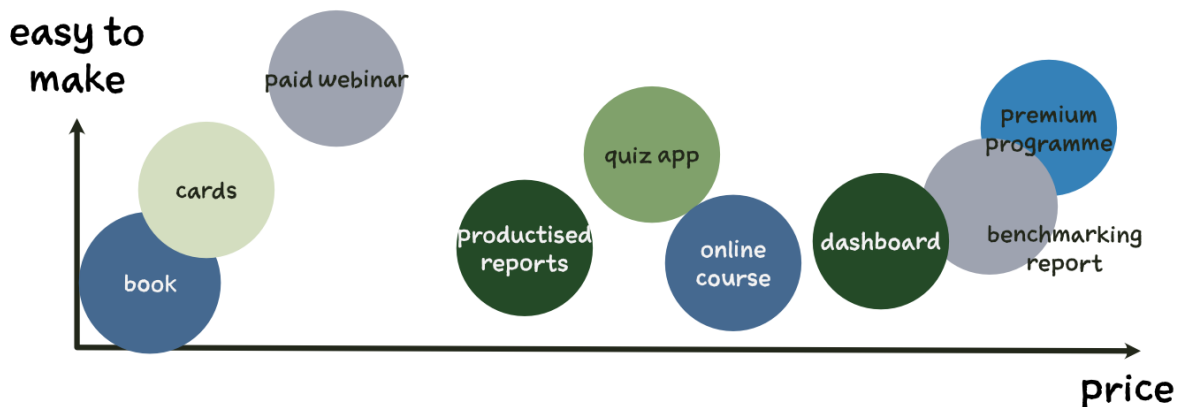


What are the most profitable different types of digital products you can sell?



What are the most profitable different types of digital products to sell online?



Which of these types digital products should **you** sell?

As you start your adventures in products, these are two big questions we need to think about. Especially when you're serious about selling digital products as part of building a product-based business and making good money from this.



Who is this article for?

This article is not for you if you're looking for a quick side hustle, want to have an easy life or truly believe that there is such as thing as passive income.

It's my job to steer you away from the whole idea of making a few bucks from selling digital products. And instead, get you into the reality of making a few thousand per month. Or more. This article is for people who want to package up their expertise, make some fantastic products, and get paid well for all the hard work involved in making and marketing them.

This is for you if you want to join us on the adventure of creating a product-based business. It's not one of those dull lists of digital products to sell on the internet. You know...you probably looked at a bunch of them before you got to the good stuff here. Those listicles are not usually written by entrepreneurs who have been there, done it, and sold the products. They're written by the platforms you can use to sell your digital products.

