SPI Podcast Session #75 –
Six-Figure Earnings with eBooks (Not on Amazon) and a Pricing Structure that Works with Nathan Barry

show notes at: http://www.smartpassiveincome.com/session75

Pat: This is the Smart Passive Income Podcast with Pat Flynn, session #75! Chugga...psssh! Chugga...aaahhh! Chugga...psshhh! Chugga....aaahhh! [beatboxing in the background, singing] All aboard the choo-choo train! All aboard the choo-choo train! All aboard the choo-choo trains! All aboard, all aboard! (Choo-choo!)

Announcer: Welcome to the Smart Passive Income Podcast where it's all about working hard now so you can sit back and reap the benefits later.

And now your host: He loves listening to the bonus commentary on DVDs, Pat Flynn!

Pat: Yo yo, what's up? This is Pat Flynn and welcome to session 75 of the Smart Passive Income Podcast. That's 3/4 of the way to one hundred, which is AWESOME!

Now thank you so much for listening today. I really appreciate it. Quickly, if you can tell me where that intro song comes from I will give you a virtual high-five. Or if you'd prefer, a virtual cookie. You can tell me which one you want.

But anyway, have I got a good show for you today. Today we're bringing on a special guest who has an incredible story that all leads to what he's doing right now which is awesome. He's making six-figures a year writing books. And these are not Amazon Kindle books, these are self-published books--eBooks!--selling them off of his own website. And he did this in a relatively short period of time with a relatively small email list. And he's going to share exactly how it all happened today.

He's very transparent, shares all of his numbers, which you know I love. And this is the kind of stuff that's just amazing, because you know they always say that you can't make too much money selling books, it's just a leap into something bigger or sometimes they say "It's just a giant business card to help you land clients and things like that."

Well, this episode will prove otherwise. Also included are some very specific pricing strategies that this guest shares for your books and/or products that you're selling off your website.

So everyone, let's welcome none other than Nathan Berry from NathanBerry.com here on the SPI podcast.

What's up Nathan, how are you doing?

Nathan: Good! Thanks for having me, Pat.

Pat: Of course! We're so happy to have you here. I've just started to hear your name everywhere now, and I see that you're everywhere now, and I see that you're creating these books and just--your design is amazing and we're going to get into all that, but before we start talking about all that stuff, why don't you introduce yourself to the SPI Podcast audience really quick? And sort of tell us who you are, what you do, and how you got there.

Nathan: Yeah. So, I went to school for graphic design in college, and I lasted all of one semester. And then I switched to marketing and did some business stuff, and lasted three more semesters before dropping out.

The reason I dropped out is, I learned that I could make money freelancing and I did that all through college, like doing freelance web design for a bunch of different local companies and I got to the point where I was actually making a decent amount of money, at least for--I was 17 at the time. And so working on four or five $7000 projects was quite a bit of money. And I liked making money more than spending money going to school.

I dropped out, spent a year after that freelancing, fairly successfully. And then things changed for me when I went on a five-week extended trip to South Africa and had a wonderful time, great trip, and I came back and it was January 2009, and I went to get--you know, follow up with everybody, all of my clients, see who was ready to do some work because I had plenty of leads in the pipeline.

And basically nobody wanted to do work. They were all waiting for their clients to spend money, and so I came back, hadn't made money in five weeks--I wasn't that great with finances back then, and so I was kind of like "Shoot, what am I going to do?"

One of my clients offered me a job to come on and lead their software design team, and they were just a 14-person company at the time. And I decided to come on full time with them, and I actually spent three years there with them. Learned a ton of stuff, watched that company grow up to 90 people and got to watch it shrink on the other side.

It was a good experience and I learned a lot, but then in October 2011, I left that job. It was one of those things where they had three rounds of layoffs and I still had my job, and I thought "I need to leave on my own terms." And so it just told me it was time to go. So I left my job to go back to freelancing.

I also built an iPad application at the time that was making a couple thousand a month, so that was kind of a nice baseline income to help support my freelancing. And I guess when I moved back to doing contract work, I referred to myself more as a consultant than a freelancer, because I had a lot more experience.

I'd done some work for some big, international brands at that time, and you know, I'd learned a lot in the process. So I made more money and enjoyed being self-employed a lot more after...I guess the second time around I tried it.

Pat: Okay. So let's go back a little bit. You started off freelancing, and I think a lot of people will ask me the question, like "Pat, how do I build a business? What should I do now? I need to make money soon." And typically the answer I give them is "Yes, you want to work for yourself eventually, but I think the best way to start to do that is to start freelancing. That way you can put yourself in that industry and start to meet people, whether they're clients or people who you are working for."

And that's how you got connected with one of your clients eventually and became a part of his design team in his company. I think that speaks really highly of that sort of strategy, if you want to call it that, to get your foot in the door. And then you start to get more experience, you start to meet even more people, and that led you to where you're at now, which is designing a whole bunch of stuff, which I want to get into.

But what would you say about the path from freelancer to entrepreneur? How was that then, and how would you respond to that same question? Do you feel like that's a good answer? "How do I start my own business? And I need to make money soon."

Nathan: I think freelancing is a great way to go. It forces you to start building up connections, it forces you to find out exactly how good your skills really are. It can be

easy to, you know, be in your own little world a little bit, or even within a company. And you're--I guess you're set in a groove and you're working [inaudible] and that's fine. But once you get out and start freelancing, you're working with a bunch of companies, then you get a lot more frequent feedback of how good of a designer are you? How good of a marketer are you, really? And so that can be helpful.

