

*PLEASE NOTE: This is a machine transcription. Some punctuation and spelling weirdness are to be expected.*

It seems like just about every week someone comes to me to ask how should they price their digital course, or what should they charge for their membership or how much is their coaching program worth. It seems like there should be a cut and dried way to answer this there should be a formula to apply, but there just isn't. Pricing of digital products and coaching is really sticky. There's a lot to consider and there is not a good formula for figuring it out. So today on the podcast, I want to give you some things to think about, some questions you can ask yourself, some things to consider when you are thinking about how to price your digital courses or your coaching programs.

**EVERYTHING YOU NEED TO START, GROW, AND SCALE YOUR ONLINE BUSINESS**

**50+ COURSES**

**600+ MEMBERS**

**START YOUR \$7 TRIAL**

Hey, it's Cindy, and thank you for spending a few minutes of your day with me. This is episode 122 of the Tiny Course Empire Podcast. As always, you will find the show notes and the recommended resources at [TinyCourseEmpire.com](https://www.tinycourseempire.com) While you're there, be sure to hit the subscribe button new episodes drop every single Monday

morning.

Next week, I'm going to answer the question of how long it takes to create a digital course, and I'll give you the timeline that I follow when creating my tiny courses. Plus, I'll give you some pointers for adjusting that timeline to your own business model and to your own life. But that's next week. This week is all about pricing, and it's a tricky subject, so we've got a lot to cover. I'm going to share three questions to ask yourself when pricing your course. Then I'll give you one more bonus question that I don't see many creators asking or really even talking about. Before we get into strategy though, I want to talk a little bit about the idea of pricing.

A lot of us, myself in particular, come to the digital world from retail or from manufacturing and the idea of pricing in those worlds is completely different than what it is in the digital space. In the retail world or in the manufacturing world, there are costs that go into producing and delivering a product. When you are selling a car, for example, there are costs that go into that there is a cost for the door panel and there is a cost for the wiring, and there is a cost for the exhaust and there's a cost for the leather that's on the seats.

And all of those costs are added up and then there's a markup added to it and then they calculate in the cost of Labor and that's how they arrive at the price of the car. That doesn't happen in the digital world. We don't have that cost of goods sold. So we can't say, well, it costs this much to produce our course, therefore I'm going to charge that much for it. That makes it a little trickier to kind of determine pricing when it comes to digital courses. The other issue that you will find in retail or the other pricing strategy that you'll find in retail is that of a commodity.

So when we're talking about commodities, we're talking about things like sugar or gasoline or cattle, for example. These things are bought and sold on the stock market and they are priced similarly. Every pound of sugar is priced the same as every other pound of sugar within a few pennies obviously, you can buy organic sugar and it's a little more expensive, or you can buy, you know, generic brand sugar at the dollar store and it's a little less expensive but for the most part, sugar is what sugar costs, what sugar costs.

And that is not true when it comes to digital products. So that means we have to think about our pricing a little bit differently. We can't think about it in terms of it being a commodity because your course that teaches how to play piano is not exactly the same as someone else's course that teaches how to play piano so it's not a commodity. And we also can't think about it in terms of cost of goods sold because there is not a fixed cost that goes into producing that course there's not a fixed cost that goes into delivering it to each new student.

So we can't think about it that way either so how do we think about pricing for digital courses where there's no math, where we can't just math it right? So the first question I want you to ask is what is the real value that is delivered through your course or through your coaching? An example of this might be if you help someone to find a better job, then there is a real value they get a salary increase by finding a new job. So how much value is that how much monetary value is that for them? Did they get a raise of thirty thousand dollars a year? Did they get a raise of ten thousand dollars a year? Did they get better benefits? There is monetary value there.

Another way to look at it is in cost savings. Do you teach people how to negotiate a lower interest rate for a new home loan, for example? There's a cost savings there you have potentially saved them hundreds of thousands of dollars over the lifetime of that loan, so you can price your course accordingly. You can say I'm going to teach you how to save a hundred thousand dollars and it's only going to cost you a thousand dollars to learn this strategy and that is priced based on real world value.