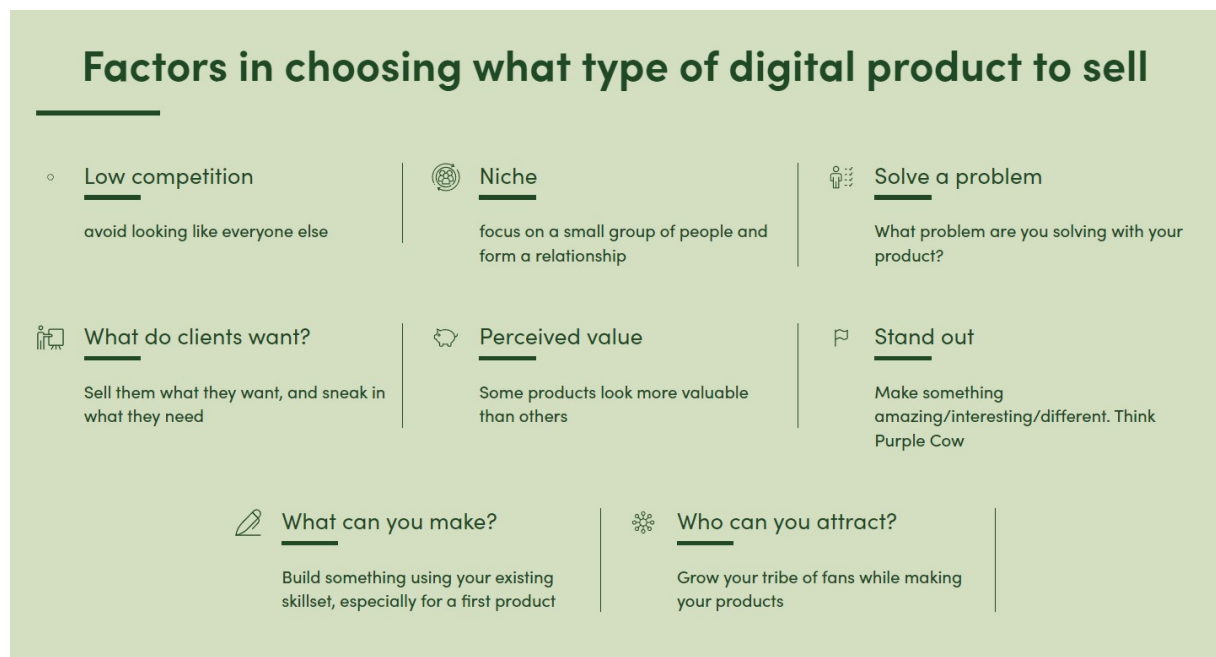
What I care about is you choosing the correct format for your digital product offering, making sure that you get it to market, and sell it for the best possible price to the largest number of people. And that some of those people come back and buy something else from you.

$$\begin{array}{ccccccc} \uparrow & & \uparrow & & \uparrow & & \nearrow \\ \text{Price} & \times & \text{number of} & \times & \text{how often they} & = & \text{money in your} \\ & & \text{customers} & & \text{buy} & & \text{bank account} \\ & & & & & & \checkmark \end{array}$$



Ok, let's get on with making the right choices about what types of digital products to sell. Or to put it another way, which are the right digital product format for you?

These are the main elements you should focus on when deciding what type of digital product to sell.

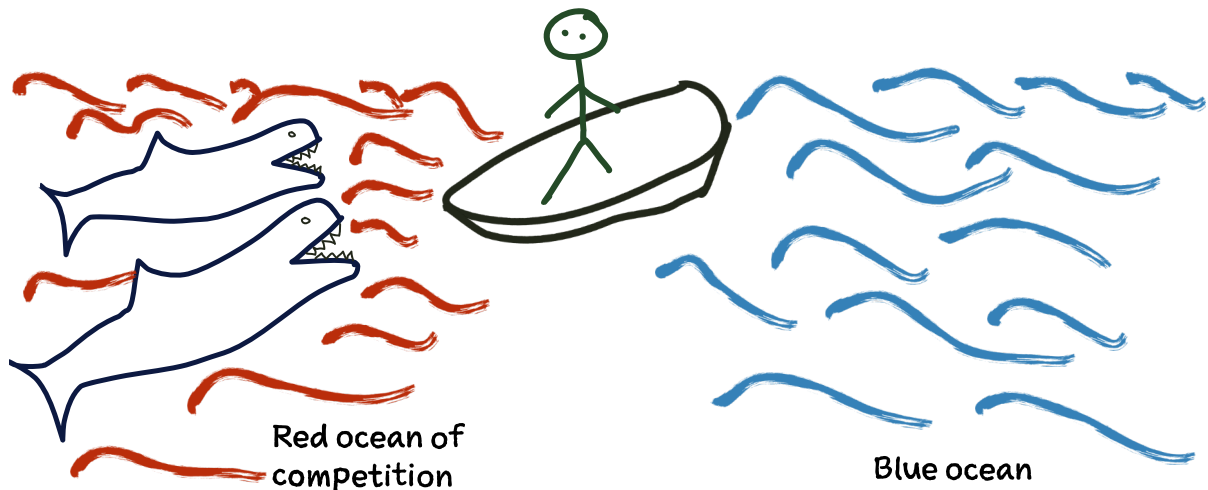




Factors for choosing the right type of digital product to sell

Low competition – you want to avoid the highly competitive red ocean where you're selling something that looks pretty much the same as everyone else. You may have the most beautifully designed printable affirmation cards on Etsy, but you'll be competing in the nasty red ocean with 7250 other sets of cards. I'll probably never even see your listing.