You also get exposed to a ton of different situations and problems instead of just being, looking at the few problems that the company you work for is experiencing. If you work for 10 different--you do contract work for 10 different companies over the course of the year, then that's a ton of new people that you meet, which can turn into other opportunities and [the type of problems?] you get exposed to.

I think freelancing is great. The immediate income is also wonderful.

Pat: Right. And I think it's cool that, like you said, you can have multiple clients or people that you're working with and what happens is you might connect with one of them really, really well. And you might team up with them. I've seen that happen way too many times. You know, people really connecting with people that they're doing contract work for, and then they start to build the team from there, and it's sort of amazing what can happen.

What are some of the--I'm just trying to imagine, if I was just starting out and I needed to make money now and I wanted to freelance, how would I do that? How do I even know I have the skills to do that, or even if I did have the skill, where would I go? Should I sign up for eLance and be a developer on eLance? Is that how you approached it? Or do you just start making phone calls and offering your services? What's the route for a beginning freelancer?

Nathan: I would start with your personal network. If you start to get a skill, and you know you need to practice a lot yourself--but if you start to get relatively good at something, people will naturally ask you for help with that. And that may just be friends and family asking you for basic stuff like "will you design this poster for me?" or all kinds of other things like that.

But people will notice your skills and start to ask for help, and they're asking for free help. But that's a good way to identify what other people think you're good at, and then once you decide that you want to do some freelancing from that, then it's just a matter of actually going around, identifying who you know that has a need of your skills, and then just directly asking them.

There's a lot of people who kind of beat around the bush and say "Well, I'll just--I'll let people know in vague terms that I do this thing, and hopefully they'll want to hire me." You can do that, but it's going to take a whole lot more time. You're better off contacting people directly, and saying "hey, I'd love to work with you on this project." Going to that sort of thing, and if you get rejections, at least you're getting that feedback right away.

And people usually tell you "Sorry..." They may give you an excuse like "I don't have work for you right now." Which often isn't true. But often if you push for it, they'll give you real feedback like "I don't think your design skills are good enough" or "I don't think you have the experience to be a developer on my team." Or you know--

Pat: Right, exactly. And you can take those questions and learn from them. If someone says "Oh, well, it doesn't look like you have that much experience" then you didn't do a good job of showing people how much experience you have, and maybe that's when the whole "doing stuff for free" stuff happens to build your portfolio.

It reminds me of a photographer, one of my friends, the way he got started was he just started doing free work for people, shooting baby pictures and engagement pictures just for free. And now he's doing really well, he has a ton of clients, because those first people he connected with have shared him with their network and also he does good work. It wasn't perfect at first, and he learned along the way by doing just that.

Asking people he was working for free with "Well, what do you like about these? What do you think I could do better?" And then from there he was able to build that portfolio that he could then use to get paying clients immediately.

Nathan: Yep. I think free work is a great way to go. There's a lot of bashing in the design community on what people would call free or spec work. And, so, contest websites like 99 Designs get a ton of flak and other things like that, but professional designers aren't going to do free work, and for people starting out it's a fantastic way to build your portfolio, get a ton of experience and so I think people starting out should definitely do free work.

Pat: You said that after October 2011, you left your job, and you mentioned an iPad application. How did that come into play? What gave the idea for that? What was the app and how does it play a role in what you're doing now?

Nathan: When the iPad was announced in the beginning of 2011, the company I worked for said "We want to have an iPad application out in the app store the day the iPad comes out." And that presented some interesting challenges, because none of us knew how to program for the iPhone or the iPad.

But we partnered with a company and I got to learn along the process and did the design for it. And so we were able--we got the app out launch day, which was a lot of fun, got a little bit of press from it, and then that just started my journey of getting further and further into mobile development.

The first app I just did the initial designs, so adjusted in Photoshop, I didn't get into the code at all. And the next app we worked on at that company, I got into the code a little bit. And then by, let's see...I got my year wrong. The iPad came out in 2010, not 2011.

But by the middle of 2010 I knew a little bit of code and I wanted to start building my own apps, but I didn't have any ideas and my sister-in-law was working with a boy who had autism and he had a nonverbal form of autism. So he had the ability to think through and create sentences, but he wouldn't verbalize them. And so there are these devices--he was using one called the Dinavox, and they cost about $7000 and they're these [inaudible] PCs. This one in particular runs Windows XP, so you can see, like, the little cursor sitting on the screen. It's a terrible touch screen. It has a half-hour battery life. A power supply. It's terrible.

And the iPad just is fantastic for that. And so not only was the hardware terrible, but the software was really bad as well. I was looking for a project to improve some code with--or you know, to create, to practice coding with. And so I took that on as a project and just as something to build and people really liked it.

Pat: What was the app called?

Nathan: It's called One Voice. It's actually still in the store.

Pat: One Voice?

Nathan: Yeah, One Voice. And the first month it was out, came out in January 2011. The first month it was out, I think it made $1500, or $1000, somewhere in there?

Pat: How much did the app cost?

Nathan: It's a $200 app.

Pat: $200 app!

Nathan: Yeah. It's very expensive.

Pat: Okay, this is interesting because most apps are, you know, we think of apps, we think of $0.99-2.99. But this is something that is replacing something that is $7000.

