



## **SPI Podcast Session #013 - Is Giving Away Free Information Bad? Here Are Some Answers**

show notes at: <http://www.smartpassiveincome.com/session013>

This is the Smart Passive Income podcast with Pat Flynn, session #13 and I have a cold.

### **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 was a pitcher in little league baseball, Pat Flynn.

**Pat Flynn:** Hey everybody, what's up? Welcome to the 13th session of the Smart Passive Income podcast, lucky number 13. If you're wondering why my voice sounds a little bit different, it's because I've been sick the last few days and in order for me to talk, I have to speak in a lower register so I have a deeper voice today than normal. If I talk in my regular register, it sounds like this. It doesn't sound very good.

I actually had to delay the publishing of this podcast for couple days because my voice wasn't working. Luckily the rest of this episode is from a pre-recorded session with a friend of mine. When I start that you will notice that the voice will go back to normal.

Again I just want to thank you guys for being on with me today. I don't have much voice left so let's get right to it. Thanks guys.

About a month ago I had published a blog post entitled "Is Giving Away Free Information Bad?" Of course to those people who consume that content, of course the answer's no. Who doesn't love getting free content? For the producers of that content, people like myself, who are always giving away a ton of free information, is this bad? Are we losing out on potential income because we're just giving it away for free?

This is the question that I want to tackle today. I'm really really happy to have a good friend of mine, Cliff Ravenscraft, who you may remember from session five of the Smart Passive Income podcast. I have Cliff here to help me tackle this question with you.



So Cliff, thanks for coming back on the show. It's always a pleasure to have you here. How's it going today?

**Cliff Ravenscraft:** Man, thank you so much Pat. It is an awesome day, it's an awesome brand-new year and I'm excited to be back on your show again. I appreciate the opportunity. After I was on your show last, a lot of people said "Hey, I heard about you on Pat" and of course you know personally that was a huge benefit to me. So I really appreciate the opportunity.

**Pat Flynn:** Oh no problem. You have such a great story. If you haven't listened to [session 5](#) of the Smart Passive Income podcast, I'll link to it in the show notes here, so if you're listening to this on iTunes, come on the blog and check out that link to session number 5. Or you can just find it in iTunes if it's still there. Just listen to it. It's so wonderfully inspiring and Cliff's story is amazing. I'm really glad to have him back. My audience responded really well to you and your story and what you had to say.

So I'm really glad you're here to help tackle the question about free information and whether it's good or bad.

The way we're going to be doing this is actually, I'm going to be quoting various comments on that post of mine, which actually now has 199 comments. I can't go through all of them, that's obviously way too many. I'll select a few that stood out to me, I'll read them off and you and I can respond with our thoughts.

Before I get into that though, I wanted to ask you Cliff, with your experience in giving away information, which I know you do, you give away a lot of information on your blog and on your podcast at [podcastanswerman.com](http://podcastanswerman.com) and all of your other podcasts. How has giving away free information benefited you and your business if it has?

**Cliff Ravenscraft:** Well it's benefited me and my business in a major way. By the way I started out in this whole online, social networking world really as a hobby. Giving away everything for free without any desire of any income at all, which I think is a huge benefit to me by the way. I had no intentions of ever making any money online from my efforts in sharing my information that I had on my heart to share. Whether that was the TV show, the Lost podcast, or whether it was the various other shows that I've produced in podcasting and doing blogging since then.



Since December 16, 2005 I've produced more than 3400 episodes.

**Pat Flynn:** It's crazy, that's a lot of content. That's all free content that people can get. You created and built a business around all of that.

**Cliff Ravenscraft:** I did. Exactly. Basically the thing is, I never expected a single penny. One day somebody said "Cliff, you could probably do this full-time as your career". I'm like "Yeah right, I'm an insurance agent, nobody's going to pay me to talk for a living". In January of 2008 I quit my career in insurance after 11 years to actually start a business online doing podcasting and new media work.

I spent two years part-time giving away every single thing for free and when I actually started my business I intended to continue to give everything away for free and just kind of start a consulting business and an equipment sales business to support my habit of giving away free information.

People suggested, if you started charging for this, we'd pay you for it! That's where I learned that the benefit to me and a potential business that I might create, is that when I give myself so freely to so many people and I do things that provide value for other people, they have a desire of reciprocity to return value back to me in one way or another.

Certainly I benefited by the fact that I have given so much of myself that there are people out there literally who desire to find creative ways to give back to me.

**Pat Flynn:** Right, that's exactly how I started too and I had no intention of ever making money from my site [greenexamacademy.com](http://greenexamacademy.com) but it kind of just evolved into that. People seeing me as an authority and a trust leader. So when I finally came out with my own products, people felt like they had to give back to me, even though that information was the same information they can get for free on the blog, and we'll talk about that later.

I remember you telling me a story, I'm not sure if you told it on session 5 but you told me a story about someone and their act of reciprocity, not directly but by referring you to someone they knew who ended up being a large client who bought a lot of stuff from you. Things don't happen directly as far as reciprocity and the benefits that we get



for giving away information for free but just the fact that people are willing to share information with other people and refer us as authorities in our niches will eventually lead to sales or income or more referrals. Do you remember that story?