I'd rather be in the blue ocean

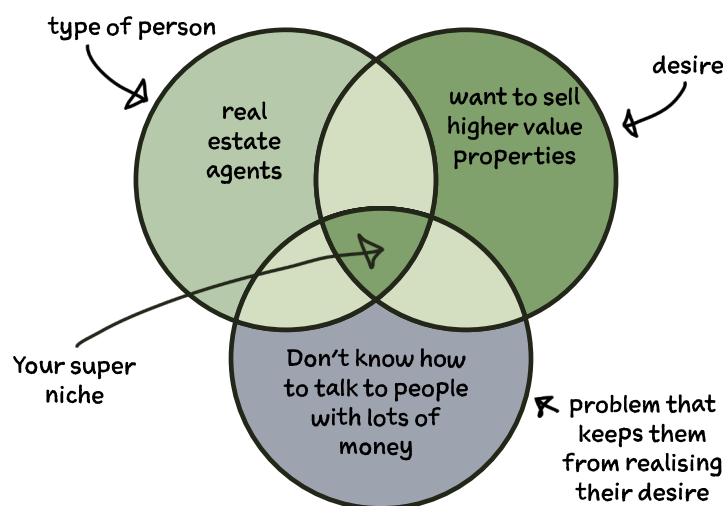




Finding your super niche

When you're selling digital products, you have a potential audience of the 4.9 billion people who have internet access across the world. That's huge.

You only need a tiny, tiny fraction of that audience to buy from you. So you can afford to forget about most of them; they're not the right customer group for you. Instead, think very, very niche. I call it super niche.



Solving your customer's problems

Once you've identified your super niche, your tribe, and what problems you can help them to solve, you can smoothly progress to the type of products you can build to solve those problems for them. It's much easier to start with the people you want to serve and then work out how you can solve their problems for them with different types of digital product than to focus on the product idea or format first. Otherwise, you end up making the product that came to your mind first. Or the one that you want to make. What we want is a product that your audience wants to buy, the one that makes life easier for them in some way.

Let's look at some examples.



Helpful tools as digital products

You might want to start with some tools that directly help people solve the problem your people think they have. These might be practical tools that make doing a particular task easy. This is a great place to start with digital products, as you've often got the start of these kinds of tools on your hard drive already, in the form of spreadsheets and checklists, because these are the tools you use yourself in your client work.

Types of tool-based digital products to sell



Reckoners

Spreadsheets to calculate something complicated



Widgets

Sell widgets or calculators someone can put on their website



A process map

For making decisions



Spreadsheet tools

Preformatted spreadsheets to automatically calculate clients data



Checklists

Checklists for regular tasks



Wordpress plug-in



Think differently to increase the perceived value

Years ago I saw someone speak at the [Professional Speakers Association](#). I've completely forgotten this person's name, so apologies if you are her. An excellent talk. At the end of her talk, she had sign-up sheets for people to join her forthcoming masterclass and I saw quite a few people filling them in with their credit cards (on paper!) there and then. It looked like she made her living from speaking, but mostly she sold information products.

And she gave away one of her secrets which stayed with me. It was something like this:



You can sell a book for ten dollars. But if you call it a workbook, you can sell it for 175 dollars

I'd add to this that you can probably make a workbook faster than you can write a book. You need more boxes and fewer words. The return on effort (RoE) is much higher.



You can increase perceived value in the product itself, by adding video talk-throughs to a tool, creating a more premium version where customers can message you for help or get an hour of your time to talk through their results. This changes it into a simple productised service. We explore this in-depth in the [Productise Your Expertise](#) programme, and it ends up adding a lot more money to the bank accounts of the people in the programme every time.