Nathan: Yeah, exactly.

Pat: And it's much better. Interesting.

Nathan: Yeah. So not only is the hardware better--which you get that for free for being on the iPad. But then I took all of my design background and made a really great user experience, so it's super easy to use. I cut out a ton of features that weren't getting used in these other tools. Really intuitive, sleek, easy to use. And my thinking on the pricing was, the iPad was $500 at the time, and the app was $200. I thought at $700 total, I came in at 10% of the competition. And that seemed like a good place to be.

Pat: Yeah. So you made $1500 first month. Was it just random buys off of iTunes in the app store, or did you actually market it?

Nathan: There were a couple of random buys, but what I did is when I launched the app, Apple lets you give out promo codes for free copies of the app, so what I did is I went and looked up every speech language pathologist that I could find. And those would be the ones who would work with a kid and decide "You need a tool like this Dinavox or something like One Voice." So there are like these tiny little distribution centers all over the country. They may only sell a couple of copies of an app for you, but if they know about it, one of them might see 30 kids over the course of the year who would be a good fit for your app.

So what I did is I emailed all of them and said--well, first I emailed them and said "Would you take a look at this for me?" I didn't include the promo code right away. Because I wanted to get a little bit of buy in before I gave them something for free.

Pat: Ahh, so then they would definitely look at it, because they would appreciate that even more.

Nathan: Right. Because if you start off saying "Here's something for free" then people don't think there's a lot of value in it. But if you start a bit of a conversation about it and then said "Let me give you a free copy" once they've expressed some interest, then the perceived value is higher.

Pat: Very smart.

Nathan: So then the other thing I did was "I'll give you a free copy in trade for feedback." And so then I just...I think I contacted 30 speech language pathologists in the first month. And then continued contacting about that many every month for the next few months. I just started getting loads of great feedback and then improving the app.

It was actually a pretty feature-limited and not that great of an app when it first came out. Two months later, it was a whole lot better. And it's continued to do well. I think it's best month, it showed $5500 worth.

Pat: Fantastic! This seems like a very, you know, lean start-up model. You put out something that works, and then you get feedback directly from the people who would use it, or offer it to someone who would use it, and then you just make improvements based on that exact feedback from those people instead of just guessing what it would be and creating this really feature-filled thing right away.

You said it wasn't its best at first, but I think it just shows how sometimes, you just need to ship it. If you have an idea for something and you know it's going to be useful, make it useful and then ship it, and mold it from there and perfect it then.

A lot of people hold it back because they want that perfect thing right away. But it's just a great example, and I think a lot of people who are in the app store--I know there's quite a few people in my audience who are--they're appreciating what you're saying right now because I haven't really talked about apps for a while as well, but also just the fact that you went out there and this is how you marketed it. You actually talked to people and emailed them and got direct feedback.

I think a lot of people in the app store, or even people who have their own online businesses and blogs, we expect to just sort of build something and let people come, and find it naturally. Where I think a lot of people remember Neil Patel's interview. I think it was #69 or 70? I'm trying to remember.

He talked about this thing called the 200 Marketing Effort, where you actually go out and you have a blog or something useful. You go out there and you make contact lists of 200 people. It just seems like...I don't want to say we're lazy, but sort of we are. We spend all this time creating content, and then we expect people to come and we don't do anything about it and we wonder why it's not getting out there. It's because we're not putting it out there! So I really appreciate that you told us this and how it worked out for you.

So what happened after that? You know, the app's making up to $5000 a month. How did that feel? Where did you go from there?

Nathan: It felt great. Especially when...so, my son was born September 20th 2011. I spent all day at the hospital. Did not even think about money once or anything like that.

That was actually a day that a school bought 35 of OneVoice all in one bulk purchase. So the day in my life that I had made the most money--I think that works out to like $1600 or $1700 dollars in profit to me--was the day that I had not even THOUGHT about a computer or money or anything. And I thought "Wow. That's really, really powerful."

Pat: Yeah. That's passive income at its finest right there. And obviously you have to upkeep the app and improve it, but just the fact that you didn't have to trade that type of money--that's the whole idea behind this website and podcast. So that's so awesome that you were able to experience that on the day your son is born, I think that's awesome. That's just so poetic.

Nathan: There's one thing about that, what happened with the app next.

I ran into a bit of a problem with the app, and that is that other than emailing people directly and writing some amount of content, I didn't have a great way to get new customers. So I worked moderately hard for every customer I got, relatively speaking. I still had a full-time job for most of that time.

So it was just a side thing. But part of the reason is because I wasn't a part of the industry, I wasn't a speech language pathologist, I didn't have a direct connection with anybody who really used the app. So marketing it was quite a challenge. And I didn't know how to market it in a sustainable way short of buying advertising or something like that.

And buying advertising for apps in the app store is weird, because you can't actually track conversions...it's a bit of a black box as far as analytics. The app started to stagnate as I got a little bit burnt out on constantly emailing more people, people were finding it but it was still too much direct sales than I wanted.

So it kind of tapered off over the next year where it went to that peak of $5500 in a month down to $4000, $3000 a month. And now it's running at about $1000 a month. But that's with me not touching it at all.

Pat: Okay. Do you feel like there's something you could've done better, or should have done that you didn't? Creating that sort of sustainable...how would you do that? Or is that something you could still do?

