meteor, which is a book on Meteor JS, and he was able to sort of see what was working with this tiered pricing stuff. I was actually jamming with him on twitter in preparation for this to get some data points, and the Discover Meteor book that he launched with tiered pricing has actually done about 10X, more than 10X actually

now in total revenue than the step by step UI design book.

What he noted to me, which I thought was very fair, was that it's sort of like comparing apples to oranges. They're different books with different audiences. What he did, which I thought was perfect, is he went in and backed out how much revenue he would have made with the exact same number of sales if he only launched Discover Meteor at the lowest price point.

We did the math together, and basically found out that by having tiered pricing for Discover Meteor, he was able to drive 52% more total revenue over the course of a year and a half. Just by having tiered pricing. For those of you that know Sasha and how well he does this, those are no small numbers.

He's an incredible marketer and understands these things really well. He gave me permission to share his numbers. It's over \$100,000 in revenue from this product that is directly attributable to tiered pricing that he was able to earn as a function of using tiered pricing versus just a complete, flat, one-stop pricing model.

Andrew: Let's look at what we were just talking about. This is the book?

Ryan: Yeah.

Andrew: If I click on "Get the Book" I can either pick the \$29 option, or I can see the \$89 option, or the premium option for \$179. He's definitely using that. The next point is you're saying we should keep pushing to drive ongoing revenue. What did he do after that?

Ryan: I don't know if you have it. I included a sales graph of him. We did a case study with him, so he gave us permission to prove this. This was done about a year ago. This is his sales graph over the course of a year. May 7, 2013 to May 7, 2014. Just about six months ago. At this point, he had done \$240,000 in product revenue.

For most people, what happens after you launch a product is you launch a product, you spend a ton of energy around launch. You do guest blog posts, you do a bunch of marketing, you do ads, whatever. Basically, all of your revenue comes in the next two weeks, three weeks, four weeks. After you've hit two or three months after the product launch, for most people, they're making almost no revenue off their product. They're already thinking about the next product.

What Sasha did was he very much viewed this book and this product as something that was going to function more like a subscription software platform than a book. He wasn't

interested in just launching this, making as much money as he could, and then moving on to the next product. He wanted to really invest and spend time on this. He spent a lot of time creating it and spent time promoting it and trying to build something amazing.

What you'll notice is he has the big spike on launch day, which everyone has. That's what everyone generates. Then you'll notice that he's been able to generate consistent sales of several thousand dollars a day. There's actually a slight upward trend towards the end of the graph where he's learning what works well, what marketing things are converting, what can we keep doing. He's been able to drive between \$5000 and \$10,000 a week in sales, continuously, of this product.

There's a few things that I think worked really, really well for him. The first being that he is just in general an incredibly hard worker. He spends a lot of time on this, has learned what works really well. He basically was able to leverage the things that were happening in the Meteor community. Meteor is a JavaScript framework, for those of you who aren't familiar. JavaScript framework, it's being updated constantly. There's new things happening, news coming out.

What he did was he leveraged all these things that he could add as updates to the packages. A new version comes out, he's able to record a new interview, whatever it might be. He adds these to the packages, and then he leverages those as marketing opportunities. He's continuously working to add more things to the packages, to add more value.

He's able to blast out to his list and say, "Hey, just added these four things. It doesn't look like you've bought it yet. We'd love to have you pick it up today. It's much more valuable than it was a week ago, and we'll keep adding cool things."

The interesting approach that I think he took to the email piece of it is a lot of us, if you launch a product, you immediately think, "Okay. I have this big list that I built up with opt-in forms, getting people primed for the product. I used drip marketing and I launched the product. I emailed everyone a couple times, but the launch is over now. Let's just merge those two MailChimp lists. Those people will just be on my regular newsletter now, and we'll go from there."

Sasha didn't view it that way. Sasha viewed everyone who was on that pre-launch list as an opportunity to make a sale and a sale he needed to earn. Anyone who makes a purchase is removed from that pre-launch list, but everyone else on the pre-launch list is still, to this date, getting emails that he's writing, that he's sending and saying, "Hey, here's things we've added. Here's some cool news in the Meteor community. Here's a few snippets of the book. Here's some new content you can check out. We'd really love

to have you make the purchase, buy it", whatever, basically still getting marketing emails, and he would use the outcome as complete binary.

So either these people are going to buy the product, or they are going to unsubscribe, and there is no in between. So he is able to drive all of this ongoing revenue because he is still using drip marketing a year and a half after launch, which is unbelievable to me, and it is awesome, and it makes so much sense. But I think it is easy to just, it is not necessarily laziness, but you just think, "Okay, the launch is over, there is no need to keep doing this." But I think what you see is, you know, literally, he has been able to earn, you know, hundreds of thousands of dollars now, as a function of still keeping the pedal on the gas, and still, you know, being able to drive a lot of these sales through things like drip marketing, updating the product, all that kind of stuff.

Andrew: That approach really appeals to me, because I interview authors all the time who write a book, and once they are done promoting it, they are onto the next thing, and it is like they forgot about those old ideas.

Ryan: Oh, totally.

Andrew: They are gone.

Ryan: Yep.