And you can increase perceived value in the marketing by spending more time on coming up with a cool brand for your product. Nick Parker has a brilliant spin on affirmation cards with his [Get The Fuck on With It cards](#). Note that these sell for £18 – twice the average price of affirmation cards on Etsy. I had to think about whether they were affirmation cards – Nick calls them productivity cards, pulling them into a very different league. And making them into the Purple Cow, standing out in the red ocean of affirmation cards.





Online courses (and alternatives to online courses)

When you can solve your customer's problems by teaching them about something that you have deep expertise in, you've probably already thought of making an online course. But you know what I'm going to say now – let's have a think about increasing the perceived value of your online course, so you can charge more money for it. Because you probably like money just as much as I do, it's very useful stuff to have.

You can increase the value of an online course by moving as far as possible away from the Udemy or Teachable model. I love Udemy courses as a consumer. For £19.99, I can learn tons. But as a course creator, that's not a great model – you have to sell thousands of courses at £19.99 to make enough money to free you from trading time for money.

By adding in a different format, for example, making your course into a membership or adding in live workshops or one-to-one sessions with you, you can change the pricing from £19.99 to £999. Or 10k for a 12-month participatory programme with one-to-one support sessions.



The significant advantage of alternatives to online courses

You can launch these digital products much more quickly. You can set up an online booking system and a marketing campaign in two or three days because you're using the minimal viable product approach to develop momentum.

Digital products which are alternatives to online courses



Paid webinar

Simple and easy



Mini email course

Works well as a trip wire product or lead magnet



Live delivery workshops

Test your course idea by doing the first group live



Just in time course

Make your course modules as you go along



Small groups

Participatory workshop-based learning sessions



Membership

With drop-in learning sessions



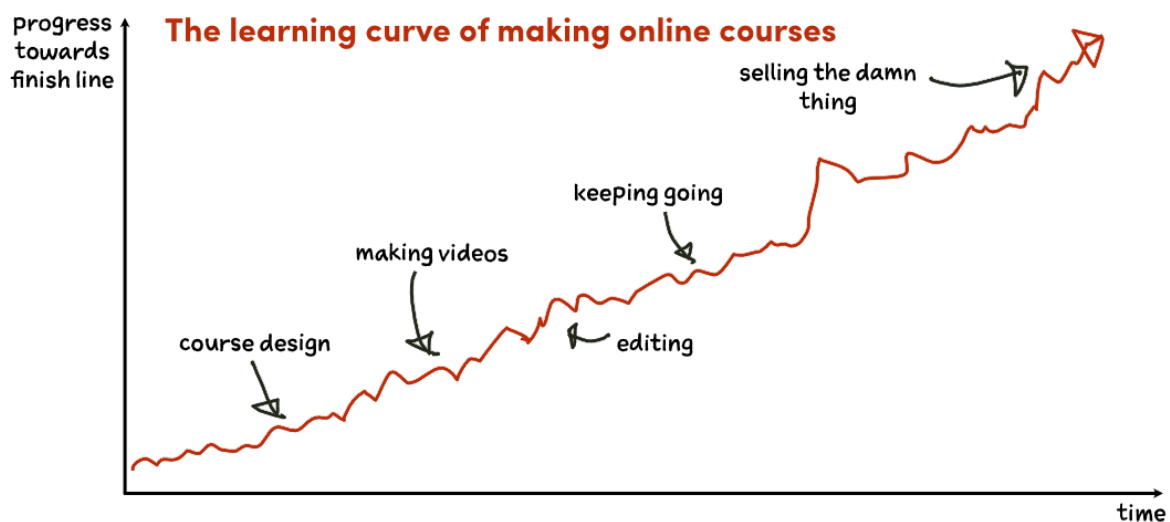
Paid newsletter

With written, audio or video content delivered by email



Online courses can be challenging to make

There's another thing I've noticed about choosing an online course as the type of digital product you want to sell. Making an online course can be challenging. And tedious. And it can take a long time. Usually, longer than you think. And most of us have to master new skills to make online courses.