Nathan: It's something I could still do. But what I realized is that I didn't have any desire to build an audience of speech language pathologists. That industry was not actually a passion of mine, and so writing and talking about it constantly started to become a little bit tiresome compared to what I ended up doing later on with books and of the training around design, which is--I guess an important distinction, because what I learned later when I started writing about design is the power of teaching. So with selling OneVoice, I was reaching out to people and trying to get them to come, with moderate success, come and buy the application.

When I started writing about design and teaching about my knowledge, people started coming to ME and listening. That's the whole inbound marketing versus interruption or outbound marketing. And so that was a lesson that with the design books that really made a huge difference for me, is the more I taught people, the more they would listen and pay more attention to what I'm saying and my products.

So doing it over again, I would find someone who could talk about things relevant to that audience and I would have them write a whole bunch of content and build an audience and teach. I don't think I'm a good fit for that.

Pat: Yeah. And I think it's smart of you to sort of realize that that wasn't your fit, even though it was successful and that's something you could've done. You actually have this other passion that you want to do.

I mean...something potentially you could do is partner with somebody.

Nathan: Yep.

Pat: And just have them take full force on the marketing. Maybe they're in that industry already and you just split the cost, and that way they would do their thing and you would do your thing, but with the purpose of just getting them in front of as many people as possible. That's something you could do.

So from there you decided to talk about design. Did you just create a blog and start writing? How did that all happen?

Nathan: Well, at some point, I realized that all the people I admired online had a blog. And that was somewhere in there, so I created a blog. And you know, I wanted to be like the people I admired, and I started writing about random things. I think my very first blog post was about social media security. At the time everybody was giving up--like, logging into these sites that would change your Twitter avatar for you. Like, put some special effect on it. They were giving up--they put in their username and password into these fairly sketchy-looking websites just to get a customized avatar.

So I wrote a vlog post about how that was dumb, and how you could take that and write a script and just go hack thousands of Gmail accounts really, really quickly. Because everyone was doing those foolish things.

And then I worked some other blog posts on some productivity ideas. Just a whole bunch of random stuff that didn't have any theme running through it. I had a blog post that I wrote that did--you know, kind of went viral, and that was on...I detailed the finances and everything from OneVoice.

At the time I'd made a total of $19,000 from it. And so I detailed all that out in the blog post and then I ended up hitting the #1 spot on Hacker News. It was a catchy title. I called it "How I made $19,000 on the app store while learning to code." So that got some attention! And at that point, I thought "Okay, made it as a blogger" but then of course it all fizzled out right after that.
Pat: Right.

Nathan: And I kind of meandered with my blogging for a long time.

Pat: That seems to be very common. People start blogging and then some things will be a hit, some things won't and then they talk about all these different things--even if there's a theme for the site, what I really think it is, is...you're sharing that you're sort of discovering your voice, and that's something that takes a while to do.

For everyone out there that has a blog and it sort of feels random to you--that's OKAY, because you're sort of discovering where you're supposed to go, and you can't do that unless you start writing in this publishing stuff.

The same thing happened for me on the Smart Passive Income and almost every other blog. You can talk to Jeff Goins from GoinsWriter and how he struggled with trying to find his voice, too. He has a really good post, I'll try to link to it here for everybody in the show notes. But it just takes time to find that voice. But then it looks like--and I'm on your site right now, nathanbarry.com--and there's obviously a theme here now, you're talking about certain things...you found that voice. When did that come about?

Nathan: You know, there wasn't a single point where that came about, but it's just a gradual thing over time. Somebody about a month ago sent me an email and said "I went to your site, I just came across it, and I read the most recent post, and then I went back, and I started at the very beginning, and I read your blog from your first post all the way up to the most recent."

And first, I was shocked that somebody would actually do that. And then I was partially horrified that someone read those early posts. But then he went on to say "You started out with--your writing had no confidence in it. You weren't really sure if you were providing any value, and it really showed through the writing." But he said that as he read further and further, he could see the confidence increase, he could see the value delivered from my ideas increasing. And so he said with every post, you could just see this very slight incremental improvement over time.

But if I had to find one point in time where, like an inflection point, it was when I decided to write a book about designing iPhone applications. So I started working on it and when I got to the point--I don't know, maybe I was a third or halfway done, where I was like 'Okay, I'm actually going to finish this," I put up a landing page for it and announced it to people.

I said "I'm writing this book called *The App Design Handbook*. The landing page is really simple, it just had an image of a book, like a title, a couple of sentences, and then an email opt-in form. And I think that's the point where for people I changed for people from this designer who wrote about anything, to being somebody writing a book about this topic. I think I--the perception of my credibility and expertise changed radically at the point that I announced the book.

And that landing page got shared around, I started writing--I stopped writing all the random blog posts, and I started writing blog posts really, really focused on design. And I tried to write some really in-depth stuff. You know, the average word count on my blog for each post probably went from 300 words up to more like 1500 to 3000 per post. I tried to make a series of posts be incredibly useful. And at the end of each one

of those posts I had an email opt-in form saying "Hey, I'm writing this book about designing iPhone applications. If you want to hear about it when it comes out, put in your email out here."

And that--by the time I launched, which was about 2 1/2 months after I put up the first landing page, I had 800 email subscribers who said "I want to hear about your book."

Pat: Cool. So this is an eBook, right?

Nathan: Yes, it's an eBook.

