

12

Powerful Secrets
of Entrepreneurs
who made
\$32.9 MILLION
with Online Courses



teachable

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Introduction

"You can make a living from teaching online."

"People are making millions in passive income with online courses."

If you're reading this report, you've probably heard these statements before.

If you haven't, you should know that there is a new type of online entrepreneur. One that has achieved incredibly high levels of success within a short period of time. These entrepreneurs are making five to seven figures a year teaching others every kind of skill,

from English as a second language, to mobile app development, to how to fly a drone.

But how do successful online teachers do it? What steps should you actually take to teach online courses that earn you a full-time income?

As of February 2017, over 100,000 online schools hosted on Teachable have collectively made over \$36 million in course sales. So we thought we'd look into our data to learn exactly what steps are necessary to create a successful online course.

We've put together the most comprehensive, in-depth report

“

You can make a living from teaching online.

available on how to teach online by analyzing data on the most prolific online teachers in our platform in terms of both revenue and number of students.

THIS REPORT WILL GIVE YOU

1

Answers to critical questions about how you can teach online and earn a living.

We set out to find meaningful answers and insights for new and experienced online teachers alike:

- How much should you charge for your course?
- How many people do you need on your email list before launching?
- How can you create more engaging lectures?

These are just a few examples of the kind of information you'll find on this report.

2

Data you can use.

I love data; I'm one of those people who likes to read through reports and play with spreadsheets. But data without context isn't helpful when it comes to making day-to-day decisions about your business. This isn't a "fun facts" report, but an actionable guide to using some of the most interesting data points to set up a successful online course.

3

Tips from the experts.

After we reviewed thousands of spreadsheet cells (literally), made sense of all the data, and digested it into actionable points of insight, we realized an important piece of the puzzle was missing—what these data points look like in real life. So we shared this report with our most successful instructors at Teachable and asked for their analysis of the data.

On to the good stuff...

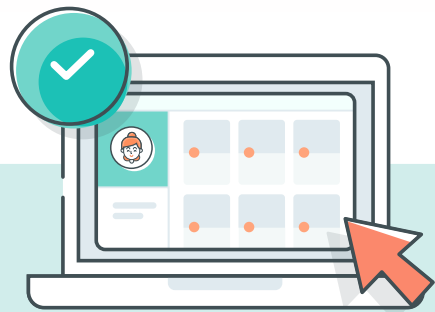
The data

For this report, we did two important things: (1) compiled data from more than 100,000 online schools using Teachable, and (2) grabbed a sample of our top performers (we call them our “top schools”) to run a deeper analysis.

This allowed us to find out how the best instructors in the world make a living from teaching online, and present it to you.

The report includes insights derived from:

- Revenue
- Enrollments
- Pricing strategies
- Feature usage
- Course structure
- Much, much more



TOP SCHOOLS

Those whose sales make up 80% of all of the revenue generated by Teachable schools since the company started in late 2013.

(Of course, we only present aggregate data to protect our instructors' sensitive information.)

Why this is a must-read for current and potential course creators

Data says that our most successful instructors here at Teachable are very successful. If you are still not sure that you want to teach online, these high points might change your mind.

It's safe to say these instructors know what they're doing.



ACTIONABLE TIP #1

Read this report.

HOW TO TEACH ONLINE IN 2017

LESSONS FROM 100,000+ SCHOOLS

TOP SCHOOLS =

80% of all of the revenue generated by Teachable schools

The top schools have made a total of

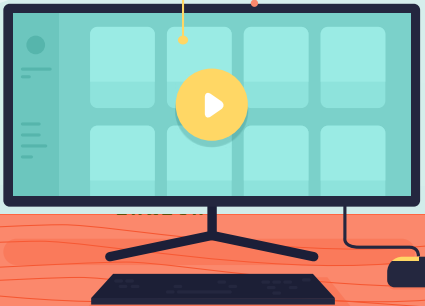
\$32.9 MILLION

Top schools on Teachable have published

5,538 courses

One school in this group sold

\$407,880
in courses in one month



These schools have processed

2.9 MILLION TRANSACTIONS/SALES

One school processed

132,874 transactions
in one month



Over **1.5 million students** are enrolled in these schools



READ THE FULL REPORT
> teachable



CHAPTER 1

Anatomy of a top school

What does success look like? What numbers should you aim at if you want to teach successful online courses?

If you want to join the elite group of top schools, this is what your goals should look like.

