

THE RESISTANCE EXCLUSIVE FIELD REPORT

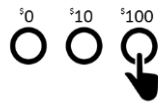
Exclusive, In-Depth Report of a Pay What You Want Product Launch

How I made over \$1,000 from a
Pay What You Want eBook in less
than two weeks

JANUARY 2014

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THE RESISTANCE HEADQUARTERS



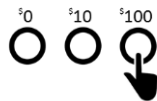
A Behind-the-Scenes Look at How I Made Over \$1,000 From a PWYW eBook Launch

In this report, I'm going to share with you the behind the scenes look at how I launched a [***The Complete Guide to Pay What You Want Pricing***](#) that resulted in over \$1,000 in sales in the first two weeks of release.

If you're getting ready to do your own launch – whether *Pay What You Want* or fixed price – this report will show you what to do (and exactly what NOT to do) so your launch is a success.

What I Share With You in This Report:

1. My launch strategy (a detailed look at my plans for pre-launch to post-launch and how they panned out)
2. Why product positioning is everything (and how I learned this the hard way)
3. How I used pre-orders to validate my product before going into full production
4. What I did to build awareness and excitement for the product before, during and after the launch
5. How to leverage friends and acquaintances with large audiences to spread your work
6. Where you need to focus 90% of your effort (if you care about making money from your work)
7. How to use the right incentives to get people to pre-order at a premium (and what I did **horribly** wrong that cost me *thousands*)

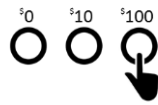


8. What I'm doing now and in the future to create more sales from my guide (the launch is just the beginning)

If you have any questions, or would like me to clarify any part of this, don't hesitate to email me: tom@tommorkes.com. I always try to respond as fast (and in as much detail) as possible.

This is Tom Morkes,

If you're reading this, you ARE The Resistance.



Experimenting With *Pay What You Want* Pricing

I started using *Pay What You Want* pricing (PWYW for short) back in March of 2013 as an experiment with the release of my book: [2 Days With Seth Godin](#).

The book itself was a compilation of notes (over 60 pages worth) I took while at a 2 day Seth Godin seminar / meetup. Truth is, it wasn't really a book – not in the conventional sense. From that perspective, it was a difficult book to price. But beyond that, I didn't want to sell the book – I wanted it to be freely available to anyone, no matter their financial situation.

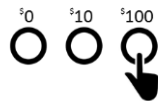
One thing I did know I wanted, though, was validation – both for the book and all the other work I had done up until this point (hundreds of blog posts, several guides and books, a podcast, etc – all of which I gave away freely).

This means I needed to add a money exchange to the equation (this is the only way to get real validation)...*but how could I do that without creating a barrier to entry for some people who didn't have the funds to pay for the book?*

That's when I found *Pay What You Want*.

Pay What You Want is a pricing technique that allows the customer to choose his or her price (rather than the price being set by the producer). A completely unorthodox pricing technique to be sure, but I had nothing to lose.

To be honest, I didn't think I'd make a dime.



I released the book and let my readers know they could take it for free...but, if they liked the work I had done up to that point, they could contribute a few dollars to support my creative work.

Instead of a bunch of people grabbing my book for free, I made close to \$500 in the first month. I was completely shocked – I never expected people to pay money for something they could get for free...but here they were, not only giving money but giving generously (sometimes as much as \$50 - \$100).

Research and Development Phase

The surprise success of *2 Days* led me to test out *Pay What You Want* with a bunch of other stuff.

Since then, I've released several products as *PWYW* – from guides to workbooks to CDs.

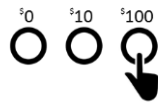
I've had a lot of success (and some failures).

Each project has helped me to understand not only my own audience better, but how *PWYW* actually works.

In August of 2013, I documented the results of my *PWYW* book *2 Days With Seth Godin* on ThinkTraffic.net (now Fizzle.co) and later my [blog](#).

After my guest article on Think Traffic, I received dozens of questions about *Pay What You Want*:

1. *Does it work for services?*
2. *Does it work for brick and mortar businesses?*



3. *Is this a sustainable way to make a living?*

I was blown away by the incredible amount of interest in the subject. What I had done as a small (but happily successful) experiment was something people wanted to know more about – a LOT more about.

So I got to work.

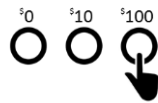
The questions I needed to answer:

1. What makes *Pay What You Want* work? (and, more importantly: what makes it *fail*?)
2. How can others use this information in an easy and intuitive way that actually creates results (*in other words: makes them more money than fixed pricing*)?

To answer these questions, I started connecting with entrepreneurs and artists from all around the world who were using *PWYW* successfully. People like:

- + Anthony Vennare of The Hybrid Athlete (a fitness website that sells *PWYW* products)
- + Tara Joyce (who's been using *PWYW* for 5 years for her consulting business)
- + Joost Van Dongen (who created the *PWYW* video game *PROUN* and made \$20k on launch)

After I'd collected hundreds of examples of *PWYW* being used successfully (and, in some cases, unsuccessfully), I began synthesizing this data into a useable framework.