Pat: And you can find that on NathanBarry.com. I'm actually looking at the landing page right now. It's the app designing handbook. It looks really cool.

So I have a couple of questions. When you wrote this book--and you said the landing page got shared like crazy. How did that happen?

Nathan: It was slow over time. I had maybe 400 Twitter followers at the time, so I tweeted about it. That didn't go very far, but it got me maybe 30 people who put in their email address. And then a few more people shared it and retweeted it. I asked a couple friends to share it. I think through that initial activity I picked up maybe as many as 75 email addresses from being shared around on Twitter.

But then it got a little bit of traction on Hacker News, and that got me like another 100 email addresses. But sharing a landing page that just says "I'm writing this book, sign up to hear more about it." Like, you don't get a ton of value out of sharing that. There's not any inherent value. So most of the subscribers came from blog posts, where I'd write a really in-depth blog post and then that would get shared around a lot.

I wrote one that took the--Facebook had just redesigned their iPhone application, and there was a very subtle redesign, so I took it, compared it side by side and tried to draw as many design lessons from these subtle improvements as possible. That post is titled User *Experience Lessons From the New Facebook iPhone Application*.

It didn't get traction on Reddit or Hacker News, like I thought it would, but instead it just got shared and shared and shared. I think it had a hundred tweets for--which was a lot for me at the time, just over the course of a weekend. People just kept sharing it. And it was timely because the app had just come out, the Facebook app.

And that got me a lot of email subscribers. So posts like that drew more subscribers than anything else.

Pat: Okay. This is the question that I was trying to get at--it's like, okay, at this point when you were writing this book you created one application, right? And it was fairly successful. What qualified you to write *The App Design Handbook*?

Nathan: I'd actually designed a few other--quite a few other applications.

Pat: And I'm not asking this because I don't think you're qualified, I'm asking this because I want people out there listening to understand how you were able to qualify to write a book like this, like *The App Design Handbook*. How did people trust you when you weren't even originally an app designer, you know? You've had success, but how did you get people to get into this and really see you as an authority?

Nathan: I guess for a little bit of backstory, that year after I left my job, that year that I spent freelancing was almost exclusively iPhone and iPad applications for other companies. So at that point I'd designed and done some development done, probably almost 20 iPhone applications. A couple that were mine, but lots of client work.

But the thing is, that actually doesn't--that improved my skill, that doesn't demonstrate any authority. Because a lot of those were under non-disclosure agreements so I couldn't talk about them. I think once you have a base level skill--we're assuming that you're at least good at your job--then just by teaching you start to get authority.

I think I got a lot of perceived authority just by putting out the landing page by--and saying "I'm going to write this book." I had to quickly back that up with something, otherwise it would die out, so I backed it up with two or three really in-depth blog posts about design, and about designing iPhone applications specifically.

Pat: Ones that would prove pretty much that you knew what the heck you were talking about.

Nathan: Yeah. And I think people think that you have to teach for years and years in order to build up authority, and that helps, but really you can get it pretty quickly if your content is really good.

Pat: Absolutely. I'm remembering a podcast I did with Trevor Page, who has a site about programing with Java, and his very first post on his site was How to Program with Java 101. Totally in depth pages long. And he got that onto Lifehacker and was able to sell a book within just months, and that obviously--people wouldn't buy that unless he had somehow proven himself.

He had done that, like you said, just really good free stuff on his site, so I think....

Nathan: Yeah. I like to tell people to put out three epic blog posts. And they should be of the quality where they could be a chapter out of your book. In fact, they could actually be a chapter out of your book, that would be fine.

And that's really all it takes to demonstrate authority, I think, is two, three or four really, really good in-depth blog posts. And at that point, people will start to trust you. Especially when you add on there that you're writing a book on this topic.

Pat: Yeah. I'm thinking of the niche site duel that I'm doing right now, and I'm building a site in the food truck niche for food truck business owners. That's the approach I'm going to take. It's inspired by Neil Patel and his strategy of creating the ultimate beastly resource, and I think that's one that's free and one that can be shared and one that can't help but to be shared.

And I think you did the same thing, and I think that's the way everybody should approach. I mean, why would you--how is mediocre content going to prove your worth? You have to create something amazing.

So I would love to after we talk here to get some links to those epic posts that you were talking about so people could check them out and see exactly what you had done.

So...you come out with the book, and how did it do?

Nathan: It did very well. And it blew me away. When the book came out September 4th, 2012 and I had an email list of 800 people and I sent out, you know--it's important to note that I built up, I stayed in touch with these people. I didn't have them sign up and then months later go "The books ready! Buy it!"

There was...as I write blog posts, I email it to the people on the list, and stay in touch with them. So they were interested and ready to buy by the time the launch came around, but I sent out an announcement email at 6am my time, so 8am Eastern, and within 10 minutes I had $1000 in revenue from it.

I was just refreshing my GumRoad account watching these new sales roll in, and by the end of the day the book had done $12,500.

Pat: [whistles] Wow. Congratulations, that's awesome.

Nathan: Thanks. It absolutely blew me away.

Pat: The crazy part here is that a lot of people think that you can't make very much money from a book. A traditional book, just the research I've done with a traditional book, and yours is an eBook, but...as far as traditional books, people hardly make any

money, even big authors. They use it mostly as a business card for their business and other things that they have to offer.