**Cliff Ravenscraft:** I don't remember that specific one. There literally are so many like it. I'm not making that up. It really is real. There are countless numbers of stories of people who haven't had any desire for any of the products or services that I actually charge for. They soak up the stuff that I have available for free, they really like it.

There have been multiple stories where people have not necessarily needed my services but knew somebody who was a radio talkshow host in their local town and they were getting fed up with the way the radio was doing things and they were messing everything up and they were getting ready to lose all their sponsors. They thought about doing this thing called podcasting and they said "Hey, do you know anything about podcasting?" and I said "No, but I know a guy who does". That just happens all the time.

I produce a lot of different podcasts, so a lot of different content on a lot of different topics, whether you need help with your Macintosh or technology for your business or information about a virtual assistant or about answering your questions on how to produce a better podcast, I have a lot of different shows. So I've actually had people who listen to an entertainment based podcast and we never talk about anything but they know me so well and felt so connected to me and they knew that the way that I actually make a living is through consulting, they said sometimes that you have somebody who is listening to a TV show fan podcast and they're referring a client to me that ends up spending 8 or \$9000 with me.

**Pat Flynn:** Right, that's so cool. Beyond consulting, a significant chunk of your income comes from passive income, from digital products that you have sold on your site. I think a lot of that comes from the authority you have built by giving away information for free.

**Cliff Ravenscraft:** Absolutely. Pat, you and I did a webinar. What was that, two months ago, maybe three months ago?

**Pat Flynn:** We did Passive Income Strategies For Podcasters.



**Cliff Ravenscraft:** There were so many things that I had been privy to but really never lived out in my own day-to-day business life. I was doing webinars and people would say "Hey, is there going to be a recording?"

"No, you have to come live and take good notes."

I'm totally missing an opportunity here and they were saying "You're missing an opportunity".

I knew I should get around to doing this. You and I, we did that webinar in November 2010, I had the most profitable year of my business and of my life.

What's amazing was I got sick in December, just a couple of weeks ago, I was sick with a sore throat for four days and I literally lost my number one person in my business outside of myself, my assistant. After having her for a year and having her become a part of my business, I lost her. She had to leave abruptly, I had to find a new assistant and after I had found a new assistant I got sick again with a sinus infection. Literally did not work, what normally would generate about 80 to 90% of my income, absolutely no work at all for three weeks and then it was Christmas time.

But get this. Because I had built such a relationship with so many people and I now have products that people can download from my site, I saw payments of \$300, \$500, \$600, [Blue host] sending me a check for \$800 and then all of a sudden - I won't say the name but there's a certain affiliate program relationship that I had with \$3395 that came in. It turns out that even though I hardly did any of my normal "work", because of the things that I put into practice after having you co-lead this webinar, December actually ended up being my second most profitable month in my business and my life.

**Pat Flynn:** That's awesome.

**Cliff Ravenscraft:** So giving things away for free certainly got me a very large audience that was then ripe for being interested in the products that I might possibly create that are available for sale.

**Pat Flynn:** I like the way you said that. We'll get into more of that later as we go through these comments but I do want to read off some of these comments and then



we can respond to them. Some of the comments are are wonderful, some are positive, some are negative. I'm really excited to see what we have to say about them.

**The first comment is by Ryan S and he says this:**

"At the end of the day, the stuff that you put up definitely will help those of us who put it to good use and will keep people glued to your blog for future help like this, in the end establishing the credibility and reputation you have been building through this blog and others will only go towards gaining others' trust and willingness to invest money and time into your products and those of your affiliates, which will also benefit you."

I think that goes along with exactly what you just said, giving away information, helping to keep people glued to you and your brand so that when you do come out with your own products or you do recommend products, they trust you. That's exactly what you just said so I think Ryan hit it on the nail right there.

**Cliff Ravenscraft:** Absolutely. It's really odd because I told you there was one affiliate who I received nearly \$4000 for and I only send out one email. This launch, one of those marketing launches that you hear a lot about, it's one of those ones where you're supposed to send 8 or 9 emails over the course of so many days.

**Pat Flynn:** That's the product launch formula I guess they say.

**Cliff Ravenscraft:** Exactly. Basically it was one of those deals but it was somebody that I knew, somebody that I trusted because of all of their free information. I listened to their free podcast, I've never paid this person a penny. I've actually listened to their free podcast forever, met them face-to-face at a podcasting conference a couple of years ago, developed a great relationship of trust with them. We've exchanged referrals back and forth and have referred clients to each other for sure but I've never directly bought anything from him.

He came out with this product that he was launching and it was one of those ones, to be honest with you if I didn't know him, I would be skeptical. I invited him to come onto my podcast and I did a 20 minute interview with him and I sent one single email. My email list is surprisingly is rather small because unfortunately I just got into this building the list.



So my email list was extremely small and I'm talking less than 200 people. And my list of 200 people put me in the top 10 of his affiliates.