Books as digital products to sell

Many people will advise you to write a book as your first product. I only advise you to write a book if you already have most of the copy. Short books (less than 15k words) recycled from existing content can work well as digital products.

But if you're thinking that you want to write a book because that would give you more status and credibility in your industry, be a ticket to paid speaking gigs or because you've always wanted to write a book, please think again. I know because that's what I thought when I wrote my [Sweetspot Pricing](#) book as my first product. I spent three years writing a book in my evenings and weekends. And it has made me far less money than all the other digital products I've ever made. It's at the bottom of my league table for both Return on Effort and Return on Investment. Avoid my mistakes.

Digital products when your clients need to go through a process

Sometimes the work we do with clients involves going through a process with them. The nature of the work means we can't just give them a tool and let them get on with it or provide enough learning to go through the process themselves. Or maybe some of your clients want you to do the work for them, rather than them learning to do it themselves.

Your process might be something technical you need to do for clients, such as data analysis, search engine optimisation, or environmental audits. Or it might be a transformation process such as my business coaching, [Ella Jaczynska's mindset transformation](#), or [developing the courage to publish your memoir](#).



Can you productise when your clients need more hand-holding?

And how can you develop digital products which will increase your profitability?

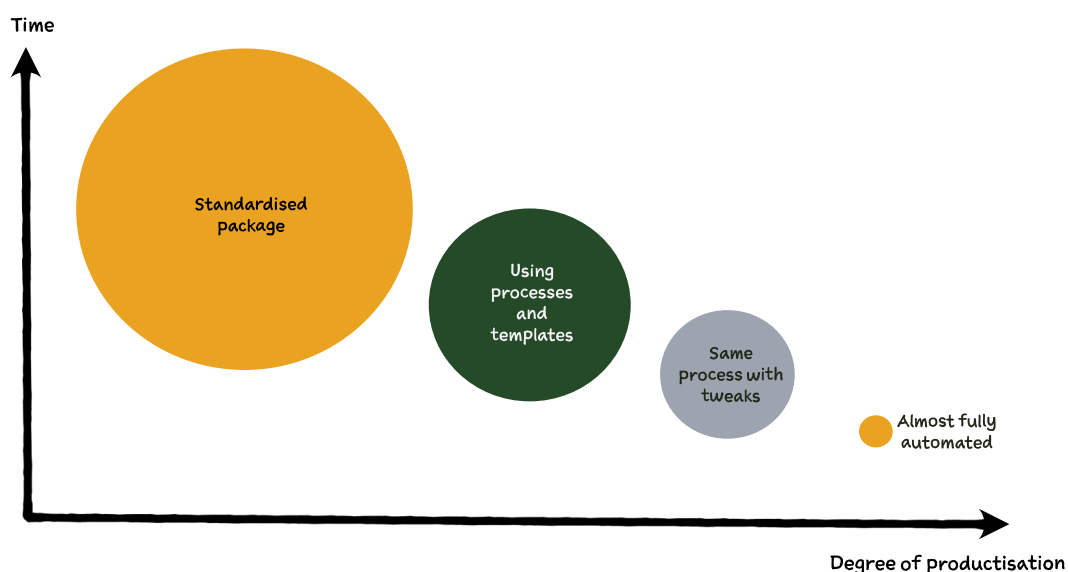
To achieve this, we either need to productise your service or be able to work with a group of clients at the same time. Or possibly both.

Productised services are when you simplify what you do for clients, break it down into set processes which are pretty much identical for every client and then offer this as a product.