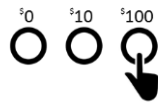


I continued to collect, analyze and synthesize data over the course of 3 months (over 6 if you include my personal tests and tracking I did with *Pay What You Want* prior to creating the guide).

Figuring out the ins-and-outs of such a unique pricing model was time intensive but extremely rewarding work (especially knowing I was answering a question that many people wanted to know the answer to).

When I finally launched, I made over \$1,000 in less than two weeks.

In the following pages, I'll show you exactly how I did it (and how you can apply it to your own product launch).



Pre-Launch Strategy and Actions:

Product Positioning

When I first came up with the idea to teach *Pay What You Want* pricing, the first question I needed to answer was:

How do I deliver this content?

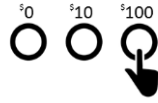
There are lots of ways to deliver content online, including: eBooks, eGuides, eCourses, and Membership websites (among others).

From a purely ‘value’ based standpoint, eCourses and membership sites can sell for the greatest amount. But membership sites require a serious commitment to updating content every month, which means income from new members would be much less passive than an eCourse.

With that in mind, I decided to create an eCourse. Out of the various options that were available, I thought an eCourse would be considered the highest value and still deliver the content in the best way possible.

I created 6 modules, scripted out over a dozen videos and started recording the screen captures using a PowerPoint template to highlight specific content as I taught.

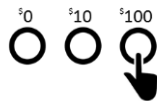
While it was looking great, midway through developing the course I decided that this information would be better digested as an in-depth PDF (plus additional bonus materials for those who really want to master *Pay What You Want* pricing).



Why the change of heart?

Not sure – it just felt right. I figured the product would be better this way, and I believe it is as a result.

But what I failed to consider was the impact that changing the medium in which the information was delivered (eGuide vs. eCourse) would so dramatically impact its perceived value (more on this later on in this report).



Prepping the Launch

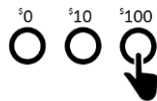
I announced the guide officially at the beginning of November, 2013 to my newsletter – [*The Resistance Broadcast*](#). I figured I was close enough to finishing the project that I wanted to set a hard and fast deadline to ship, otherwise I'd let it trail into December or possibly into the new year (and that was the last thing I wanted to happen).

#ResistanceProTip: Set your ship date **EARLY** in the product creation lifecycle

- ✓ *I'm a perfectionist by nature. If I don't create a no-s*** ship date, I'll never launch because it will never be perfect (at least for me). I know I'm not the only creator out there like this. **The solution?** Set your ship date and set it early in the process, ideally before you even begin work (then chunk and thrash to make sure you can safely hit the deadline). Commit to it (one way is by announcing it to your audience, which puts a serious amount of pressure on you to ship on time). It might be painful to finish your work by a set date, but it's necessary.*

I chose 25 November arbitrarily – I simply wanted to have something ready to go before December. I also figured tying it in with Thanksgiving might encourage people to be more generous, (although I can't confirm or deny this actually worked).

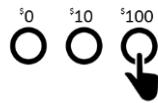
Prior to the launch, I wrote about 3 in-depth articles on the concept of *Pay What You Want* – what it is, how it works, and how it can help make you more money than fixed pricing.



Something interesting I noticed was that as I started to write on this topic, I got more subscribers than usual to my newsletter.

#ResistanceProTip: Teach the material from your product in blog posts in the weeks leading up to your launch – it will increase subscribers and sales

- ✓ *It may sound like common sense but it's worth a reminder: if you're getting ready to release a product, make sure you talk about the topic and the product itself **consistently** for several weeks before you launch. It might seem like you're beating a dead horse, but the truth is your readers / customers **WANT** to hear about it, and any new subscribers you get will be qualified leads already.*



Building Awareness and Excitement for the Launch

Besides writing for my own blog (where I spend the majority of my time and effort crafting and creating content for my readers), I linked up with a couple podcasters to do interviews. One I reached out to, the other found me through a mutual friend.

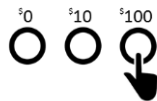
Both podcasts aired their episodes on the week of release (coincidence), which let me share the content with my readers at the perfect time.

I also wrote up an article for Medium.com (a publishing platform that lets just about anyone write for it).

To be honest, I didn't think this would have much effect, but I figured for the couple hours of time I spent on it, it wouldn't hurt to spread the message further (as you can tell from above, I didn't do much guest posting or a very good job of spreading the word about my new product beside writing to my own audience.)