Andrew: Well, this makes so much sense, and like you said, you learn more about how to promote, you learn more about how to sell it, you learn more about what to say to people, how to make it useful. That makes a lot of sense to me, and I am glad that he is doing well. Can I say the revenue number that he has for what he is doing per day now?

Ryan: Yeah, totally.

Andrew: Okay, I have it in my notes here, he is at about a thousand bucks a day right now.

Ryan: Yeah, he is doing amazing.

Andrew: That is fantastic. Alright, onto the big board for the final point, which is to use concentric circles of people hearing about your launch.

Ryan: Yeah, so this one, I think we talked about briefly. You know, there is not a ton to say on this. I think the main point here, I think, is to think about, you know, everyone has their core audience, which are people on their email list, people that are, you know,

following them on Twitter, and really engaged there, people that read their blog on RSS. And then we have sort of a larger circle which are people that maybe occasionally read the blog, occasionally, you know, check out Twitter or Facebook, and then there is sort of a larger circle which is the people that are sort of generally interested in the things that I am writing about.

Maybe they follow other bloggers that are interested in what I am writing about, maybe there is some overlap there. But there is sort of these circles of engagement, and I think when you are thinking about a product launch, or you are thinking about even just building an audience, thinking about how you are targeting each of those circles is really, really important. And I think, you know, one of the reasons advertising works so well, even for huge, expensive products like cars, you know, wedding rings, things like this, no one is expecting, like Toyota is not expecting me to go out and buy a Corolla because I saw one television ad, and I am immediately thinking, "Okay, well, I will go spend, you know, \$25,000 on a Corolla."

They are thinking that I am going to see a television ad, I am going to see another one in two weeks, I am going to see ten more over the course of the next six months, two of my friends might get a Corolla, I might test drive it with them, I might like it, and then my car breaks down, and I need to go buy one, and I am thinking, "Oh, the Corolla is cool." So the whole point of advertising and marketing even is getting people to have multiple touch points with your product, multiple experiences with it, and I think often with product launches, it is easy to think, well, I am just going to blast my email list, tweet a couple times, and then you know, I will be good, and the people who will to buy it will buy it.

But you know, especially for people who are not in that core concentric circle, for people that are outside that in your sort of larger audience or people that are just fringely involved in your audience, it is going to take multiple touch points, multiple times of them being exposed to the product for them to actually make the purchase. And so, when you are thinking about, you know, whether it is guest posts, whether it is getting people to tweet and Facebook about it, whether it is getting people to do, like if you are doing a joint venture deal, and having someone email their list, thinking about those circles, thinking about where people are targeted on those circles, and having different approaches for each of those, I think is really important, and understanding the idea that people need to get hit multiple times with it.

And you know, the chance of you tweeting about something and saying, "hey, you know, this is the guy I interviewed on Mixergy, he just came out with a book; it is really cool." I might check it out, maybe I will buy it. But if you tweet about it, and then I get an email from a friend saying, "hey, this book is really good." And then I see another tweet

about it, I am much likely to then make the purchase.

Andrew: That makes sense. This has been fantastic because it is all usable, it is all practical, we do not have to do every single item on the big board that we talked about today. We can pick one or two of them, and apply those, and then go back and get more.

Ryan: Totally.

Andrew: I especially like to hear about how Sasha was against one of these ideas, ended up using it, and today he is open about how effectively it worked for him.

Ryan: Yeah, totally.

Andrew: So the company, of course, is Gumroad. Is the best place to follow you, is it your Twitter account?

Ryan: Yeah, Twitter, or my personal email is just the letter "R" at Gumroad dot com.

Andrew: R@GumRoad.com What is a good...

Ryan: Yeah.

Andrew: What is a good contact for you?

Ryan: For email?

Andrew: Yeah, I mean, what kind of email do you want? I do not just want to ask people to hit you with email and flood your inbox.

Ryan: Anything I can do to help. Seriously, I give out my email publicly, it is in my Twitter bio, whatever, if you have questions...

Andrew: I have got it right here.

Ryan: ... About any of this stuff, anything we can do to help, definitely feel free to hit me up. And then we also have a resource center where we share a lot of these types of, you know, key studies.

Andrew: Where is it at?

Ryan: If you go to, let me get the URL for you. It is [GumRoad.com/resource-center](https://gumroad.com/resource-center)

Andrew: Alright, let's see, resource dash center, and I see my typo there, I will fix it right now, real time. There it is.

Ryan: So, interview with Chris Guillebeau, a bunch of case studies. There is a case study on Sasha, a case study on Kyle Webster, who we mentioned...

Andrew: Mm-hmm.

Ryan: ... A bunch of sort of guides on how to build an audience, marketing strategies, all that kind of stuff, so a lot of things that we talked about are highlighted here. Hopefully, you know, super valuable information.

Andrew: Yeah. This is really well done. One of the things I always admired about you guys at Gumroad is your design. It is just so...

Ryan: Yeah.

Andrew: It is so beautiful, easy to read, and incredibly helpful. Thank you so much for doing this.

Ryan: Absolutely, thanks for having me, Andrew.

Andrew: You bet. Thank you all for being a part of it. Bye everyone!