**Pat Flynn:** That's awesome.

I just wrote a post about autoresponder series and how to utilize your email service using an autoresponder and you do it in a very unique way. I didn't talk about your specific model on that post but it just shows you that it's not the size of the list that matters, it's how responsive it is. You do something very unique with your list upfront that gives them a certain expectation when it comes to your emails. Can you briefly explain what you do?

**Cliff Ravenscraft:** I call it a mailing list. I want your email address. This is not a newsletter, you're not going to get fluffy stories from me and stuff like that, if I've got something valuable to say, I'm going to give it to the world for free. It's going to be in a podcast because that's the medium that I best use. I like to talk. Or I'm going to give you a YouTube video or I'm going to write a blog post. It's all going to be on my blog and that's available for free.

Here's the thing. If you are interested in learning about my latest webinars, my products that I'm going to make available for sale or any kind of specials I have as far as a sale on equipment that I'm selling, if you want to be notified of my stuff that I want to sell to you then sign up for my mailing list.

**Pat Flynn:** Your open rate is what for your emails?

**Cliff Ravenscraft:** Ask me another question and I'll go to MailChimp right now and I'll just tell you right now.

**Pat Flynn:** I suspect because you give people that high expectation about what to expect, every email you send has an offer in it or some type of product that is for sale or something, and they know this.

**Cliff Ravenscraft:** Exactly. I do not send a "newsletter" or email to my list unless it is something for you to click and buy from me. That's what my podcastanswerman list is.



By the way I just pulled up my most recent campaign and I'm clicking reports right now and survey says my open rate is 83% and my click rate is 67%.

**Pat Flynn:** That's just out of this world. That type of way to handle your mailing list and your emails and your site isn't right for everybody but you are a prime example of how it can be used very efficiently and with intention.

**Cliff Ravenscraft:** The thing is, people have said "Hey Cliff, how do I get to know about when this is available? Can you tell me when this is available?" I literally started the mailing list as a means of saying "Hey, this is the one outlet that I'm going to let you know about timely information". It's like "Hey, you know what, I just had a four hour consulting call cancelled for tomorrow and there's no way I'm going to be able to fill my consulting schedule for tomorrow". So guess what, I'm going to send out an email saying "Hey, I'm going to have a group open coaching call for two hours. Anybody who wants to sign up for \$39, boom, you're in, here are the topics I'm covering".

**Pat Flynn:** That's cool.

**Cliff Ravenscraft:** Chances are I can make more money from 60 people who sign up for \$39 than I ever could have made with my \$150 an hour for four hours. It's out of this world what a mailing list can do for you.

The whole thing though is why are these people interested in signing up on my mailing list? Why do they want to know? Because for five years, I have been providing them with extremely valuable free information. Here's the thing, I can tell people all the time, my consulting rate right now as you're recording this is \$150 an hour, now that could actually be higher in the very near future and I'm not quite sure on that yet.

Anyway, the thing is I tell people when they hire me, you could if you want to, there's nothing I'm going to be able to tell you that I haven't already given away for free in 190 episodes of podcastanswerman. You could listen to all 190 hours of information or you can go ahead and compile a list of the 14 questions you have and for an hour, I'll answer every one of your questions and I'll knock off three or four months of learning curve.

**Pat Flynn:** Yeah.



**Cliff Ravenscraft:** Off of your desire to start podcasting. You'll be in iTunes tomorrow.

**Pat Flynn:** I think that's the perfect way to lead into this next quote, which is from Ben. He says:

"To be honest, currently I'm here for the free information alone..." Very honest. "...as my current focus is elsewhere but I receive your updates as RSS feed and that means in my case that you are one of the few guys I will turn to for advice when I need it and most likely I will. That will bring you money in the long run."

Ben is saying he doesn't need any type of products or anything from me now but when he will or when he does, he'll come to me first.

That's the tough part about this kind of business we're in, giving away information for free because the returns aren't immediate. The ROI (return on investment) isn't an immediate thing that you can see happen. It's kind of an organic thing that happens over time. Even if it's not Ben that ends up buying a product, maybe it's someone that he refers me to that comes back later as a referral from Ben. It might be that type of me making money in the long run based off me giving away information that Ben likes to consume.

**Cliff Ravenscraft:** There's no question. Not only that, if they go back and listen to session 5 where we shared my story, the first year that I did this full-time as my career, I had to take out \$14,000 out of my pension just to make ends meet. I was not making a lot of money but I was giving away a ton of free advice.

That was actually after two years of doing it as a hobby. Knowing that it was ultimately going to work out the end, I just knew from what I had experienced in the time that I was doing it as a hobby and I knew in my heart that I was doing the right thing when I was doing it and I'll tell you what, my success in 2010 is out of this world. It's unbelievable to me that I actually lived the year that I lived last year. It's mind boggling.

It is from the first four years of giving it all away for free.

**Pat Flynn:** During those first four years did you ever try to monetize?



**Cliff Ravenscraft:** Oh yeah. Absolutely. I tried several different things to monetize. I tried advertising, that was really horrible. I tried a straight donation model but that was before people knew me, liked me and trusted me. Not everybody knows, likes and trusts me today but a lot more people do today than they did back then - because I was a newbie. Put a blog up and then immediately put a PayPal donate button. There's nothing wrong with doing that but it doesn't go over well, it really doesn't.