But even on Kindle--and that's the hot thing right now, publishing books on Kindle, for between $2.99 and $9.99. I did that with Let Go. But it's not $12,500 in one day with an email list of 800 people. How did you get $12,500 in one day? What...you weren't on Kindle.

Nathan: That's right.

Pat: You had--you were selling it off of your own site.

Nathan: Yeah. I sold it exclusively through my own site. I ignored Kindle, iBooks, all those other stores--

Pat: Why?

Nathan: Because--well, there's two reasons. One, you don't get the customer, they're Amazon's customer, they're Apple's customer. They're not yours. You have no way to contact them. You have no clue who they are. That really frustrated me selling iPhone apps. A school would pay me thousands of dollars to buy a whole bunch of copies of OneVoice and all I would know about them is that they were in the United States.

Pat: And you couldn't even thank them.

Nathan: I couldn't even thank them. Or follow up with them to see how it was going or anything.

Pat: Yeah. And you're right, same thing with Amazon. I've sold thousands of copies of Let Go, and I only know who bought them based on who emails me afterward.

Nathan: Yep. Exactly. That's a really big reason.

The other really big reason is pricing. On the iBook store, you can choose any price you want so long as it's $15 or less, and on Amazon you can choose any price you want, but you're heavily penalized if it's not within...what, $2 and $10?

Pat: I think $1.99 and $9.99. You get 70% royalty from that. And if you go to $10 or above you get that cut in half.

Nathan: Yeah. It's rough. So those were the two big reasons. What I ended up doing, and this is what made an absolutely huge difference in my revenue, is I priced based on the value, I felt, the book delivered. So I went with the base price of $39 for the book,

and a lot of people do that. That's fairly common in the blogging world. And I think your readers know that.

But the other thing that I did, and I got this from Chris Guillebeau --he made a passing comment about it a few months before I launched, so I looked into it. I went with multiple packages. I priced just the book and a few little resources at $39, and then I did a middle package at $79 and that included some more Photoshop files, some templates and some video tutorials. And then at $169 I had the top-end package that included all of the above plus code samples and more tutorials and even more stuff.

The reason for that is, different people will get different amounts of value from your work. A freelancer may implement it on a project and their client may be a little bit happier. Whereas a designer in a larger company may implement it and implement these design changes and philosophies and it may make the company tens of thousands of dollars or much more, if they're at a larger scale.

So they get different amounts of value but also different people can afford to pay different amounts. So for a freelancer, $39 might be a bit of a stretch, but they can afford it. But to a real business, $169, or even $400-$500 isn't much at all.

Once they've got the company credit card out, there's really no different between $39 and $169, so if you think "Is this going to provide a couple hours' worth of time saved, or extra value for my design team?" then it's a no-brainer to go with the top-end package.

Pat: Right. Is this a payment structure you think anybody could use or is it better for someone whose customers may have business-type clients, like you were saying with designers who work for other companies and things like that who CAN pull out the company credit card, or do you feel like this is something a regular blogger could implement if they have a skill they know they are somewhat of an expert in? That they can share with their audience and their audience wants more information about? Do you feel that this is better than say, producing a book on the Kindle platform?

Nathan: I definitely--it depends on your goal. If your goal is to maximize your revenue, then I definitely think so. But you could also put out a book with a different goal like to maximize the number of people that hear your message or to build your audience--there's a bunch of different goals in mind.

My goal is to maximize revenue and I think that multiple packages is a great way to do that. You can even just do two packages like just the book and the book plus tutorials. It's easier to justify higher prices when you're selling to people who will use what you're teaching to make more money.

If you're teaching knitting, it's going to be really hard to justify a price of $169. But if you're teaching programming, marketing, design, business--

Pat: How to pass an exam.

Nathan: How to pass an exam, yes! Exactly! Then that's easy, right? People can just do some math on time saved, potential upside, and it's easy to justify that price.

Pat: Sure. So...are you potentially saying that those of us who are in the hobby niche and may be targeting people who don't have that much money, it's going to be a little bit more difficult?

Nathan: I think it's going to be more difficult to command a really premium price but I think if you're selling a product for $20 now, I bet you could find some extras that you could package in at a higher option of, say, $40 or $50, somewhere in there. And then you'll have plenty of people who will just buy a bigger base package, but a handful of people will buy more.

I'm going to give an example from the first 48 hours of The App Design handbook. I had the three packages. The lowest package sold as many copies as the middle one and the top one combined, but the majority of the revenue came from the most expensive package.

Pat: Cool.

Nathan: And that's constantly true. So I've run a bunch of numbers across another people's books to implement the strategy, and multiple packages consistently doubles or triples the revenue. If you know of another method that consistently doubles or triples revenue I'd love to hear it. But every time I've seen and implemented, it's made a radical difference in revenue.

Pat: When I added my audio guide to my eBook on Green Exam Academy, it doubled my income pretty much. And it's just sort of a bonus to what they could already get with the eBook.

I think with the three packages, I think three is better and that's something I'm probably going to implement on Green Exam Academy. I like three because--depending on your audience, your audience, like you said, they have a company credit card, typically, so they're going to buy the most expensive thing because that has the most useful stuff for them and they're okay with spending that money, but a lot of times the middle package is the one that's purchased the most because people don't want to buy-

-they want some of the extras but they see that higher priced top one, and they're like "Okay, that's a little bit too much money, I'll go for the other one."