#ResistanceProTip: Getting in front of other people's audiences should be priority #1 for your product launch

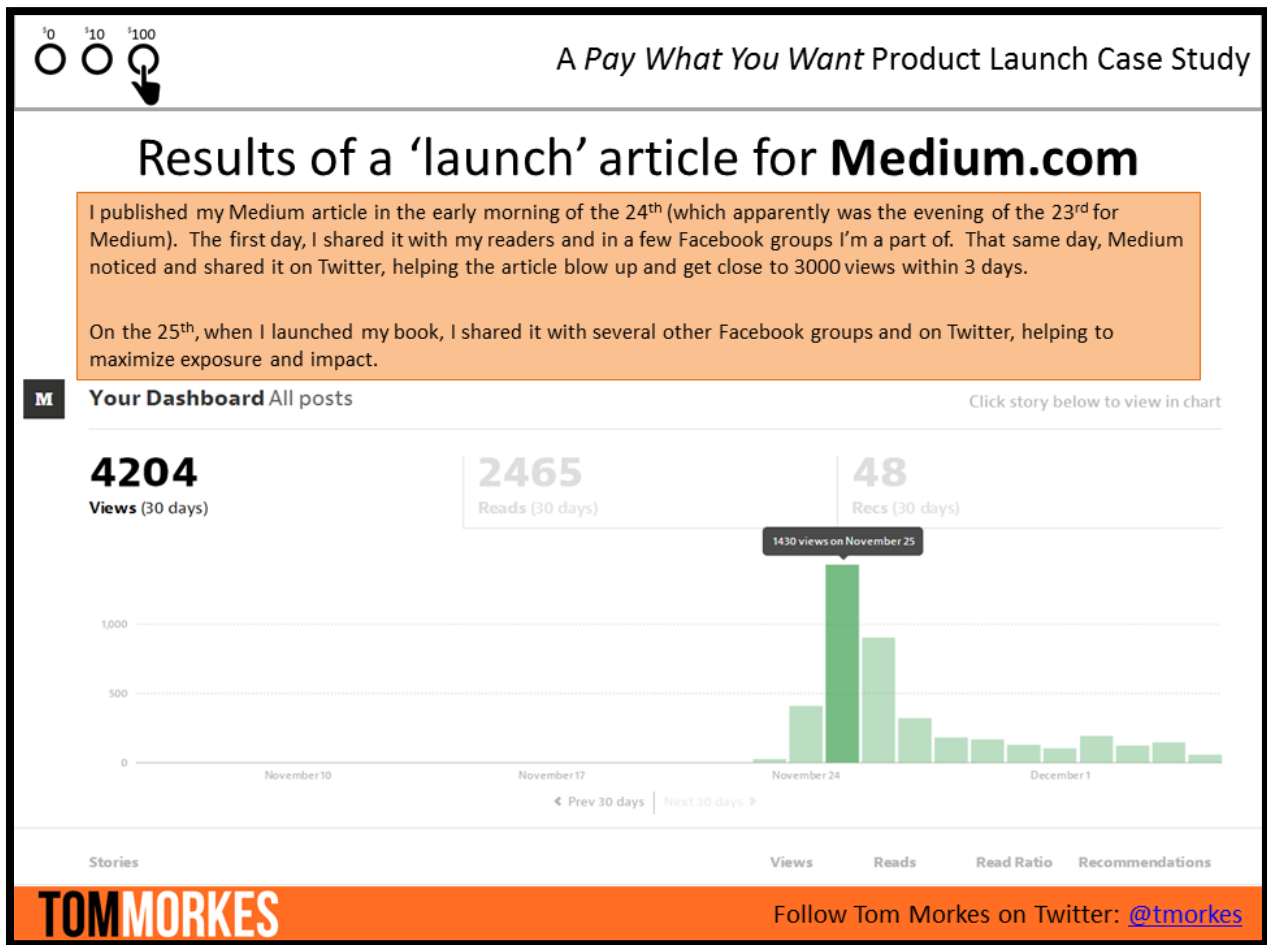
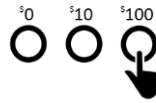
- ✓ *I'm the type of person who will spend 99% of my time crafting and creating content and about 1% marketing it. The problem with this is that, besides my own readers, no one knows what I'm working on or why it matters to them. For a topic like PWYW, that's doing a disservice to the artists and entrepreneurs out there looking for a better way*



to sell their products and services. The only person who can truly market your content is you (and to ignore this means ignoring sales and revenue down the line).

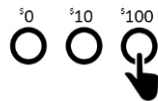
The Medium.com article ended up doing way better than expected. In the first day, the article caught the attention of Medium curators and they tweeted it out to their twitter list.

This brought in thousands of readers to my article in just a few days. I was getting ready to launch the guide the next day, so I immediately released the book and linked to it from the article, to hopefully capitalize on the attention.



I netted 20 sales worth \$80 from this. Not a huge amount, but not bad for one article.

**note: the article also helped me get dozens of new twitter followers and subscribers to my list. So while it didn't have the impact of guest posting on a website with a particular target audience (like my Think Traffic post), I was pretty happy with the results.*



Asking for Social Media Shares

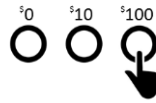
When the guide + bonuses were finally ready to ship (*literally the day before launch...I didn't give myself anywhere near enough time to properly prep this launch, if you haven't noticed*), I sent them to a couple dozen friends of mine with audiences online, and I asked them to share it with their audiences if they found the book and content at all helpful.