[Read my full guide to productised services.](#)

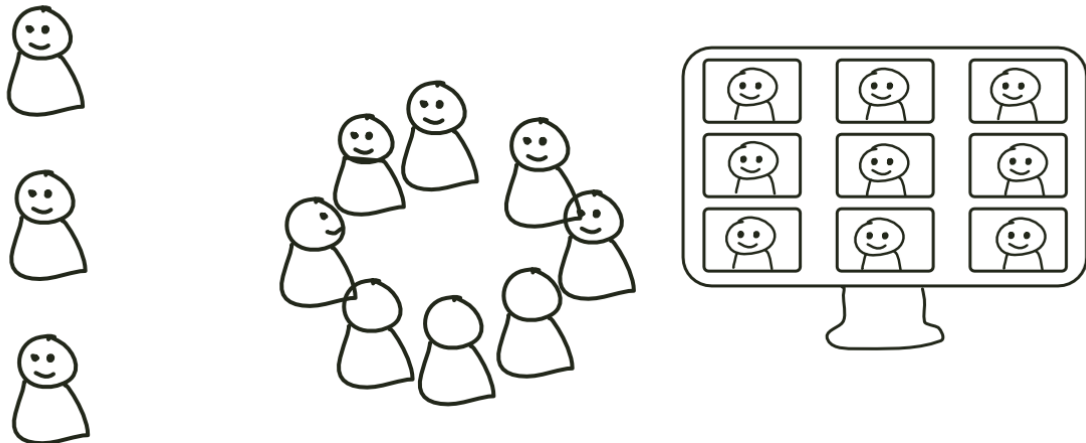
Client stacking

Productised services are great, but they're not digital products. Client stacking, where you build a product so you can work with a number of clients, or groups of clients, takes you further along the productising continuum.





What we're looking for here is to be able to stack clients so that everyone goes through the same process at the same time. You might create a group programme, a mastermind group, bring everyone together on a retreat weekend or create a membership programme for people who have a similar process to go through.



Client stacking - work with multiple clients at the same time by productising

This is exactly what writing coach Jacqui Lofthouse created with her membership programme Inside Story.. Brilliant move from a productised service to a group programme product. Jacqui is a client from a long time ago, but she came up with this idea on her own.

Data-based digital products

Some of the most successful product creators I've worked with have made digital products based on data analysis and assessment tools. These take more time and effort to develop and are not everyone's cup of tea. But they regularly generate high levels of monthly recurring revenue. If the thought of data analysis immediately turns you off, bear in mind that you can outsource the technical parts to someone else who will bring your idea to life.



Let me explain what I mean by data and assessment types of digital products.

One of the most significant growth areas is using data to make informed choices and decisions. And to be able to better respond to customers along the way. Mega-corps Amazon and Facebook use their algorithmic predictions of which products and posts we see on our screens. This kind of data processing is far beyond anything you might create as a small business, not to mention all the privacy and societal issues within this. I'm talking about much smaller-scale digital products which are within your grasp. And the interesting trend here is that the cost of this kind of data analysis has dropped dramatically as you can access powerful software for a small monthly fee.

Which I love because it means that even tiny businesses can make these kinds of products.

Examples of data-based digital products

Benchmarking reports

Compile data points from different organisations, compare their performance and sell access to the data

Trend reports

Sell reports, backed up by beautiful data on trends in your industry so clients can predict and plan for the future.

Data visualisation dashboards

Build dashboards for your client's data such as KPIs or marketing intelligence and charge an annual fee for access

Look-up tables

Set out calculations you've done already on something complex and sell this as a table so people can access the information they need

Data analysis reports

Send your clients a good-looking report every month on the data they need to run their business better

Lead generation quizzes

Build quizzes and surveys for to attract and qualify leads for your clients. Charge an annual fee to use them



