

# Selling Digital Goods



With global ecommerce sales estimated to hit \$6 trillion by 2024, it's never been easier for retailers to move their brick-and-mortar stores online. Merchants can build their own websites, list their physical products online, complete payments and grow their businesses without even getting off the couch.

And now, the digital transformation has expanded from storefronts to the products themselves.

Whether you realize it or not, we use digital products every day. Video games, audiobooks, online classes, digital marketing tools — these are all prime examples of intangible goods that can be bought and sold online.

Especially among artists, freelancers and bloggers, digital products are ideal for making passive income, since there's no need to worry about inventory, shipping, packaging or logistics. All you have to do is create the digital product once and watch the sales rise from there.

So, if you're an entrepreneur with a knack for selling online, the digital product market might be worth a shot. To help you get on your way, this blog post will cover the most popular types of digital products, where to sell them and how to get your online business up and running.

## **Physical Products vs. Digital Products**

Long story short, a digital product is any intangible good or service that can be created once and sold repeatedly online. Unlike physical items, which must be constantly reproduced and replenished, digital products give merchants the freedom to focus solely on improving their products rather than creating more of them.

Digital products can come in the form of digital files such as templates and tools or online classes, or they can be downloadable products such as printable artwork, music or infographics. Of course, your business doesn't have to revolve solely around digital products — if you already sell physical goods, you can also create digital goods to sell as a complement to your business.



## Profitable Digital Product Ideas to Sell Online

First things first, you'll need to figure out *what* to sell. Digital products may sound like a niche market, but there are actually tons of options out there. Here are five different types of digital products to get your wheels turning.

#### 1. Online courses and educational products.

Gone are the days of having to sit in a classroom to learn something new. With e-learning platforms like Coursera and SkillShare only a few clicks away, it's easier now more than ever to learn something new, wherever and whenever you want.

So, if you have a unique skill or passion you want to share with the world, this is the perfect opportunity to turn your knowledge into an online business. Try hosting monthly webinars, downloadable tutorials or an online course.

BigCommerce merchant ACLS offers online courses for various medical certifications and accreditations, along with helpful digital resources like practice tests, articles and videos.

Another great way to monetize your knowledge is through podcasts and e-books. According to Statista, the number of monthly podcast listeners is expected to hit 164 million by 2024, and the number of readers in the e-publishing sector is predicted to reach 1,632.6 million in 2025. And thanks to mobile apps like Spotify, Audible, Amazon Kindle and Scribd, hosting your own podcast or self-publishing your book is accessible to almost anyone.

If you already have the reputation as an expert in your field, leverage that to attract people to your products. But if you're just starting out, you can always try creating content to give out for free, which can help get your name out there before you start selling paid digital products.

## 2. Licenses for digital assets.

Made by creatives for creatives, licensed digital assets allow individuals and businesses to pay to use someone else's digital property — whether it be stock photos, WordPress themes, infographics or video footage.

As the creator, you can charge for the use of these digital assets, which you can sell through your online store as well as other online marketplaces like stock photography sites, WordPress or Canva.

However, while these platforms do give exposure to your content, beware that some of them may snag a commission from each sale. So, if you'd rather create your own storefront, you can try a



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tool like SendOwl, which supports digital product businesses and can auto-generate unique license keys.

#### 3. Music and art.

Have an artistic side? You may already be monetizing your talents in tangible ways, such as performing live shows or selling custom t-shirts, but there are plenty of ways to turn your artistic abilities into digital products, too.

If you're a professional musician or simply like to record music in your free time, try selling snippets of your songs to use as ringtones, or if you're a filmmaker, you can sell movies or videos online. Many graphic designers create and sell digital art, whether it be mobile or desktop wallpapers, printable cards or wall posters. Tons of artists sell digital downloads of their art on platforms like Etsy or Society6, or if you want to create your own storefront, we'll discuss that in a later section.

#### 4. Digital tools and templates.

Many professionals often don't have the time and resources to handle all the tasks necessary for their business. Perhaps they lack the expertise or tools to carry out a specific task — this is where you can step in and save the day.

There is a plethora of digital tools and templates that can aid customers in carrying out daily tasks and make their lives easier. Here are just a few examples:

- Plugins, filters and presets for media editors.
- Digital media planners.
- Mobile apps for businesses.
- Graphic design templates for print materials and websites.
- Fonts, logos, icons and UX kits.