Some of the people I reached out to included:

- Anyone who contributed a story, information, or an interview for the book (including Anthony Vennare and Tara Joyce among others)
- Friends who have audiences that might enjoy the book (AJ Leon, Jonathan Mead, Natalie Sisson, John Lee Dumas etc.)

They all ended up sharing it on Twitter at least once (and on a couple occasions, multiple times or on Facebook).

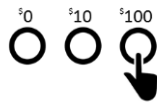
The result? 2 sales from Twitter for a total of \$39 and 5 sales from Facebook for a total of \$85.



**note: this may also have included my OWN shares on both channels, as I didn't track which shares resulted in the sales (mine or someone else's)*

#ResistanceProTip: Social media is overrated (especially for launching a product)

- ✓ Getting people with large audiences to help promote your book on Twitter or Facebook does not bring in as much exposure as you'd think (or at least not as much as I was hoping for).



That said, it definitely didn't hurt.

Takeaways:

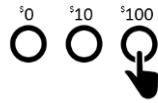
- Facebook performed better than Twitter overall (for sales)
- Getting shared by the same person multiple times was better than getting shared once by lots of different people
- Social media isn't nearly as effective as newsletter marketing

At the end of the day, if you can get tweeted / shared by the same person to the same audience several times – that definitely improves conversion and sales (but it's also something you can't demand nor count on unless you've made a prior arrangement). But even that isn't nearly as effective as getting mentioned in someone else's newsletter.

#ResistanceProTip: The highest ROI marketing tactic you can use for your product launch is leveraging other people's newsletters

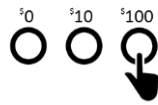
- ✓ *One of the best uses of your time and energy is to coordinate with peers who have similar audiences to share your work with their audience via their newsletter (preferably in a series of 2 or 3 emails making reference to the work). Usually, you'll need to offer an affiliate commission to get people on board to do this, but could be well worth your time.*

I didn't have enough time to properly coordinate this for my product launch, which means I lost out on potentially dozens (or hundreds) of sales. However, I've seen the tactic used to great



effect for others who released similar style information products. The key is to target audiences that are similar to yours and could benefit from what you're offering.

**note: you will see this tactic used all the time if you subscribe to any newsletter for a period of time, so subscribe to a few and study them if you're interested in exactly how to do this.*



My Big Pre-Launch Failure #1: Not Differentiating My Guide from Other eBooks

I mentioned earlier I originally started creating an eCourse around *Pay What You Want*, but switched it to an eGuide midway through the product's development.

This shouldn't have been a big deal, but I made a couple mistakes that cost me a lot of potential revenue.

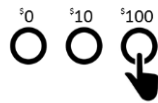
for those looking to launch their own PWYW product or service, take notes on this section – it will seriously save you from losing out on hundreds if not thousands of dollars in contributions

When it comes to selling content online, readers are generally aware of price ranges for certain types of products, and they're usually savvy to the pricing of comparative, competing products. When you think 'eBook', you probably picture an Amazon Kindle book priced from \$2.99 to \$9.99.

For many of us, this price is anchored in our mind.

Therefore, if I'm writing an eBook, I'm forced to contend with this price anchor. Which means writing an eBook is not a great idea if you want to make decent money from your writing.

Guides and Reports aren't anchored the same way as eBooks. Guides and Reports can sell from anywhere from \$19 - \$199+ depending on the material, the industry, etc. I've seen (and



purchased) such guides and reports for over \$200, so I know what is required to price a product at a premium like that. That's why I put so many bonuses into **'The Complete Package'** of my product – I wanted something that was easily worth \$249.

But...

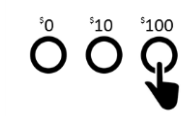
I failed to convey this value to my readers and customers.

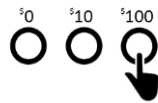
Instead of clearly defining the **benefits** of what **'The Complete Package'** will do for the user, I only explained the **features** (if people contributed over a minimum amount they get 12 bonuses, from cheat sheets, to video tutorials to expert interviews to a half dozen case studies, etc).

#ResistanceProTip: Benefits (not features) give a product value

- ✓ *It doesn't matter how many features your product has – what matters is the impact those features have on the end user. Focus on showing the customer the benefits of what you're selling by explaining the impact of each feature. The greater the benefits, the greater the value.*

Had I continued with the eCourse version of this product, I have no doubt readers would have valued the product much higher by default. A guide or report could similarly sell for quite a bit, but there's more work involved in explaining what differentiates a guide or report from an eBook (whereas an eCourse is already price-anchored in many readers minds in the several hundred dollar category).





My Big Pre-Launch Fail #2: Creating Incentives That Devalue What I'm Selling

The day I announced the guide (to a subscriber list of 444 people), I received about 30 preorders worth over \$200. Not bad, certainly...but way below what I expected (I'll explain below).

When it came to perceived value, I made things worse by 'discounting' the minimum contribution to receive bonuses for subscribers who preordered the product before it launched on 25 November.

