Twitter Thread by Guilherme Rizzo



Guilherme Rizzo
@gvrizzo

Let's talk about defining a price for one-time payment products.

When I saw that @gumroad supported Pay What You Want, I had no doubt that this would be the pricing strategy for CSS Scan.

I'd always recommend PWYW with a minimum price instead of a fixed pricing. Why? [...]

It turns out that some people just value your product more than others!

■ With PWYW you're not only receiving the value that you expected but also donations for a good work.

Plus, with a minimum price, you'll at least earn the same amount you were supposed to if it was fixed.

■ You only need 1 person paying more to already make it worth.

It's not easy, though. CSS Scan started at $1.99. It was selling like water, so I raised the price to $2.99, and after that, $3.99 - in about 3 days.

■■ What I didn't expect was that 30% of people were paying more!

I realized that the price could still be higher by looking at the average of the sales prices. E.g., when it was $3.99, the average price of it was actually at $4.69!

I left it at $3.99 for 3 months. Based on the $4.69 average, 1 week ago I decided to raise it again to $4.99.

■ Now let's look at the data!

■ Previous conversion rate: 6,5%
■ Current conversion rate: 5,7%

It received 1403 views this month. Doing math:

(1403*6,5%)*3,99 = $363
(1403*5,7%)*4,99 = $399

■ So there's actually a growth in revenue
■■ $363 to $399
■ +$36 or +10% per month

About 30% of the people pay more for CSS Scan.

■ 76 paid more than $5
■ 63 of it paid $10 or more
■ 5 of it paid more than 5x the price ($20)

■ And there's 1 person that was a true angel and paid $25 when the price was at $3.99 - that's ~630% more!

Based on the pricing at $3.99, the countries that PWYW worked more, by average price paid were:

1. ■■ South Africa: $5,09
2. ■■ Australia: $5,05
3. ■■ USA: $4.91
4. ■■ France: $4,52
5. ■■ Germany: $4.51
6. ■■ Ireland and ■■ Bulgaria: $4,49

Nowadays, it's $4.99 and the average price is at $5.69 so there may be still space for raising it, but anyway I think it has achieved a fair price. What do you think? Should I raise it? Let me know by replying this thread!

■ Lessons learned:

- PWYW can be a great pricing strategy for one-time payments

- A lot of people are willing to pay more for your work

- I think initially underpricing could work more than overpricing it bc lowering the price after people already paid more it's unfair IMHO

- If you're using PWYW, take a look at the averages to know if you can still raise the price ■

■ That's all for today!

■■ I'm a Brazilian indie maker and If you want to stay updated on my journey, follow me here, I'll launch a new product next month: Beachguide! ■

■ CSS Scan is a browser extension to instantly check or copy the computed CSS of any particular element you hover over.

■■■■ More than 1288 developers are already using it!

■ Check it at:
https://t.co/gmNzkkHSIk