What I learned is that to make money I had to actually give something of value. I had to actually give something of extra value. I struggled with the question of 'will people give you money for things that normally are expected to be free?'

I don't know if you want to go into that story but I had some people say "You know what, you're busting your butt trying to make this consulting business work and you're sitting on a gold mine producing all this content, why don't you start charging us?"

I'm not kidding when I say to you, literally 40 people in my community listening to my podcasts said "We will pay you money if you will charge us". Asking for money as a donation, "Why don't you just donate it to me?" - "No, charge us".

I literally said "OK, here's the deal. I heard about somebody else doing this, I'm going to give you one episode a month for free and if you want an episode every single week, I'm going to produce more content than I was before for this podcast" and people started signing up.

We just talked in a meeting before Pat, what was my amount last year? 27,000?

**Pat Flynn:** I think so, you had earned \$27,000 from you charging people to consume premium content.

**Cliff Ravenscraft:** Right, which would normally be free but people asked me to charge them for it.

**Pat Flynn:** Right.



**Cliff Ravenscraft:** I'm actually considering, it's so funny because we just had the conversation, I'm actually considering taking that \$27,000 of income from my thing called Plus Membership and going back to giving every single one of those episodes away for free and I probably will not lose hardly any, if any at all of the people who were paying me the money and I will probably grow the number of people who are paying for my Plus Membership.

If I'm just looking at transferring the benefits from instead of paying for the benefit of getting the content, the podcast, which I want to give away to the world for free every week for every episode that I produce, which is eight episodes a week, I want to give you different benefits for your 'donation' for lack of a better term. That's the thing, I want to avoid the donation route by I still want to provide something else of value as a benefit for the income that people want to pay.

**Pat Flynn:** That's probably the most important thing is making sure that there is some type of value in whatever it is that you charge for.

**Cliff Ravenscraft:** I don't know if people caught the words I just said, but there are literally hundreds of people who listen to my podcast who want to pay monthly for my content.

**Pat Flynn:** And you're going to give it away for free?

**Cliff Ravenscraft:** I have a strong desire in 2011 after three years of charging making up to \$27,000 a year from it, I have a strong desire to give all of my content away for free.

**Pat Flynn:** I personally think that's a good move. I will be interesting to see what happens but like you said, I don't think that you would lose very many of those contributors. It would just be a different title or way of contributing.

**Cliff Ravenscraft:** In my mind, and it goes along with all of this, this conversation, in my mind, if I put in four episodes a week or four episodes a month of [25:58] in iTunes that's available for free, instead of when people actually see my show in an iTunes search result and they only see one episode per month released, I think I'll get more people say "Wow, this is a very active podcast, I'm going to subscribe and I'm going to listen". Instead of getting one episode and at the end of that episode saying "Hey, if you want an episode every week, pay me", which by the way if they're just now tuning



in for the very first time, they have no idea who I am, they don't know, like or trust me. BUT if I had a podcast called [26:29] and I give them episode every single week for free and every now and then I just say "Hey, if you really like this content and you want to support what we're doing, check out our Plus Membership over here and by the way here's a list of the benefits that you get on top of knowing that you're supporting this content".

I believe that the number of Plus memberships will soar and \$27,000 of income from that will be a drop in the bucket to what's possible.

**Pat Flynn:** I think so and not only that, people will get to know who you are, get to know podcastanswerman and go to your blog and potentially get interested in some of the digital products that you have too.

**Cliff Ravenscraft:** Absolutely. I can start creating digital products for some of those other shows, which I haven't even tapped into that.

**Pat Flynn:** I love the business that you're running and I'm so happy for you.

I'm going to move onto another quote.

**Cliff Ravenscraft:** Thank you. By the way, while you move onto it, I was just inspired just now and I know something that's going to earn me \$60,000 this year. I'm going to create a course on if you're brand-new Mac user, here's a video training series on everything you need to know to get started. Oh my gosh why haven't I done this? I've done 200 episodes on helpigotamac and I've never thought of this before.

**Pat Flynn:** You're hearing it right here folks for the first time, that's inspiration right there.

How many people do you have subscribed to that podcast?

**Cliff Ravenscraft:** I think there are 800.

**Pat Flynn:** I think once you give away free, you'll get a lot more.



The next quote is from [Annabel Candy](#). Many of you might know her from [getinthehotspot.com](#), she's a frequent commentor on a lot of the big blogs. She had a very interesting comment about giving away free information. She says this:

"Yes, it's very bad. Free is not a business model, as Brian Clark said during his Blog World talk. Seth Godin tells us to practice giving people gifts because when you do, they naturally want to repay you, but in what currency? Will it match your expectations? And in any case, why give it only if you only want to get back?"

She also says "The other danger is that people do not value what they get for free. They place more emphasis and act on info if they have paid for it. I believe many people are short changing themselves by seeking only free information when they could get better, faster more effective and balanced information by paying for it".