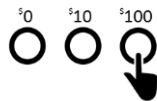
In hindsight, this doesn't make sense.

Think about it – the product is *Pay What You Want...why would I discount it? What effect does that have on the reader or customer? And why would any reader contribute more than that discounted minimum (if the incentive is a lower price, then I'm basically telling them they ought to contribute less)?*

I didn't realize this until after the fact, but by giving a discounted price for early subscribers I was actually DEVALUING what I had spent months creating.

Instead of dealing with the standard eBook price anchor, I made things worse by lowering the minimum contribution to \$4+ for all the bonuses.

The biggest problem with this is that it completely defeats the purpose of generosity.



The whole point behind why I use PWYW is to run a generosity-based business (for my writing and content on Tommorkes.com).

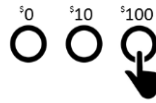
By lowering the minimum to get the bonuses, I effectively said to my audience: don't be generous - contribute less.

Fail.

#ResistanceProTip: To increase pre-orders and sales revenue for a PWYW product launch, include exclusive bonuses for early adopters

- ✓ *Instead of lowering the minimum price for the bonuses, I should have included exclusive bonuses (that can't be purchased later on) for those who contribute early and generously (perhaps exclusive case studies, interviews or videos). This type of incentive is congruent with the message I'm trying to send with my products, and it gives people a REASON to contribute generously (and early).*

Lucky for me, while I botched my PWYW pre-launch with a well-intentioned but misdirected incentive for my readers, many of them were still generous, contributing \$20 or more in some cases.

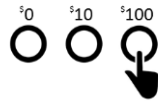


Pre-Launch PWYW Sales Results

Even after all the mistakes I made, I still consider my launch a success.

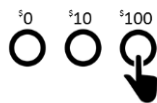
The day I announced the guide (to a subscriber list of 444 people), I received about 30 preorders worth over \$200. Over the next couple days, I received about 20 more preorders, worth over \$350 cumulatively.





Not bad, but also way below what I could have made if I had (1) demonstrated the value of my product better to the reader, and (2) created a better incentive for contributing early (and generously).

Had I made those corrections I pointed out above, I have no doubts in my mind I would have made over \$800 in pre-orders the first day (assuming the same number of readers would still preorder the product at an average contribution of \$20).



Launch Day

The Complete Guide to Pay What You Want Pricing (Just the Book and The Complete Package) actually shipped the evening before launch day (25 November).

This meant people who preordered should have gotten their products earlier than ship date (a good thing if you can swing it).

On the day of the launch, I sent out **one email** to my newsletter.

The newsletter headline: ‘Share Your Work – Make a Profit (new guide releases today!)

Subscribers: 467

Open Rate: 38.4% (179)

*average for my newsletter: 39%

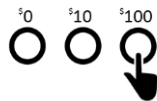
Click rate: 12% (56)

*average for my newsletter: 9%

Unsubscribes: 2

This brought in about \$150 in sales.

Many marketers will tell you to email-blast your newsletter 3 times in the days leading up to launch, and then another couple emails the day of and the day after launch. They also suggest pressuring your audience to buy by setting time limits on discounts, spaces available (if it’s a membership site), etc.

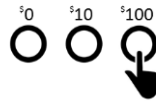


I didn't do any of this because I don't like that style. That said, I'm also aware that when it comes to results, the numbers don't lie: the more you market (emails through your newsletter, shares on social media, or talking directly to people in person), the more you'll sell.