Maybe you teach people how to sell all the stuff that they own that they aren't using right maybe you teach them how to declutter their house and sell everything on eBay and Amazon and Craigslist and Facebook Marketplace and earn enough money to go on vacation. So you've taught them how to earn a ten thousand dollar windfall money they didn't have. How much could you price a course for when you are potentially giving people ten thousand dollars that they would not have had were it not for your course? So that's one way to look at it that's probably the easiest way to look at it.

But what if what you sell what if what your course teaches isn't tangible what if it's not? What if you can't easily see that equal value exchange what if you're not

teaching people how to save money, or how to make money or how to find money? What if you are in a relationship niche or lifestyle niche or a health niche? You can still ask yourself, how much is this really worth? What is it really worth to someone to have a fantastic marriage? What is it really worth to someone to have better health? You may not be able to put an actual dollar figure to that, but for the right customer, for the right student, for the right client, it is invaluable to have better health.

Or a really good, strong marriage. Or even to learn how to knit an heirloom blanket or to have a dog that doesn't bark every time the UPS guy stops by. Right, that that lifestyle stuff does have value for people. It may not be something that you can punch into a calculator, but it does offer value to people. And there's one more thing that I want you to think about when you are thinking about how much value is delivered, and that is how to increase the value. And there's a really simple way to do this. You can dramatically increase the value of what you are teaching by speeding up the process of learning.

And I'll tell you what I mean by that. So, for example, if I tell you that I am going to help you start a business and it's going to take a year, versus if I tell you I'm going to help you start a business and it's going to take 30 days, which one's more valuable to you? Or if I tell you that I will help you lose 50 pounds but it's going to take six months, versus I'll help you lose 50 pounds and it's going to take six weeks, which one offers more value? Now I'm not saying that anybody should be losing 50 pounds in six weeks don't don't get me wrong here.

But speed increases the value of your deliverable dramatically. So if you can speed up the process, if you can speed up the results that someone is going to get, then your value of your course goes up and the amount you can charge for it goes up accordingly. The next question that I want you to ask is what are your potential students already paying other creators? In other words, what are your competitors charging? Right, Because my guess is that your potential students have bought similar courses. This is not going to be the first course they bought about how to train their dog or how to learn to play piano or how to start a business.

They have bought similar courses before so find out what they are paying. When you do this, there's going to be, you may have a tendency to say, OK, well, if my

competitor, if Jane, my competitor is charging, you know, X amount, then I should charge Y amount I should go a little bit lower on that pricing just to be competitive but I want you to be aware of this strategy. I don't want you to default to this and I will tell you why. This is where your course turns into a commodity it is a race to the bottom. You might end up looking like you don't know what you're doing for one thing, if you are consistently pricing your courses really low and consistently under charging what your competitors are charging, then there is a risk that you are going to look like you're not confident in your knowledge.

Years ago. I've told this story before, but years ago I had to hire a PHP programmer for a client. And I researched PHP programmers and at the time most of them who had pricing on their websites were charging about 100\$ an hour. And I happen to know a PHP programmer I'd worked with him before with another client so I went to his website to see what he charged and he was charging 50\$ an hour. And I thought at the time, you know, if I didn't know this guy, if I didn't know how good he was, I would not hire him because his pricing structure made it look like he didn't know what he was doing.

It looked like he was brand new and wasn't as confident as these other programmers who were charging more. So be aware of that when you're pricing your courses if you are trying to compete with other creators in your space, in your market, and you're thinking I'm just going to price lower because that's going to make me more attractive to my potential students, it might actually have the opposite effect. And again, you can end up in a race to the bottom you can end up in that commodity space where you keep having to lower your prices just to remain competitive.

Years ago, I was a manager of a gas station and every day when I came into work at six, AM my job was to drive down the street and see what the gas station down the street was charging for gas and if they were charging ninety eight cents a gallon. I told you this was years ago. Decades ago, maybe if they were charging ninety eight. Cents a gallon, my job was to come back to my store and set my price at 97 cents a gallon. We were always 1 penny less than the gas station down the street. You can see that still today. That still happens today and occasionally you will see it backfire where one gas station will drop their price a penny and then the gas station down the street will lower their price to a penny below that and then the first gas station

will go back and lower their price.