GameDay — an event-planning tool for athletic clubs, charities and foundations — offers an app for organizing competitions, tournaments and other events.

#### 5. Memberships.

Rather than selling digital products individually, you can also bundle multiple products and services together and offer them to customers on a recurring basis. These can include online courses, fitness classes, business tools or online coaching.



A membership site is the perfect option especially if you're planning on growing your portfolio of digital product offerings and maintaining a strong community of members. Plus, customers who pay a monthly or yearly subscription can have access to exclusive deals, discounts and content.

For example, GameDay also offers three different membership options for customers to bundle different products and services depending on their organization's needs.



## Finding the Right Platform for Digital Goods

After you've landed on what digital product to sell, it's time to find the best place to sell it. Luckily there's no shortage of platforms to choose from. In 2020, there were more than 7.1 million ecommerce sites on the market, so take your pick.

But we'll let you in on a hint: BigCommerce is the way to go.

As one of the leading open SaaS ecommerce platforms for mid-market and enterprise brands, BigCommerce has many of the must-have features you need to launch your digital product and kickstart your business.

While many ecommerce platforms may be well-suited to selling physical products and services, there is a big difference between selling physical and digital products online. To help choose your ideal platform, here are some essential features to look out for:

#### 1. Digital storage.

Since it can be easy to run out of space with a self-hosted platform, finding a platform with a large enough storage space for your digital files is super important. And if you can find a platform that offers unlimited storage, then that's even better.

Unfortunately, many platforms don't offer unlimited storage, but instead charge a fee based on how much storage your site requires. The more storage you need, the higher the price. Luckily, BigCommerce offers unlimited bandwidth and large file support so you don't have to worry about running out of room for your digital files.

## 2. Shopping cart.

Studies show that 69.8% of shoppers abandon the checkout process after putting items in their shopping cart — but by enhancing checkout design, the average large-sized ecommerce store can increase their conversion rate by 35%.

This goes to show that customers desire a quick, seamless checkout experience. This means a minimal number of steps in the checkout process, no popups, few distractions and a clear design that makes it easy to navigate through the process.

An additional convenience is the option for "Guest Checkout," which allows customers to complete their purchase without having to fill out multiple fields for personal information. Plus, make sure that the checkout page remains on your site rather than redirecting the customer to a



separate page. You want the checkout process to be as efficient as possible to minimize the risk of your customers getting bored and leaving your site.

#### 3. Integrations with top payment gateways.

To make the buying experience even more seamless, your ecommerce platform should also include a variety of payment gateways. Although payment solutions like PayPal and Stripe are some of the most common, these may not always be most suitable for every budget or geographical region, so it's essential that your website provides a wide range of payment options to accommodate all customers.

Luckily, BigCommerce offers more than 65 pre-integrated payment solutions, covering 230 countries and 140 currencies. These gateways include Apple Pay, Adyen, Visa Checkout and Amazon Pay, along with many others.

Moreover, some platforms now offer one-click checkout functionalities like PayPal One-Touch, which allow customers to enter their payment details once and use the one-click option every time thereafter.

#### 4. No hidden transaction fees.

Nothing is worse than making a huge investment in a platform only to find out later that there's more to pay for. At first glance, many ecommerce platforms can seem like an easy opportunity to increase your sales and make money quickly. Unfortunately, many platforms hold hidden fees for things like hosting and web development, website themes and additional plugins or apps, and these fees can add up over time.

For example, with WooCommerce, merchants have to cover the costs of hosting, an SSL certificate and other features, which ecommerce platforms like BigCommerce and Shopify already include with their pricing.

Or, in some cases, the platform may charge an additional fee for not using their proprietary payment provider, like Shopify. They charge additional transaction fees up to 2% of each sale for not using their payment provider.

However, BigCommerce merchants never have to worry about hidden transaction fees, regardless of your business's chosen credit card provider.



## **How to Sell Digital Products for Online Stores**

Perhaps you already have a grand idea that's been marinating for a while, but if not, we get it — it can be overwhelming to come up with the perfect business idea. To help you get started, we've compiled a six-step process to landing the perfect digital product idea and launching your ecommerce business.