#ResistanceProTip: The more you market, the more you sell

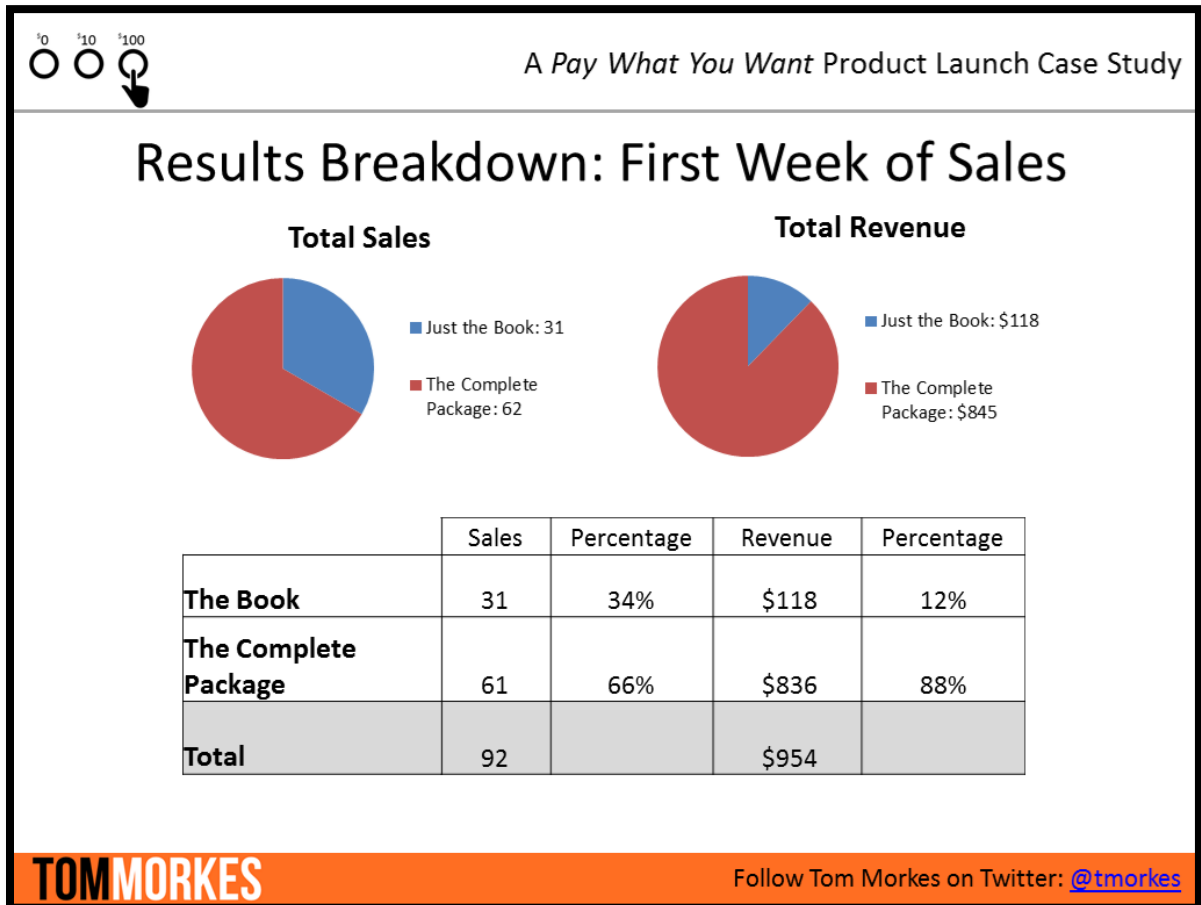
- ✓ *Whether you like it or not, the more you market (and in this case, self-promote), the more you'll sell.*

I may have missed out on sales by not sending out several emails on launch day, but my hope was that readers would notice that they weren't being bombarded and appreciate being on my list even more (there is no way to track this, of course, so it's all blind faith).

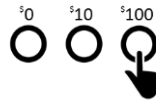


First Week Launch Sales Figures

Prior to launch day (25 November), I had accumulated over \$500 in pre-orders of my guide.