And it ends up being exactly what I said, a race to the bottom. This happens frequently in the online course world, in the online coaching world, and even in the freelancing world where people think that the only way to get new customers, to get new clients is to lower their price so I want to caution you against that don't fall into that trap. A better strategy when we're talking about what your competitors are charging is figuring out how you are different, how you are better, how you are unique in that competitive market space or marketplace what do you cover that your competitors are not covering? Focus on that what is you know is the format different? Do you offer live coaching versus self study do you offer some kind of feedback versus no feedback? Those things can really set you apart from your competitors and allow you to remain competitive in pricing, even if you're teaching essentially the same thing.

Another way to look at that is what is your unique approach in other words, what is the framework that you follow? I've talked about this before in one of the courses I did for six figure systems called the Framework formula. This is the idea that we all have a unique approach to how we solve a problem or how we get a result. And when you position your courses and your coaching around your unique framework, then you enter a space where you where you really don't have any competition you have no competitors because no one else is teaching exactly what you are teaching.

And that means you get to charge premium rates. And that's a pretty sweet spot to be in. And that brings us to the third question. How do you want to position yourself and your coaching and your training programs? Do you want to be a premium provider? Do you want to be a middle of the road provider or do you want to be a budget provider? Those are kind of your options there. The premium provider has some benefits that you may not have thought of.

As a premium provider, you get kind of instant expert status even if you haven't quite earned it yet, just by charging more. People who pay more for products value them more highly than people who pay less. Was just reading about a study recently where they were giving a wine testing wine wine tasting it was at a wine tasting event and they presented 3 different wines to a group of people and they

said that one of them was a low cost wine and one of them was a mid priced wine and one of them was a premium wine at a much higher price.

And they asked people to taste and rate all three wines and I'm sure you can guess where this is going. They consistently rated the premium wine as being better quality, even though unbeknownst to them, they were all the same wine. So just by pricing something higher, you actually add value to it. So keep that in mind when you are considering where you want to position yourself. Another thing to keep in mind that maybe seems a little counterintuitive is that people who pay more tend to be easier to work with. I learned this lesson years and years ago when I was working in customer service for one of my clients and they offered a couple of different pricing tiers for their coaching program.

One of them was very low priced and one of them was very high-priced and they were essentially the same content there wasn't a lot of differentiating factors between the two pricing tiers one offered live coaching and one did not. But the low priced students, the people who came in at the lower price, were much more likely to request a refund they were much more likely to complain about the content. They were much more likely to complain about the delivery. They just had a lot of complaints. They had paid very, very little and they were the biggest portion of customer service calls that we had. Whereas the people who paid the premium rates got essentially the same content and we never heard from them.

They were quite satisfied. So keep that in mind as well. Also, people who pay premium rates tend to get better results. There's that old saying that says that people who pay pay attention and to a certain extent I believe that's true people who pay more are more invested in the process they're more invested in what you have to offer them and they are more likely to follow through and implement what they learn and get the results that you are promising them so maybe that's why they tend to, they tend to be easier to work with because they are more invested in the process.

You can also choose to position yourself as a budget provider there's nothing wrong with that. There's the danger that you're going to end up in that race to the bottom like we talked about South you have to be careful of that but there are some benefits to positioning yourself as a budget provider. Number one, you can

use it as a proof of concept so maybe you're developing a new course or a new coaching program that you are testing and you want to offer it as A at a low price so that you get lots of customers in, so that you can refine it and develop it more, get some feedback and then raise the price that's a really good reason to offer a low priced course.

Another really good reason is Peter Boyle's 1\$ product challenge. I've talked about this before, I've promoted it before I think it is a fantastic business model. Peter Boyle's idea is that you should not be giving away things for free you should charge a very low price for your lead magnets and use that to build your audience. And I think that's a fantastic business model and a really good reason to create a very low cost course. I'm going to link to Peter's program in the show notes or below in YouTube, so you can check that out if you are interested in that.

The third reason that you might want to be a budget provider is if you want to create lots of courses I call that the tiny course model. If you want to create lots of courses and leverage them in a variety of different ways so that you can kind of mix and match them and maybe give them away, offer them in bundles, build the build a membership with them there's a lot of different ways that you can leverage. A large library of small low cost courses so that's another reason that you might want to be a budget course provider.