#### 1. Brainstorm and research.

This is your time to get the creative juices flowing. Put pen to paper and write down every digital product idea you have — the good and the bad.

Don't overthink it. Even if your first idea isn't your best one, it'll help get you on the right track and hopefully lead to your eureka moment.

What are you passionate about? If you were to give a TED Talk, what would it be about? If you already have a business, what digital products could potentially complement your existing physical products? Are there specific pain points that you can solve for your customers?

These are just some questions to help get the ball rolling and guide you in the right direction.

Next, you'll want to do some research to find out what potential customers are looking for online. You may already have a stellar business idea, but if not, seeing what other people are selling might help you find your niche. Below are some good resources to help you get started with your research:

- Reddit subreddits.
- Facebook Groups.
- Product reviews.
- Customer surveys.
- Industry forums.
- Blog posts and comments.

## 2. Validate your idea.

Before diving headfirst into creating and selling a digital product, it's best to validate your idea and make sure it has potential. It would be a shame to invest time and resources into a business



idea only to find out later that it was destined to fail.

Here are some ways to make sure your digital product idea is set up for success:

- Google's Keyword Planner: Keyword tools can show you how many people are actually searching for topics or terms related to your product. If there's a low search volume, perhaps this is a sign that your product will be too niche or not popular enough, but if there's a high search volume, this might be validation that you're on the right track.
- Google Trends: To ensure there's demand for your product idea, you can use Google Trends to search for topics with a growing opportunity size.
- **Feedback:** Perhaps one of the most beneficial things you can do is directly reach out to your target audience and ask for honest feedback. After all, they're the ones who are going to make your business thrive or fade.

#### 3. Find a target market.

Now it's time to define your target audience.

While it may be tempting to try to reach *everyone* with your product, the reality is that targeting everynone means targeting no one. By specifying your target market, you'll be able to cater your digital products, as well as your marketing and communications, to the needs of your customers. In the end, this will provide them with greater value and a more compelling message.

Zone in on your target market and discover all you can about them, from their geographies to their interest to their occupations. Becoming an expert in your niche will give you a leg up and help you stand out from the competition.

### 4. Build your online store.

Once you've turned your idea into a tangible product, it's time to get it out into the world - and one of the best ways to do so is with an online store.

We'll go more in depth on this in the next section, but long story short: BigCommerce is your best bet for hosting a top-notch ecommerce website. With the flexibility and functionality of open SaaS, BigCommerce is based on low total cost of ownership and highly flexible APIs, allowing you to build, innovate and grow your business.

#### 5. Increase and drive traffic.

But just creating an online store doesn't guarantee success — you'll need to optimize your website to drive traffic and increase sales.



Here are some examples of marketing tactics that can help get you on your way:

- Search engine optimization (SEO): Optimize your site by incorporating relevant keywords, decreasing page load speed and mapping out your website structure. This will help you to rank higher on Google and other search engines and hopefully increase the chances of your page being found.
- Influencer and blogger outreach: Considering 49% of consumers depend on influencer recommendations when making a purchase, influencer marketing is a tactic that shouldn't be overlooked. Partner with influencers and bloggers with established reputations to get your content promoted and reach new audiences.
- **Affiliate programs:** Affiliate marketing can be a significant way to drive traffic and increase sales, so try incentivizing third-party businesses or influencers to promote your digital products in exchange for a commission for each sale.
- Offer a lead magnet: A lead magnet is a free product or service in exchange for a potential customer's contact information, such as an email address or phone number. Offering your product for free in the beginning not only establishes trust between you and the customer, but it also gives you the opportunity to upsell or retarget customers with future promotions or discounts.

## **Benefits of Selling Digital Products**

You may have already caught on to some of the advantages of selling digital products, and perhaps you've already hopped onboard. But if you're not yet convinced about incorporating digital products into your business, here are a few benefits to consider:

- \*\*Flexibility:\*\*Since you don't have to worry about restocking inventory or packaging and shipping, you have the freedom to create new products or adapt existing ones however and whenever you want.
- **High profit margins:** Adding onto the previous point, no inventory or shipping costs means higher profit margins. You can sell as many of the same products as you want, with little to no additional cost on your end.
- **Efficiency:** Without the need to package and ship products, you can save time on operations and logistics, and you can save money on sourcing, storage and other overhead costs.
- Scalability: The beauty of digital products is that you can create one great product and sell it as many times as you can. You may start out at 10 units in a day, but even if you scale to 1,000 units in a day, the only thing that will change on your end is how many sales you're making. But of course, as your business grows, you may need to consider hiring additional customer service representatives to help support the growing traffic.