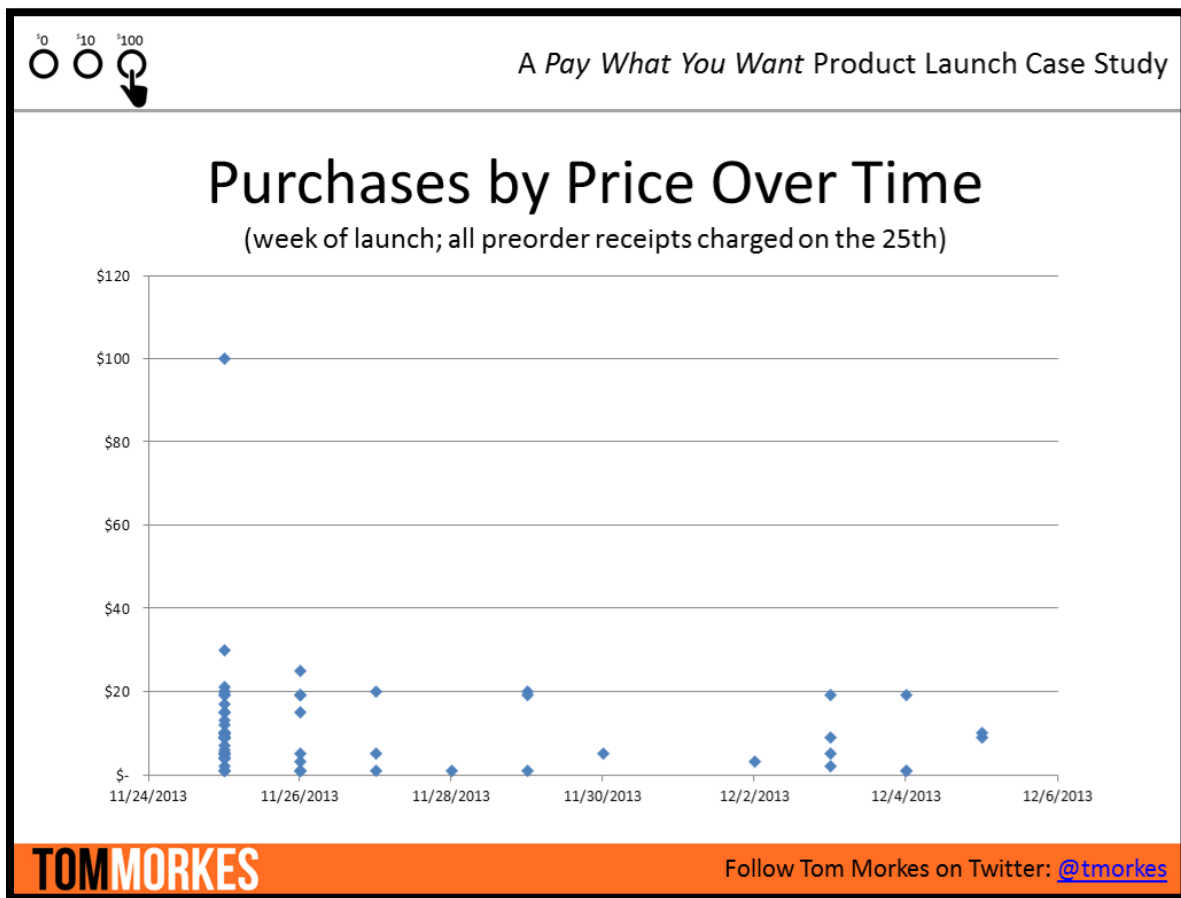


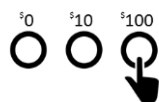
For reference: it took me over a month to do that with *2 Days With Seth Godin*. By that standard, I had far and away exceeded my prior benchmark in much less time.



The week that followed brought in even more contributors, this time with many more contributing at or above \$19 (the minimum amount for all the bonuses). Within the first week of launch, I was closing in on \$1000.

Here's a breakdown of the ***purchases by price over time*** (*note: all the preorder receipts came due on 25 November, thus the large amount of sales volume on that singular day):





Revenue, Expenses and Take Home Profit - An Analysis by the Numbers:

Here's the results at a glance:

	First Week Sales	Revenue
The Book	31	\$118
The Complete Package	61	\$836
Total	92	\$954

I made \$954 in sales from ***The Complete Guide to Pay What You Want Pricing*** (including both tiers: *Just the Book* and *The Complete Package*).

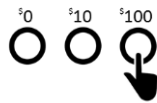
But \$954 is **not** what went into my pocket.

Gumroad.com, the sales platform I used to sell my products, charges 5% + \$.25 per download.

Since I sold 92 products, that's -\$23, and 5% of \$954 is -\$47.70, for a total of \$70.70 out of my pocket and into Gumroad's (of which I'm happy to pay, for the record).

So now I'm down to \$883.30.

Because I'm a jack of all trades (I'm not really – mostly just stubborn), I did the cover design, interior design, and just about everything by myself (although I did pay \$5 on Fiver.com to turn my 2d book cover into a 3d image), which helped me minimize



expenses. I also had some incredible volunteers help me edit the finished product (thanks Tom and Diana Owens!), which gave it a professional spit shine without the steep cost.

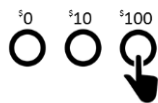
So that means \$883.30 is all mine, right?

While this would normally all be the case, I decided to enlist the help of my brother, Seph, to help me finish the product and ship on time. Having someone give feedback as I created the material helped me to finish and polish the book and bonus materials to a very high standard (from video tutorials to interviews to cheat sheets to the workbook etc.).

I told Seph that if he can help me create a quality product and ship on time, I'd split launch profit with him 50 / 50.

That's a pretty big split, but there are two reasons for this:

1. Launching on time with a great product and splitting profit is better than launching late and keeping all the profit to myself.
2. Seph is a college student getting ready to graduate. I figured the best thing he (or anyone else in his shoes) can do is learn to run an online business, not only in the short term to pay down student loan debts, but because commerce is continuing to move online, and if you don't know how it works, you're at an incredible disadvantage (no matter what job or business enterprise you'd like to pursue).



I feel the best thing I can do is not only teach this stuff to as many people as possible, but when the time and money allows, help others learn by working directly with me.

So, after paying Seph half of \$883.30, I'm down to \$441.15 takeaway profit.

My Per Hour Salary from Selling a Digital Product

I've mentioned before in [*The Art of Instigating*](#) that many entrepreneurs, because of the hours they commit to creating something, work for sweat-shop wages.

My case is no different.

I worked on this project for about 1 hour a day in September, for a total of 30 hours that month (this is a conservative estimate).

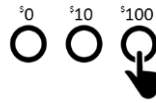
In October, I spent about 3 hours a day on the project, coming out to about 93 hours that month.

In November, I worked on the project for about 6 hours per day for the first two weeks (84 total hours) and about 10 hours per day for the remaining 10 days (for a total of 100 hours).

All in all, I put about 307 hours into this product (conservatively)

\$441.15 from 307 hrs of work = \$1.43 / hour

So after at the end of the day, my time was worth about \$1.43 (ouch).