What you don't want to do, what I highly recommend you do not do is try to land in the middle of the road. That is not where anybody should be and it's, it tends to be where we want to go. We, we want to say, well, I don't really feel confident in charging super high prices and I don't really want to be a budget provider so I'm going to price middle of the road I'm going to price it. You know, I'm going to price my courses at 300\$ or 500\$ when everybody else is pricing there's a 2000 or at 50, right? And we feel comfortable in that space, but it is not a good space to be it is where people get lost.

You can't say I am offering premium value and therefore I'm charging premium rates and you also can't say, hey, this is a really good value because I'm giving you a lot for a very low price. So it leaves you kind of stranded there in the middle so I would not suggest that you aim for middle of the road, go for either premium pricing or low pricing and stick with one of those. Now, I told you I was going to give



you a bonus tip that nobody talks about or very few people are talking about.

And that is how much do you want to earn? Price your courses and your coaching programs accordingly. And here's what I mean by that. You have to do a little bit of math it's not too terrible, but you do need to do a little bit of math. Figure out what your overhead is how much are you spending to run your business how much are you spending for your hosting how much are you spending for your shopping cart how much are you spending for your email platform? How much are you spending for the tools that you use? How much are you earning what's your salary how much are you paying yourself and I do hope that you are paying yourself.

Maybe we'll talk about that on a future episode. How much are you paying yourself how much do you want your profits to be? And then you have to ask yourself, how many of this course do I think I can sell and what price does it need to be in order to cover all of my expenses, my overhead, my salary, and earn a profit too? Now, that can be a little tricky to figure out, especially if you're new because you may not know how many courses you can sell you may not have any idea.

But as you gain more experience, you will be able to put a figure to that you will be able to put a number there. You will know reasonably that you sell 150 every, every time you come out with a new course or that you can book 12 new coaching clients with a a good well planned out campaign. You'll get a better feel for that. If you're brand new, like I said, that's really tough to kind of work out. You, you, you may feel like you're just guessing, which is probably not a good place to be, but you may want to start there. So thinking about how much do you need to earn how much does your business need to earn and how much do you need to sell at what price to get to that point can be helpful when you are figuring out your pricing.

And finally, it's OK to experiment with your pricing. The price that you decide on for your course today may not be the price that you end up charging in six months or in a year. Maybe it will go up. Maybe you will decide that I really let this go too inexpensively and it's not really positioning it in the way that I want to be positioned and I need to raise my price or maybe you will decide, you know what, it's a hard sell at a thousand dollars i'm going to drop the price and see if I can make up in quantity what I am losing in quality or in in price at that price point.

I knew a woman once who created a digital course that she initially sold for 297\$ and by the time she took that course off the market, it was selling for 8000\$ So there's a lot of flexibility in course pricing. There's a lot of leeway you have for playing with the pricing and for, you know, kind of finding that sweet spot for you where you are making the money that you want to earn, also earning the profits that you want to earn and being still appealing to the ideal client that you want to reach and want to help. So don't be afraid to play with your pricing now i'd love to hear from you leave me a comment below whether you're listening to this at the website at [TinyCourseEmpire.com /122](https://TinyCourseEmpire.com/122) or whether you are watching here on YouTube, leave me a comment below and let me know how you think about pricing your digital courses i would love to hear what strategies you use, what tips you've got, any ideas you have for other people who are watching this who are maybe struggling with pricing their digital courses.

If you've got tips, drop them in the comments I would love to hear from you. And don't forget, next week we're going to be talking about how long it takes to actually create that digital course you're not going to want to miss that episode because I think the answer might surprise you. I'll see you next week.

**TAKE THE NEXT STEP**

**I'll teach you the simple  
systems that lead to  
**BIG RESULTS**  
even if you're brand new  
to online business.**

**START TODAY**

If you like what you hear on the Tiny Course Empire Podcast, you're going to love all of the courses and workshops and support you'll find inside [Six-Figure Systems](https://sixfiguresystems.com). That's my monthly program where we dig into online marketing for regular people like you and me. We don't do big launches. We don't have the big headaches and we don't have the big expenses that come with them. Instead, we focus on creating repeatable, sustainable systems that continue to grow over time, and that don't suck up all of our energy or require a 10 person team to manage. You can come see what we're all about at [sixfiguresystems.com](https://sixfiguresystems.com) and I'll see you on the inside