What a great counter argument to everything we've been saying. She later goes on to play Devil's advocate. I think it's very important to discuss what she says there. Seth Godin, I've heard him say this before "Practice giving gifts to people so that they naturally want to repay you", that's kind of been my business model since the beginning and obviously you're business models as well.

But Brian Clark says "Free is not a business model. How do you create a business model by giving away information for free? How can you get back exactly what you want to get and why would you give if you only want to get back?"

What are your thoughts on that?

**Cliff Ravenscraft:** I'm going to say a couple of things that you may not expect me to say. Number 1) Devil's advocate or not, I'm going to have to say that I agree with a lot of what she says. Except for the "Yes it's very bad", that's the one I disagree with, because I don't think it's very bad. I do want to say I agree with a couple of things. I do think free is not a business model,

**Pat Flynn:** I agree with that too.



**Cliff Ravenscraft:** It's not just free. In fact, free is not the idea. It's providing value and helping others is a business model. It's not about what I can give you for free. I could put a bunch of junk on the web and then give it away for free. That's not going to do anything for anybody. The question is 'Am I helping people achieve their goals?'

As far as what do I get back? Is it always going to be in the same currency that meets my expeditions? Often times it's not. One of my greatest currencies is not monetary income. Some of my greatest currency that keeps me moving forward and doing the work that I do is just positive feedback and thanking me and a story that tells me how something I shared for free has positively impacted somebody's life.

I'll give you a perfect example of this, if people go to [gspn.tv/pablcontagious](http://gspn.tv/pablcontagious), that stands for Pursuing A Balanced Life. It's one of my favorite blog posts I ever did in all the years that I podcasted.

What you will see if you go here is a little photo that shares with you just how I spent literally 60/70 hours of me sharing my own pursuit of a balanced and healthy lifestyle, sharing my triumphs, sharing my defeats in changing the way that I eat, the types of food, the types of exercise, sharing when I was successful at setting goals and meeting them, sharing when I've dropped off the wagon for three and a half weeks and this is what I'm doing, this is out lousy I feel. I do this podcast called Pursuing A Balanced Life. There's 485 episodes of this podcast of me sharing my life.

If you look at this picture, you'll see a picture of me, my wife and one of our podcast listeners from Washington DC area. She listened to our podcasts and you can see in the picture that we're all extremely obese, very heavysset people. Then you look at the picture right below it, just a couple of months later. I was inspired, my wife was inspired to make changes. We shared our lives online and what you see in the middle between the two of us in the bottom picture is that same listener who had lost over 100 pounds. Not only that, but she represents one of only hundreds of people who've lost 50/60/80/100 and one person has lost more than 150 pounds as a result of us pouring out hours and hours and hours of free content, sharing what we're learning.

You know what, could I have charged for content? Could I become a "Personal Health Coach"? Yeah I could do that but I have no desire to even make any money from any of those efforts. What I get in currency is the fact that I've helped extend peoples lives and I've changed people's lives. That to me is just as valuable as the income I make sometimes.

**Pat Flynn:** That's awesome and I'll make sure to post the link to those pictures in the show notes.



As far as currencies are concerned as well, it's difficult because the ROI is not something immediate, it's not always money for money or information for money. Like you said it can simply be a "thank you". Another thing to consider is - on my blog I'm very fortunate enough to have thousands of visitors come into my blog per day. It only takes a few of those people who are inspired, who are motivated, who trust me and my authority in this make money online niche.

It only takes a few of those people to click on an affiliate link or if I had product it would only take a small amount of those people to purchase from me or click on an affiliate link and help me earn a commission. In order to see a significant amount of income, depending on the price of the products, if you have a coaching program that's \$1000 and you just help one person week, that's \$4000 a month, which is definitely livable income in some areas.

It doesn't take very many people to help support you for whatever it is that you're trying to do. There are very nice people out there who will want to repay you for all the things that you're doing, all the free content that you provide. It's not everybody but it just takes a few wonderful people to help repay you for all the things that you're doing and all the people that you're helping.

**Cliff Ravenscraft:** I want to speak to the danger of people not valuing what they get for free. I just want to say this is something that is a danger. I will tell you that it's a fear that's really not based upon reality. Maybe not everybody is going to value what you give for free but the people whose lives it changes, who are searching for information, I will tell you right now, people find a Google search result on a free video screen cast and I've answered a question that they've been struggling and scratching their heads about for three weeks and my one video blog post that I spent 25 minutes putting together has solved their problem and it's like wow. They value that and they write me to tell me that.

I gain them as a listener, as a subscriber to my free valuable content and they tell me week after week how valuable my stuff is. They sign up for my mailing list. The thing is, eventually they say "Hey I want to buy this product that you put together, I love the content you do".

I will say this, when I do charge for something, I do feel like I get people who are more engaged.

**Pat Flynn:** Absolutely.



**Cliff Ravenscraft:** So there is value in charging for things.

**Pat Flynn:** Tyrone and I, Tyrone is the person who challenged me in the [37:16] we came out with the coaching program nichesitecoaching.com and we're currently selecting 20 students to go through that program with us. It's not a cheap coaching program, it's a \$799 program and we're very fortunate to have a lot of applicants fill out an application. But I know that if we gave away the same information for free, which we have on our blogs, if we did a coaching program and made it free or even if we made it \$39, we would not get people that would have the drive to really be successful with that program.