Switching from services to products – an SEO company's story

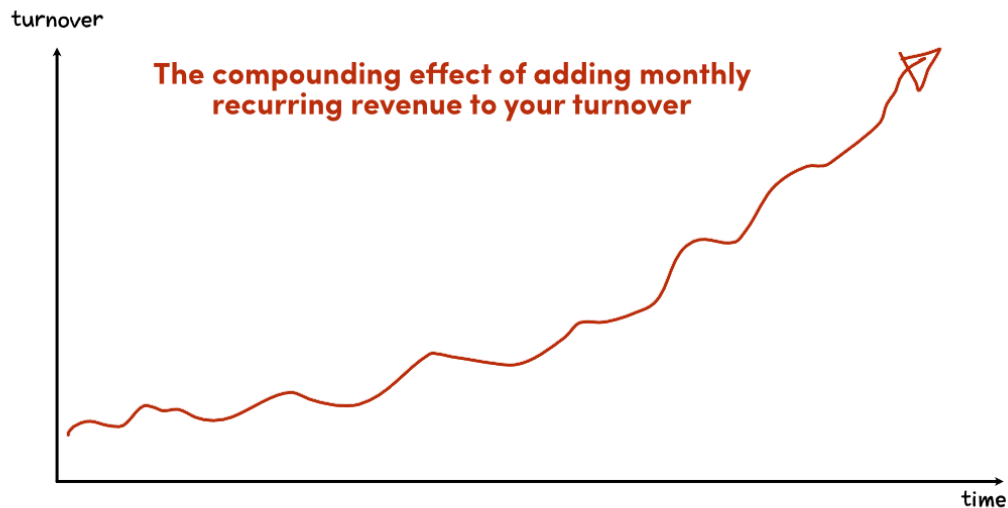
Let's imagine you run a small SEO agency. You've been doing this for years, built up some skills, and helped a bunch of clients. You're the MD and have four skilled staff working their spreadsheets.

But you've got a bit bored now; you're having the same conversations with every client. Although the content is different every time, the spreadsheets are pretty much the same.

You meet some crazy woman with glasses who bangs on about the adventures of building a product-based business. (That's me, by the way). You think about developing some online courses but realise that this has been done to death in your industry – there's no need for another DIY SEO course in the world. Then you sign up for the crazy glasses woman's Pivot to Products course and realise that you can do the whole thing differently.

You build a highly productised service company instead. When someone comes to you for SEO help, you do the same initial analysis spreadsheet work for them. But you also sign them up for a monthly service where you send them detailed personalised reports of how their SEO is improving and recommendations for their next steps. This takes six months to set up. It costs you 10k for a developer to do clever things with APIs and Business Intelligence tools. You're already impressed when you notice that the data analysis tools can do the initial spreadsheet work in an hour when it used to take one of your team two days.

Your financial results start to look like this when you add the monthly recurring income from your customers. Note that the clever bit here is that most agencies go from project to project, and tend to forget about the client after the project. This is leaving the money on the right-hand side of this graph on the table.



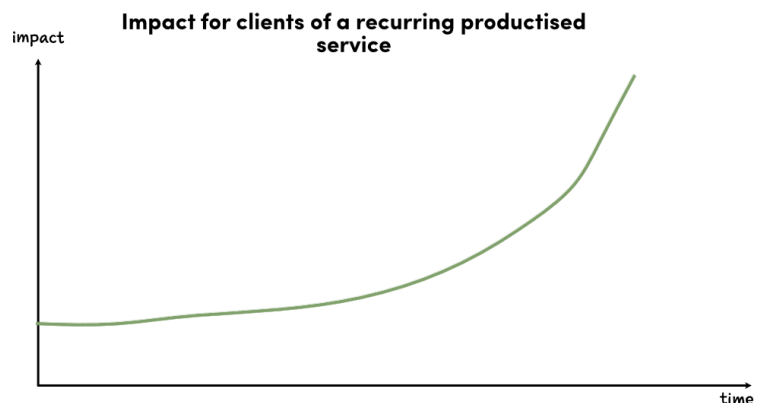
The most exciting part of this story

Now money is lovely. But most of us are only partly in this game for the money. We're also here to make an impact in the world by doing great work for our clients. We want to be of service, helping people, helping them to make their impact.

