Profit-Focused? Consider Launching a Digital Product

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When we think of passive income, we think of making money while we sleep. There's no better way to do this than creating a digital product that can sell itself while you're busy with other things. Now, more than ever, entrepreneurs are flocking to digital courses, ebooks, presets, and SaaS products for this reason. If you are profit-minded, these digital products and services are the way to go. They're low cost — except for the upfront costs of getting them created — and the sky's the limit on their profitability.

Statista reported that the digital media market is projected to hit over $292 million in 2021 alone, but it isn't just the potential of profitability that makes digital products worth a second look. Here's why new entrepreneurs are creating their first-ever digital products, and sage entrepreneurs are considering their own digital product or service as an additional source of revenue.

1. Ease of management.

There's never been an easier product to manage. The business model of a digital product is set up for complete ease. As opposed to physical products, which require manufacturing, storage and shipping, a digital product is as easy to access as a paywall and download. Anything you want to sell digitally can be set up in less than an hour on the major e-commerce

platforms.

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2. Profitability potential is magnanimous.

The ease of management contributes to profitability potential. The nature of a digital product is all in the upfront work to produce it. Once the ebook is done and uploaded, it can be sold to thousands of buyers. Once the course has been recorded, it can be uploaded and hundreds of students can enroll over the course's life cycle.

Another example of a digital product (especially in Covid times) is virtual conferences or workshops. These live classes can take as little as 30 minutes or up to a full day of programming, with alternating programming fees. And, as long as you're hosting the conference or the class, the profitability potential continues to rise. Think of it this way: Maybe you charge $99 for a masterclass, and your goal is to sell just 10 tickets. Once you hit 10, you're easily able to accommodate 50 more attendees, and the profits go up without any changes in expenses.

Tom Wang is a successful Amazon entrepreneur who has made over $8 million in sales from his skincare company, Sdara. Since he's mastered the backend funnel for physical products, he's recently moved into the digital space for online courses and workshops, teaching other hopeful entrepreneurs how to accomplish what he has. "Creating digital courses and online workshops is a whole new arena of possibility," explained Wang. "We can have up to hundreds of students enroll or register, and they'll always come back for more, too. It's a totally different business model than physical products and that's what makes it so exciting."

3. You can make money while you sleep.

There’s nothing quite as satisfying as waking up each morning to notifications of sales that happened overnight – while you were sleeping. Having a product sell quietly in the background is the best way to have this happen, as long as you have the proper marketing channels set up. Nicola Napolitano is a good example. As a successful ecommerce entrepreneur, his first product of digital presets raked in over $200,000.

“When you show what your digital product can do and set up a way for customers to buy and download on cue at any hour of the day, that’s when the real sales start rolling in,” explained Napolitano. “I would show the presets with my photos, and have other social media influencers do the same. Then, it was a simple, independent process built out for each customer. They decide to buy, and they’re taken through a series of prompts that help them get the presets going on their own. There are always a few questions that we receive, but it’s a mainly intuitive and user-friendly process that generates massive profit while I’m sleeping or working with clients,” he added.

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4. You’ll never “sell out.”

In addition to the ease of management, the ability to avoid backorders or selling out keeps the profitability potential rising. F. Curtis Barry & Company estimates that when a company is handling backorders or having products out of stock, a whopping 10% of sales can be lost, simply because customers will go somewhere else. In today’s culture of immediacy, this is even more true. Digital products provide that immediacy so the customer can get reading, watching,

using or learning within minutes of paying, and from an entrepreneur’s standpoint, managing the stock of inventory is non-existent. There is an unlimited amount of products to be sold since it’s simply digital access or copies.

With so much ease and so little required upfront, it’s a no-brainer to start to brainstorm digital product ideas. Whether they’re selling in the background or your main focus, the profitability alone is worth the extra work. Cheers to abundant and worthwhile ROI.

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