There would be people who would pay and not do as much work or people who would pay then kind of not feel good about it and try to get their money back, that's always something that happens. Because we're charging a large amount - it's not the primary reason for charging a large amount - we know we are providing tons of value here, much more than the \$799 value. Because it's such a high paid product, we know that we're going to get students who are really interested in just crushing it.

Money does have an effect of making us feel obliged to follow through with something. I don't want to say it's a bet but you know when there's money riding - if you're playing poker online for example, one of my buddies he plays poker online for a living, If you play free poker and you get tons of other people playing free poker and you're playing against them, people just throw their money around like crazy, they experiment with different hands and they're not really thinking about how to earn more chips or whatever it is. If you are actually playing for real money, there's a different mindset involved that you really do want to succeed.

**Cliff Ravenscraft:** Yes. The other thing is the idea of the charging for money, one of the ways that I think about this is there is a method that I've thought of when I charge money and when I give stuff away for free. For example, if I was doing a class for 20 people I would not do that for free unless there was some reason to do so. If I'm doing something for 20 people, I'm doing something that is specific, I'm giving a lot of personal attention. If somebody is paying me I'm actually spending a lot of time putting that together, I'm making sure that I'm giving them every penny's worth plus some and stuff like that.

When I give things away for free I want it to be available to the public. Often times I get - Pat I know you probably get, maybe 50 to 100 emails plus a day, just like I do that has the phrase "Quick question" in it. What I decided is that I cannot answer one-



on-one questions via email to give you the advice or the help that you need. I'm available for one-on-one consulting at \$150 an hour, currently at the time of recording. If you go to my products site, there's some products there that could possibly help you out and are available for a fee. Or there's a free podcast that you could listen to, in fact here's a link to where I answered this question once in the past, if this doesn't solve your question, here's the phone number you can call, you can ask your question for free and I'll cover it in an upcoming episode.

The thing is, I want to answer questions. If I'm going to answer it for free, I want it to be available to the world to benefit from.

**Pat Flynn:** That's huge. I do need to work with that. I do spend a lot of time answering all my emails in a very personal way, not rehashing answers that I've already sent out before. That's just my nature but I think that's a really great idea, because if it's a question one person has, maybe it's a question that several hundred or even thousands of people have. That's a great opportunity to share that information for free and again bring people into your brand, gaining trust and authority and then eventually maybe possibly leading to a product purchase or a consultation or something like that.

**Cliff Ravenscraft:** Absolutely. This is how I pick out what digital products I'm going to create. It's the questions I get asked most. It's like "Listen, I would love to answer your question for free and I'm willing to do so in my podcast or on my blog. I'll need you to call that in, I'll play your question and I'll answer it. If you're in a dire straits scenario, I have two days a week that I schedule for consulting, I'd be happy to have my assistant schedule you for some time one-on-one and I will help you get the results you need, but this is how much it costs".

So there's free and there's paid. It depends on if you want one-on-one time or if you're willing to do a group session or if you're willing to just wait and let me answer your question in the podcast. Hopefully I'll get the full understanding of what your questions are.

By the way when I answer a question I don't hold back anything. If I have the information in my head I want to give the fullest explanation possible. I don't believe in giving a little bit and then hoping that, you know, "Oh, he didn't give me that last little piece, I'm going to have to buy that information".

**Pat Flynn:** I hate that!



**Cliff Ravenscraft:** I hate that too. You will not develop a relationship of trust and influence with that methodology.

**Pat Flynn:** The way you're doing it is really really smart. I think that's really good. There is a delicate balance that has to be held. We're giving away free information but we feel that we have to get paid as well and we have to make a living. There's a delicate balance there but I think you're handling it in a very smart way.

**Cliff Ravenscraft:** I need to follow my advice more often because I still end up answering some one-on-one questions.

**Pat Flynn:** It's hard not to and hopefully after this podcast we won't get hoards of emails.

Two more quotes I want to go over before we finish up.

The first one is by Ron and this is a great quote. He says:

"It's hard to pin down but it may be impossible to give too much, since it has to come back to you in some positive way, one way or another. You must also make it easier for people to give back to you as well".

That's where smart marketing comes into play. That is such a genius quote because I always talk about on the blog ways to gain more subscribers or gain new people on your email list. Always try to make it as easy as possible to make that happen. Just what Ron says, we want to give away as much information as possible but we also want to make it easier for people to give back to us as well.

**Cliff Ravenscraft:** Pat, I'll tell you one thing I learned from you and by the way it's crazy because I make a ton of money because of my mailing list. I hardly sign up for anybody else's mailing list. I'll be honest with you, if I actually sign up for someone's mailing lists, I usually get kind of bored with them after a while and I filter them so that they never hit my inbox. Yours however is one email list - and I'm not just saying this to blow smoke up anything - the thing is I do read your blog and one of the things that I got out of your blog was when you talked about Website Payments Pro, using [e-



junkie] and - no I signed up and I actually got your Ebooks The Smart Way and I read your e-book and one of the things you said was when you made it easier for people to buy your digital products via credit card instead of having to go through PayPal, you saw an increase in sales.