It's like when people go to a restaurant and they don't want to pick--when they're on the wine list, they'll always pick the second cheapest wine. They don't pick the cheapest one, they pick the second cheapest one, usually. Similar sort of psychology there. And I know there's a video on Derek Halpern's site, Social Triggers, that talks about these three tiers that you can present to your audience.

If you don't mind me asking, I would love to talk a little bit about design in general, just for the people out there. Most of the people in my audience have a website, potentially some of them have products and I know that you specialize in app design. You are really good with web interface and design in general. I want to ask you a general question that I hope you can provide some answers to for everyone here that has something online. What makes good design? How important is design to what we're doing?

Nathan: I think design is very important, but I think it's also a really broad term. You can refer [to her?] as visual design, which is I think what we're most often talking about, and that's moderately important. But what I mean when design is really important is think of design as being intentional about what you're doing, and then in that sense it's the most important thing.

Design would be how you structure what you're offering. How you write the content. How you want to be perceived. And that makes it insanely important.

Visual design makes a big difference with credibility and drawing attention to the right things. But if I had to give three quick ideas that will really, really improve the visual design that anybody can implement, what that would be is first, fix the spacing on everything. So spacing and alignment.

When you put things--we just type them into your WordPress blog or threw [inaudible] some HTML/CSS, things will just fall and land at a default place on the page, wherever they happen to be. And it's not going to line up, exactly.

If you make everything on the left edge line up, and everything on the right edge line up, and then just around each of your boxes and your call to action buttons, make that spacing consistent, you'll see a really big difference. And you don't have to have any design skill to do that.

The second thing that I would say is the most important job as a designer is to decide what's important and draw attention to do that, and in doing so you're taking attention away from things that are less important.

An example would be, say you're saving a form, like for a blog post or something in your web application, so you've got a save button and a cancel button. Most people will give both of those buttons the same visual weight. Maybe they're both bold text on a bright blue background and gradient on them.

But really the save button is going to be clicked 95% of the time, and the cancel button may be 5% of the time. So what I want to do is give a whole bunch of visual weight to the save button and take away visual weight from the cancel button. So I might make the cancel button just an underlined link, whereas the save button retains that bold, blue background.

Pat: Does that make a difference in the business, or is that just better for user experience? I can see where you're going with that, but why does that matter?

Nathan: It tells the user what's important, and it makes it much easier for scanning through. So it definitely makes a difference for user experience, and you'll see that in a lot of cases manifest itself on the business side, because you can draw attention to the elements you want people to pay attention to. Whether that's five buttons or a specific testimonial...you know. You can control where attention goes. And that's really powerful.

Pat: Right. I'm just really interested in this right now because I'm undergoing a redesign right now, actually. The redesign of SPI is done, it just needs to be coded now. And a big focus was, where do we want people to look? And I think for those of you who are on my site now, before the redesign...it's just a mess right now. And I feel like--now that I've seen what's coming, when I go back to my site I hate it because I can see everything trying to fight for my attention where really, there should only be one or two things. Like you want to give people direction through design.

You don't even need words for that. It just needs to be those visual cues, I think.

Nathan: Yeah. And I think when people say "I want to draw attention to this element" or "this text" they think "let's make it bold, let's make it brighter" things like that. But often--you can do that and that's fine, but often a better way to draw attention is by de-emphasizing other things.

So changing the less-important text to be a medium gray instead of black, making something smaller, because if you take away emphasis from other elements, that's

going to increase the emphasis on your primary elements.
That will make your design look a lot cleaner.

Pat: Right. I'm looking at your landing page for The App Design Handbook. Beautiful. Everything's aligned, I just flow easily and nicely down the page.

And I love your payment system. I know you're using something that I've mentioned a couple times on the blog but haven't really explored it yet myself, even though I met one of the founders. It's called GumRoad. I use eJunkie right now and I've used it for almost 5 years now on Green Exam Academy.

I wish this was around--and I know I could do--that's something on my list to implement, GumRoad, but it just makes the buying experience just flow with the website, instead of what I have now where people go off the site and they make a purchase and then they come back. It just sort of makes the experience almost seamless.

I know you're a fan of GumRoad, obviously. They are doing some good things in the payment system world online.

Nathan: Yeah, GumRoad's fantastic. What they call the GumRoad model integrates really nicely with your site, and you just click a "buy it" button and this overlay comes up right in place. It's a super great experience to fill it out, they never leave your site...

Pat: And they don't even ask for that much information! I'm looking at yours right now, and it's email, name, credit card, expiration date and security code on the back and that's it.

Nathan: Yeah.

Pat: So, I mean, the less stuff I have to do, the more likely I am to buy, and it just looks really, really clean. So anyone out there looking for a new sort of payment, I would definitely recommend GumRoad. I met one of the owners, Ryan, he was great. And I'm definitely going to be exploring it.

Nathan: Yeah, Ryan's a good friend of mine and I've sold all of my books on GumRoad and I absolutely love them. Cannot recommend them enough.

Pat: How much have you made writing books now?

Nathan: The books...what are we at? 10 months in September? And I've made just over $200,000 dollars.

Pat: Wow. I mean, there's like so much...

Nathan: It's crazy.