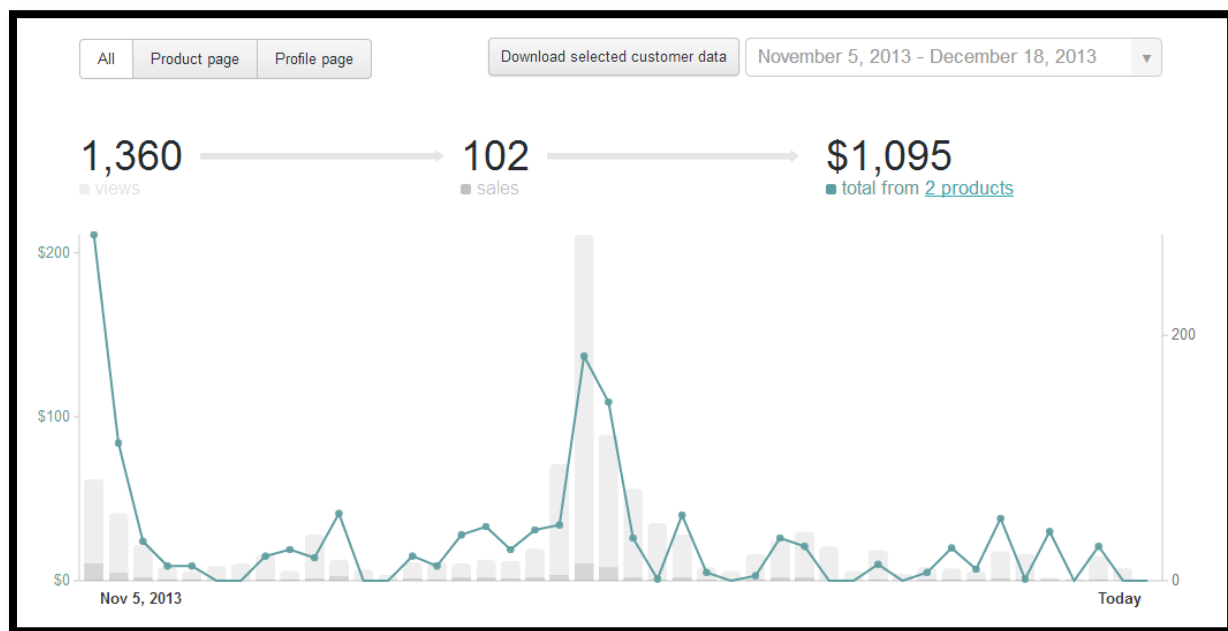
Maybe I should have stuck to my day job...

The Power of Digital

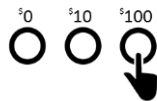
Or maybe not.

I mentioned I made about \$1.43 per hour from this product, but that ignores one important aspect of selling digital goods – **this product is a new income stream, no matter how small, that supplements my other income.**

Here are the results of the first three weeks after launch:



As you can see, after launch week, I've made another \$100+ from the guide.

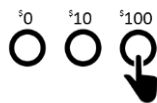


\$100 a week isn't enough to live off of in the States in most cases, but in Bali (where I'm currently writing this from) it goes a pretty far way.

What you'll notice is that while the majority of sales came during the major announcements and hard sells of the product (5 November and 25 November), I've managed to maintain decent sales going forward. This is in part due to new people finding me from recent podcasts I've been on explaining *Pay What You Want* and how it works.

#ResistanceProTip: Once you've shipped a product, the real work starts – continue teaching, marketing and selling [click to tweet]

- ✓ *I've just launched The Complete Guide to Pay What You Want Pricing. If I want to continue making sales from the guide (and spreading the message of PWYW), I need to continue to teach, market and sell the guide. This includes podcasts, video interviews, and guest posting on other blogs.*



Wrap-Up

So was it a success or failure?

Without a doubt, it's a success.

You'll see a lot more from me in the coming months as I teach and spread the word of *Pay What You Want*. Already, readers who bought the guide have told me they've seen an increase in sales and revenue.

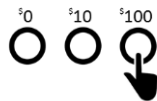
Mick H. was going to charge \$200 per month for his client, but instead used the techniques I outline in the book. The results? The client offered to pay \$500 / month. That's a 150% increase in profit, without a single change to anything in Mick's business model.

Think about that for a second...pretty powerful stuff, right?

Jimmy M. used the same techniques for his digital offering. Within the first week, he saw a spike in sales and revenue that paid for what he contributed to get the guide...10 times over, in fact.

These are just two small examples, but they show the power of *Pay What You Want* (and the value of my guide by extension). It also tells me this message is important and more people should hear it (and use it).

So, yes – it was a success (at least for me). And I'm looking forward to my next product launch...although this time I'm giving myself more than a few months to complete it.



For More Help:

If you haven't picked up *The Complete Guide to Pay What You Want Pricing*, grab [*The Complete Package*](#) here.

If this article was informative, share it with someone you know.

Every single share creates a dramatic impact, and helps me continue producing content for you.

Thank you in advance for your support.

p.s. if you liked this report, subscribe to my newsletter ([*The Resistance Broadcast*](#)) to get stuff like this sent directly to your inbox about once a week.