**Pat Flynn:** For sure.

**Cliff Ravenscraft:** I have been going for years. I've actually been doing podcast consulting as a kind of hobby, even before I was doing [inaudible], I've been doing this for four and a half years as far as the consulting business and I've been doing this as my full-time career, running my business for three years and the only payment forms I've ever taken were check by phone or PayPal. That was it. I never once accepted credit cards. I lost two equipment sales as a result of that. But as far as digital sales and stuff like that, I never knew I was losing anything. I actually went through and I signed up for Website Payments Pro and put my little API key in there and I turned that on my [e-junkie] and my sales went through the roof. 9 out of 10 sales today are all credit card payments.

**Pat Flynn:** Same with me. I'm really glad to hear that you've taken stuff that I put in that e-book into practice and it's actually helping you make more money, that's awesome. Thank you.

**Cliff Ravenscraft:** It is. Folks, seriously, I'm not just saying this because Pat's a friend, he is a friend and I'll just disclose that - but go sign up for his mailing list, [ebooksthesmartway.com](http://ebooksthesmartway.com) and get the e-book. If you have a Kindle do this, download the black and white version, not the color one, you'll get a PDF document. Then you email it to your kindle email address as an attachment and put the word "Convert". Is that the right word?

**Pat Flynn:** I have no idea, I don't have a Kindle but that sounds really cool.

**Cliff Ravenscraft:** I think it's "Convert". It will actually format it into Kindle version and it's awesome.

**Pat Flynn:** I should make a Kindle version of that e-book.

**Cliff Ravenscraft:** You should.



**Pat Flynn:** OK, let me write that down.

**Cliff Ravenscraft:** Make it easier for people to give back to you. I guess what inspired that was when I made it easier for people to buy from me so that they could just pull their credit/debit card out, that made it easier for them. They are signing up more quickly now.

**Pat Flynn:** Yeah, that's awesome.

Thank you Ron for that quote, I think it's something that's very important. It's not just about giving back, it's about signing up for your newsletter, signing up for your email list, being able to retweet or like blog posts. You hear me say this on the blog all the time, make things as easy as possible for people. I don't want to say make it so easy that a monkey could do it but sort of that's what you have to do.

**Cliff Ravenscraft:** The fact that you have a domain for your mailing list sign-up, ebooksthesmartway.com. I send so many people to your mailing list sign-up because you make it easy for me to do so. If I had to say 'go to smartpassiveincome.com, look for this icon, click on that and sign up for his free e-book'. It's just [audio cut out 48:21] help you in that way.

**Pat Flynn:** Thank you for referring people to the e-book, I appreciate that.

**Cliff Ravenscraft:** Thank you for the free e-book, I love it and I do value it, believe it or not.

**Pat Flynn:** No problem and I will get working on that Kindle version, I do have a place where I think I can go for that and I will talk about that on the blog later.

I just want to finish with this one last quote and I think it's a great quote to end with and it's from Roger. He says about giving away free information:

"I think it depends on your motivation for giving things away. If you are doing it solely because you expect people to do something in return for you, then I would say it is not



good. That is much like basing a friendship on the idea that you serve some need for me so I want you as a friend, if you stop serving that need then we're no longer friends. In other words, the relationship was really all about you from the beginning".

I think that's really really important to understand that even though we may be giving away information for free with the idea that there is a possibility of getting something back in return for doing so, the actual motivation, the base motivation and idea behind giving away information for free should be about helping people. You already mentioned this earlier in the podcast today but really providing high-value information that will help people, that is exactly where trust comes from, from permission to offer a product or an affiliate product, from them pulling out a credit card. It's all about helping people right from the beginning.

**Cliff Ravenscraft:** Yeah and I will say that as a consultant, one of the things that I really don't like is when I do get somebody who says "Hey I heard about you, so and so told me that I need to talk to you. I got laid off a couple of months back and I'm starting this blog, I'm going to do this podcast, I need to get it up and running and I need to find a way that it starts bringing in an income within the next month or two". I'm like ugghh.

I have the technical skills and the technical abilities to get you up and running and all that stuff. I actually say these words to them - "It is entirely possible that you could probably pull off some other marketing angle that I'm not familiar with, to actually turn an income from your podcasting efforts and your blogging efforts within the next couple of months, that may be possible and there are some things that I could think of that probably could do a little bit but I tell you what, I can help you technically get your podcast up and running, I'll teach you how to do it, I'll get you into iTunes, but when it comes to sharing a strategy on how you're going to actually produce an income, I can't do it with the motive of how you're going to get money out of it because you can't start there".

If you were to actually transform what you said to me to "I'd like to be able to start producing an income from this slowly to replace my income over the course of the next 3 to 4 years" then we can talk. But if you expect anything out of your efforts within the first six months that's of a substantial basis to where it's going to provide you income that could sustain you, you're probably better off going out and getting a job and trying to find some money there. Let's start this with the mentality of 'what can I give and help others and build relationships with people?' It's not the only way but it's the only way I know.