Pat: That's just so cool, because I know a lot of people want to write a book, and a lot of people are looking into Amazon...there's something to be said, and I have experience with this too, to sell your book on your own site. You didn't even have that big of an audience to start with, and a lot of people think you need that tens of thousands of people to be able to create a sustainable business on your own site, but this just proves otherwise.

And I think everything we talk about from creating epic content on your site to sort of validate the book you're writing, it sounded like you were using the writing process--the fact that you WERE writing a book as creating buzz for it, and also just validating yourself along the way and within those posts to just the really clean experience that you have when looking at these things--it can work. And I think you mentioned earlier that it really depends on what your goals are. And if your goals to make more money, definitely explore publishing on your own this way.

I mean...I don't know how much GumRoad takes, but I know Amazon, if you go between the $1.99 and $9.99 price, they take 30%. I know iBooks takes 30%. How much--?

Nathan: GumRoad takes 5%.

Pat: GumRoad takes 5. Okay, so you're making 95% profit.

Nathan: Which is wonderful.

Pat: On a book that's much higher priced.

Nathan: Yes, yes, exactly. And so...one thing that people say is--they'll look at my launch numbers, like the 24 hour launch numbers of $2000 dollars for *The App Design Handbook*, $26,000 for Designing Web Apps--and they'll go "Oh, that's fantastic" but then they'll overlook the multiple packages. They'll say "That launch was really, really good. By the way, that multiple packages thing you do, I don't know if it works for me."

And I really have to point out that using multiple packages doubled my revenue for *The App Design Handbook* and it tripled my revenue for *Designing Web Applications*. I always have to remind people that those go hand-in-hand.

Pat: Right. so you have two book that you just mentioned--the App Design Handbook and *Designing Web Applications*. And then you just recently came out with a new book.

Nathan: Yeah. I took all of these ideas that worked so well for me, like how to use email to build a launch list from nothing, and all this pricing stuff, everything that I've learned about writing and publishing a book, and pulled that all into a book called *Authority*. That came out a month ago.

And it's done really well. I think it's sitting at like $37,000 in the last month? And obviously most of that was in the first day. Books have this habit--or at least mine do. I build up for a really big launch and then of course they drop off after that, but...

Pat: Well, it's a lovely business model, Nathan. I think everyone should visit your site, NathanBarry.com and just see what you have going on. You have great content on your blog and it just looks really good and I'm really excited for you and your future. I know even better things are going to happen.

I think for everybody out there, this is very inspiring but also just look at the tactics that he's using. It's just...I haven't really seen anyone doing it quite like this, and doing it this well. So congratulations.

Nathan: Thank you. The last thing to follow those tactics--I actually put, I wrote down everything that I did and put it into a free email course. It's called Mastering Product Launches. If you go to nathanbarry.com/launch, that's on there, it's all free and it's basically everything I know about launching products, spread out over 4 weeks. So sign up for free.

Pat: Cool. And that includes...is that info products, or is that apps or what kind of products?

Nathan: You know, it works for all kinds of products. Most of my experience is with info products but also for iPhone apps, and web apps, is what I've used before.

Pat: Cool. I'll definitely link to that in the show notes. Thank you so much for your time. I know a lot of people got a lot of great stuff out of this and might look at their business in a different way as a result. So thank you for that and I wish you all the best. Is there any place other than Nathan Barry you want people to check out? Nathanbarry.com?

Nathan: Nope, that's it.

Pat: All right, sounds good. Thank you so much.

Nathan: Thanks, bye.

Pat: I hope you enjoyed that interview with Nathan Barry from NathanBarry.com. Barry is spelled B-A-R-R-Y. Nathan, if you're listening to this, thank you so much for coming on and sharing your wisdom. I am definitely inspired and I can't wait to get my hands on GumRoad. It's G-U-M, like chewing gum, road.com. I actually had lunch with Ryan Delk from GumRoad.

He was in San Diego, and we met for a coffee and we had an amazing conversation. I got to learn a lot about the company and how amazing it is and how they're pushing so much stuff forward and into the future as far as digital delivery is concerned and doing all of this incredible stuff that I've never even heard. So if you're doing any sort of digital delivery of goods and want to get paid for it like Nathan does, definitely check out GumRoad. I will, I promise I'm going to be using it in the future very soon.

I also want to mention briefly a course that I just came out with. It's not open right now, actually. It was open only for three days at the beginning of July but it's going really, really well. I'm working with the members inside of right now to make it even better for a reopening later this year. Sometime later this year. But if you're interested, head on over to breakthroughblogging.com.

You can watch the video there and also sign up for a notification when it gets reopened. That's going to be a special deal for those of you that are on that particular email list. I just wanted to mention that because I'm really, really proud of that particular product. Again that's my first membership site, and I'm working with the people in there right now just to make it even better, and I'm so excited for it.

That's all I want to mention about that. Show notes are always available for these episodes. This one is session 75. You can go to smartpassiveincome.com/session75 and get the show notes there in the resources and all of the links mentioned in this episode.

And lastly I appreciate you so much. All the reviews on iTunes, good and bad, they are so helpful. I think we're up to 922 5 star reviews or something RIDICULOUS like that which is awesome. I'm trying to get to 1000 by the end of the year and it looks like we're going to make it. Just passed 75,000 subscribers on the blog. Just passed 4 million downloads of the podcast, and that's all because of you. Thank you so much--I owe you one, and I can't wait to bring you the next episode next week, so thank you so much, have an amazing day, and I'll talk to you soon. Bye.

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