## **Tips for Selling Digital Products**

Now that you're set up with your product, platform and plan-of-action, here are some final tips on selling digital products online and the best channels for marketing them.

#### 1. Email subscribers.

One of the best ways to drive traffic to your online store is through email marketing. By building relationships with leads and giving them personalized recommendations and content, you'll be able to nurture potential customers into loyal, paying customers.

This all goes back to your lead magnet.

Although we already touched on this, it's worth noting again. A lead magnet isn't simply a "Subscribe to Our Email List" popup — it's a free offer of a product or service that will encourage potential customers to share their contact information with you. If you're selling an e-book, give them a free download of the first chapter. This will give them a taste of how good your product is and make them want to come back for more.

#### 2. Social media marketing.

With social commerce making headway and the number of social media users growing by the year, this one might seem like a no-brainer.

But many of the most successful ecommerce businesses are the ones that adopt a strong omnichannel strategy. This means that all channels, both online and offline, should weave together to create a seamless experience for the customer — and leveraging social media marketing is a primary way to achieve this.

To bolster customer loyalty, make sure you're creating engaging, relevant content that will actually resonate with your target audience. But don't feel like you always have to be creating brand new content 24/7 — this can be time-consuming and resource-intensive. So don't be afraid to repurpose and reuse existing content, or even try changing its format and distributing it across other social platforms.

Plus, you can use social media to reinforce your sales cycle. With an increase of social commerce functionalities on multiple social platforms, there are so many opportunities to get creative with how you're selling online.

Try incorporating ads on social media, one-click checkout or product widgets in your Stories to make the buying process more efficient. The less steps the customer has to take to complete a



purchase, the better.

#### 3. Third-party websites.

Luckily, with the digital goods market becoming increasingly popular, there are so many tools available to help make your life easier. From selling music to online courses to videos online, there is an app for nearly all of your business needs.

These are just some of the third-party tools that might be helpful in getting your digital product business off the ground:

- Gumroad: An ecommerce tool for selling digital goods such as subscriptions, rentals and licenses.
- Single Music: An easy way to let artists sell music online, including free music clips on your product page.
- Thinkific: An app for selling online courses and curriculum.
- FetchApp: Able to integrate with some popular ecommerce platforms, this tool is great for selling digital downloads such as music, videos, e-books, art and software.
- FlickRocket: Easy to integrate with your BigCommerce store, this app allows you to sell DRM-protected digital content, including videos, PDFs and music.



## The Final Word

Whether you're a seasoned online merchant or an aspiring entrepreneur, digital products are a promising avenue for selling online. They can complement your existing physical goods or stand on their own to make for a successful online business — all you'll need is a little creativity and invested time to really flesh out your product and online strategy. And without the worry of replenishing inventory or dealing with overhead costs, you can put all your energy into making your digital goods the best they can be.



## FAQs about Selling Digital Goods

#### How do I optimise my ecommerce store for digital product sales?

Optimise your store by ensuring fast load times and offering mobile-friendly design. Provide detailed product descriptions and use high-quality visuals to highlight your digital products. Implement a streamlined, secure checkout process and offer instant delivery for digital downloads. Use targeted SEO practises to attract the right audience.

#### How can I provide customer support for digital goods?

Set up clear and concise FAQs, offer support via email or live chat, and ensure instructions for accessing digital products are straightforward. Respond to any customer enquiries about downloads quickly to prevent frustration.

#### Can I sell both physical and digital products in the same ecommerce store?

Yes, you can sell both digital and physical products in the same store. Just ensure your store is equipped to handle both inventory types with distinct workflows for physical shipping and digital downloads, creating a seamless customer experience.

#### What should I consider when pricing digital products?

When pricing digital products, consider the production costs, competitor pricing, and the perceived value of the product. Since digital goods have no shipping costs, you have flexibility, but pricing should still reflect the unique value your product provides to the customer. Tiered pricing can be an effective strategy to offer more options.