**Pat Flynn:** Exactly, me too. I have the same thing, a lot of people contacting me asking me "How can I make money in three months?" or "How can I make money next week?" It's really difficult for me to answer those questions because by thinking about the money first, you're only going to let yourself down if you don't reach that point by a certain time. The products that you produce, the blogs that you set up, the campaigns that you set up for your email list, they're all going to have a certain mood.

They're going to feel like there is some purpose other than helping people. Even if you do your best to mask it, to sound authentic, there's always a way to tell that it's just not true and that money is the primary motivation.

That's why I think giving away all of your information for free is probably the best thing you could do and really holding nothing back.

I talked about earlier, when I wrote my first e-book [greenexamacademy.com](http://greenexamacademy.com), 95% of that e-book was the exact same material that people could find for free on the blog. That e-book sold like hot cakes. Another example is Darren Rowse from [probblogger.net](http://probblogger.net), he wrote a blog series for free on his blog, just a regular blog post, 31 days of posts and he turned those 31 days of posts into an e-book called 31 Days to Building a Better Blog, '31 DBB' as some people might know it and that has been selling like hot cakes too, I actually had an affiliate sale for that e-book this morning. It's a great book.

I think it's because Darren has spent a lot of time building that authority and his primary motivation is to help people. Even when you give away the exact same information as long as it's packaged and it's more easily consumable than what can be found for free on the website, people will buy it. That's what I've found to be the case.

**Cliff Ravenscraft:** I have found it to be the case as well. One other thing about this whole 'You've got to make money!', I often times share, I've shared it here and I know I've shared it in session 5 but it cost me \$14,000 that first year, out of my pension just to make ends meet. I was making money that year but when it came down to it, the last 3 or 4 months of that first year of doing this business, I decided that I needed to do something to not be focused on the money. I've got to have this consulting [file], I've got to do this, I've got to mention my need to make money to everybody at all times.

I had to get out of that mindset and so that's why I took \$14,000 out of my pension because I don't believe in debt and I had the money in the pension. I did that, I paid \$4000 in penalties and taxes and I had \$10,000 of income to pay myself for three months. I could actually work for three months without having to worry about earning a single penny. During that time I produced more free content than I had ever produced before that point. I tell you what, it was all an investment in helping people and doing



the things that I felt called to do rather than doing things because I had to earn money.

For me, my business has never been all about earning the money. It's been about 'how can I help others?' If you have that mentality I really think there's nothing to stop you and I don't think you can ever give too much away for free.

**Pat Flynn:** I agree. The money part of it is just the bonus that comes with helping people. I think it's a win-win for everybody in that case.

**Cliff Ravenscraft:** It is. In fact, if it's not a win-win, I don't want your money. If it's not a win for you I don't want you to spend your money with me. I have actually turned down consulting clients that think "Maybe this isn't the place" and I'm saying "I can tell. There's probably somebody who can help you. I'm not the guy". When somebody says "I have no desire to actually meet and talk with another person on Twitter or Facebook, I have no time for LinkedIn, can you tell me how to make money with my podcast?"

No, I can't.

**Pat Flynn:** I think that's a great place to end. I hope those of you out there listening got some good information from this podcast with Cliff. Giving away everything for free may or may not help you in your particular business or your particular niche but it's helped us. It's really helped us build authority, build a huge following and at least for me I feel very fortunate and very proud of the way that I run my business. I know you do too Cliff.

**Cliff Ravenscraft:** Absolutely, I sleep good at night.

**Pat Flynn:** Exactly. So we'll end it there Cliff. I know you have [podcastanswerman.com](http://podcastanswerman.com), is there anywhere else you'd like people to find you or any last words before we go?

**Cliff Ravenscraft:** Number 1, I just want to say thank you again. I happen to know just because of your generosity of bringing me on here, I'm going to be introduced to a lot of new people that I wouldn't have otherwise and I just want to say thank you Pat for that privileged.



**Pat Flynn:** You're welcome. Whenever anybody asks me questions about podcasting, I always refer them to you. You've helped me out so much, you've helped this podcast become successful so thank you for that and I know you can help others too.

Check out Cliff at [podcastanswerman.com](http://podcastanswerman.com) if you need help with anything podcasting.

**Cliff Ravenscraft:** Thank you.

**Pat Flynn:** I hope you guys enjoyed that interview with Cliff Ravenscraft from [podcastanswerman.com](http://podcastanswerman.com). I don't have much left to say except thank you for all your support. Thank you for all the e-book downloads, you can get your free e-book at [ebooksthesmartway.com](http://ebooksthesmartway.com), go check it out. You can also check me out on Facebook, come wish me well at [patonfacebook.com](http://patonfacebook.com), that will redirect you to my Facebook page. Hope to see you there.

Hope to get better soon. Until then I will see you guys in the next episode.

Thanks and I'll talk to you later, bye.

**Announcer:** Thanks for listening to the Smart Passive Income podcast at [www.smartpassiveincome.com](http://www.smartpassiveincome.com)

I kind of like this voice. It's probably not going to last though.