The exciting part is that the SEO agency that took this route noticed something different about their clients. They were getting results. Big results. Because they had these detailed, data-driven insights and recommendations every month in an easy-to-understand format, the clients were taking action to improve their SEO. And this paid off for them.

This is an anonymised story, they weren't an SEO agency, but I asked them if this graph of impact for clients was accurate.

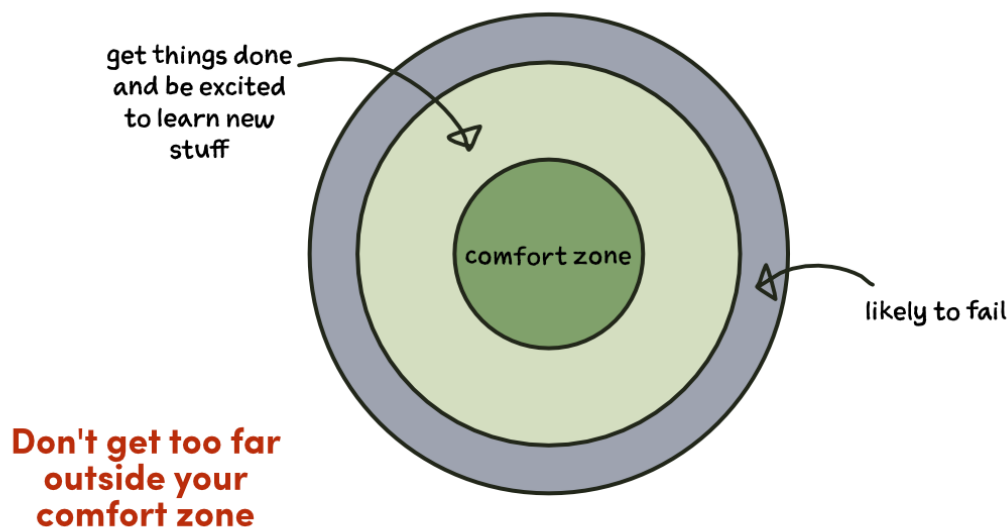
They said yes.





Express yourself with your products

The type of digital products you sell should reflect who you are as a company and as a person. Developing products is much easier if you build on your existing strengths first. When you're working out what should be the first product in your product ecosystem, it's much easier to build a product using your existing skillset. The learning curve for creating a book or a course can be pretty steep for most of us because we don't already have the skills we need to make the product. And this makes the process much more fun – don't step too far outside your comfort zone.



If you don't enjoy writing, are dyslexic, or English isn't your first language, you might not want to create a written format type of digital product. If you have a block about appearing on video, as I did for years, you might not want to make a video-based product.



Compensate for your weaknesses and develop your strengths

We go into this in detail in the [Productise Your Expertise](#) programme, which supports you through six months of developing your products and marketing systems. But the short version with my top tips is to find other people who complement you. If you want to build a written product, but have challenges in writing, find a co-writer or paid writer and use recording or diagramming to get your thoughts out of your head.

If your video block is about seeing your face in the video, start with recording videos where you talk over slides, rather than talk to the camera. That's how [Ramit Sethi](#) made his first courses; they don't show him at all. And interestingly, he's still selling those courses, thirteen years and \$25m later.

For the more technical digital products, such as data-driven dashboards, widgets and web apps, if you can visualise and communicate how you want them to work, find the right supplier and invest in paying them to make the product for you. But, ensure that you've tested the market by developing a minimum viable product, even a simple mock-up, before spending tens of thousands on developer time.



What to do next with all these ideas for digital products?

This tour of all the different types of digital products to sell will have given you a great starting point. And my [Product Format Guide](#) gives you a much more detailed breakdown of these different product types one by one and giving tips for how to get started.

Your next actions could be:

- Get a copy of the [Product Format Guide](#)
- Join [Pivot to Products](#)
- Join [Productise your Expertise](#)