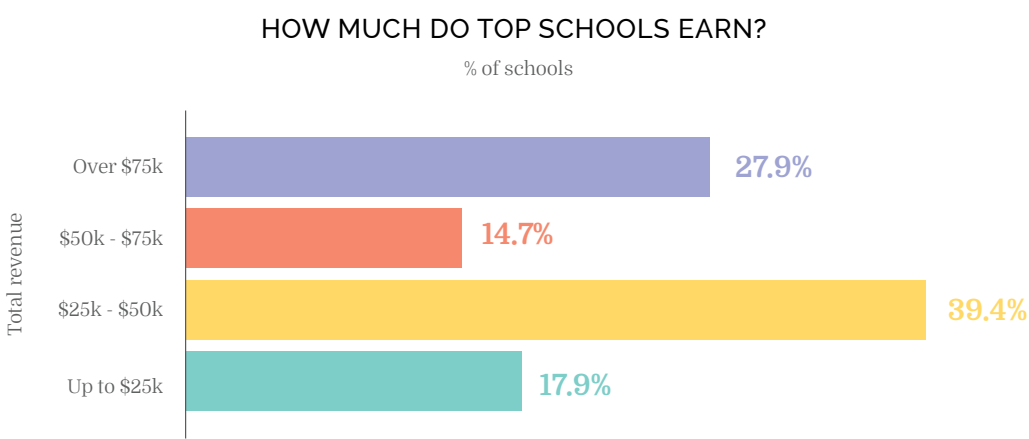
How much revenue can you earn if you teach online?

To get started, let's look at how much money is made by top schools. We grouped schools in terms of total revenue generated since their creation.

The largest group of schools (39.4%) has made between \$25,000 and \$50,000. It might surprise some people that the highest level of success was not confined to a small group of people—the second largest group is composed of schools that have sold over \$75,000 in online courses.

Why does this happen?

As many experienced entre-



preneurs will tell you, it's much harder to get your first five customers than it is to get Customer Number 1,000. Once your course has been validated by early adopters, it will

be easier to identify pain points, figure out acquisition channels, and improve your product—all to attract a larger audience.

ASK AN EXPERT

"Getting started is one of hardest parts of creating a successful business.

In the early days of Teachable, I would literally block out tens of hours of my week to email course creators and tell them about our product. The reality is that if (like most people) you don't have a large audience from the get-go, you will not be able to create your product and just wait for sales to come in. You will have to get scrappy to get people to pay attention to you and check out what you have to offer.

I have now seen hundreds of course creators acquire their first customers—and while their methods and channels varied—the #1 thing that brought them all together was their unwillingness to accept failure as an option.

Here's why they do that:

1. If you're passionate about your business, you'll be willing (and even excited) to write and send hundreds of emails per day, get on the phone with potential customers, or organize free workshops in your spare time.
2. More often than not, the first version of your product will not be exactly what your customers need. These first interactions allow you to adjust your offering and make it more attractive to a larger audience, which makes things a lot easier down the line.

My advice to you, if you're just getting started, is simple: just keep going until it happens. Because it will happen."

Ankur Nazpal
CEO, TEACHABLE



At this point, you might be saying:

"I can't even imagine hitting these numbers. Isn't it crazy for me to set such high goals?"

You *might* be right... **but only if you're talking about immediate goals.** Here's why:

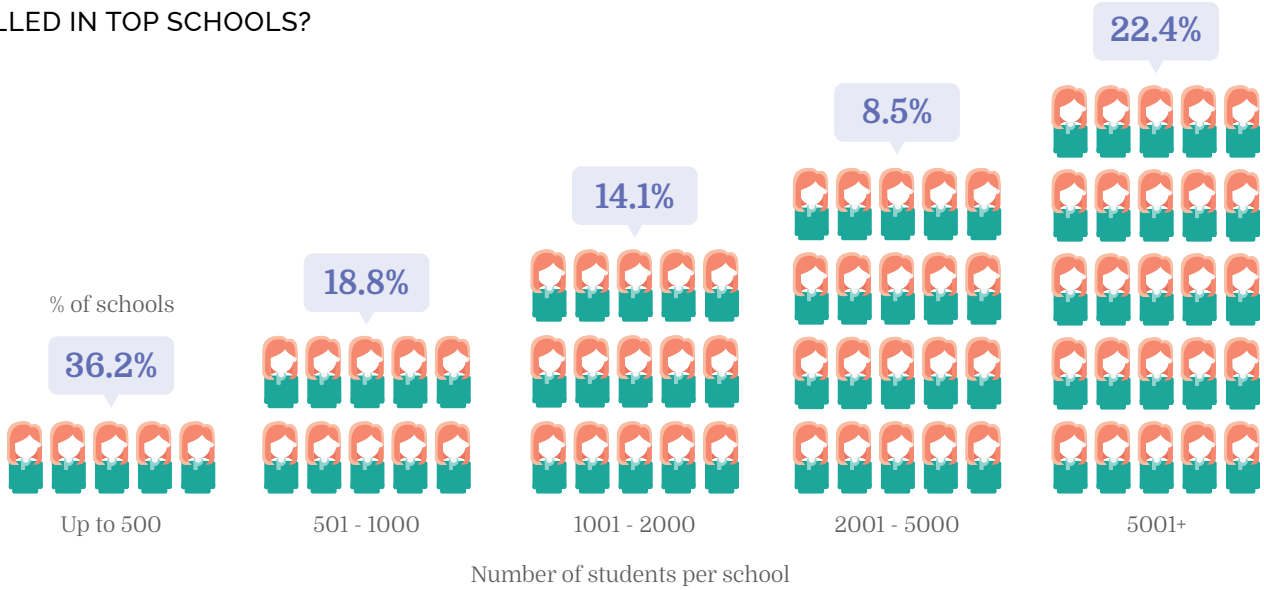
Our top schools are **just 15 months old** on average. Moreover, the difference between a school that makes \$25,000 and one that earns over \$75,000 is just three months on average. In other words, you shouldn't expect to wait many years for your course to become highly profitable.

HOW LONG DOES IT TAKE TO BECOME A TOP SCHOOL?



How many students do you need in your online course?

HOW MANY STUDENTS ARE ENROLLED IN TOP SCHOOLS?



The next question we asked was this: how many students should be enrolled in an online school to reach these levels of revenue?

More than half (55%) of the schools in the sample have fewer than

1,000 students enrolled in total. (These include students enrolled in free courses, but we'll talk about that later.) Also, 36.2% of those schools have less than 500 enrolled students.

A few hundred customers sounds far more attainable than thousands of customers, right?

It's all about focusing on a specific niche, but we'll let one of our most successful instructors explain.



ASK AN EXPERT

"Self Publishing Formula (SPF) was formed in March 2015. We launched our first course in June of that year, and to date, we have recorded sales totalling \$1,450,000.

I'm a former lawyer who dabbled in traditional publishing but quickly became disillusioned with a process that I felt didn't favour the writer. So, like so many others, I got a 9 to 5 job.

In 2013, I set about mastering the marketing techniques and writing requirements for successful indie authors and by the end of 2014, I was making enough from my indie publishing career to quit my day job.

About year later, I had a conversation with a fellow indie author that would change my career direction again. Nick Stephenson had launched an online course teaching authors how to sell their books, and made six figures of income within a few days of launching.

I had mastered aspects of the indie publishing process and this was a lightbulb moment for me. I contacted two former work colleagues and created a company to produce online courses for self-published writers.

I set out to provide an all-encompassing course for

wannabe indie writers. However, the task of training a newbie writer in all aspects of self-publishing was huge. Too big, in fact. So I pivoted and focussed on a niche within a niche and created a course on what I considered the most important aspect of indie book marketing at that time: Facebook advertising.

We launched our course in June 2015 and took \$17,600 within 2 hours. By the end of the two-week launch period we had made \$98k, with another \$120k to come in installments.

We improved the offering by adding a module on Twitter ads for the second launch in October of that year. By the end of the launch period we had taken \$270k with a further \$260k to come in installments. We had a half-million dollar launch on our hands!

Launch 3 did even better in June 2016, taking a record \$85,560 in the first two hours. Our company had grossed \$1m in sales within 12 months of our first course launch.

The 'niche within a niche' approach had captured the imaginations of authors who wanted to get under the skin of the complex world of social media ads. And our courses delivered exactly what they wanted."

Mark Danyon
SELF PUBLISHING FORMULA



How many online courses must you teach to make money?

By now, if you're familiar with course marketplaces, you might be thinking:

"Online teachers in this report must be course-creation machines. I don't have that much time to invest in creating dozens of courses."

It's true that most marketplace instructors tend to grow their businesses by launching scads of new courses during the year (which

is a completely valid way to grow revenue). However, **that's not the case with most of our top schools.**

More than half (51.2%) of top Teachable schools have between one and five courses in total. Plus, if you had any doubts about the success level of this group, it generates **44.9% of all sales** from top schools.

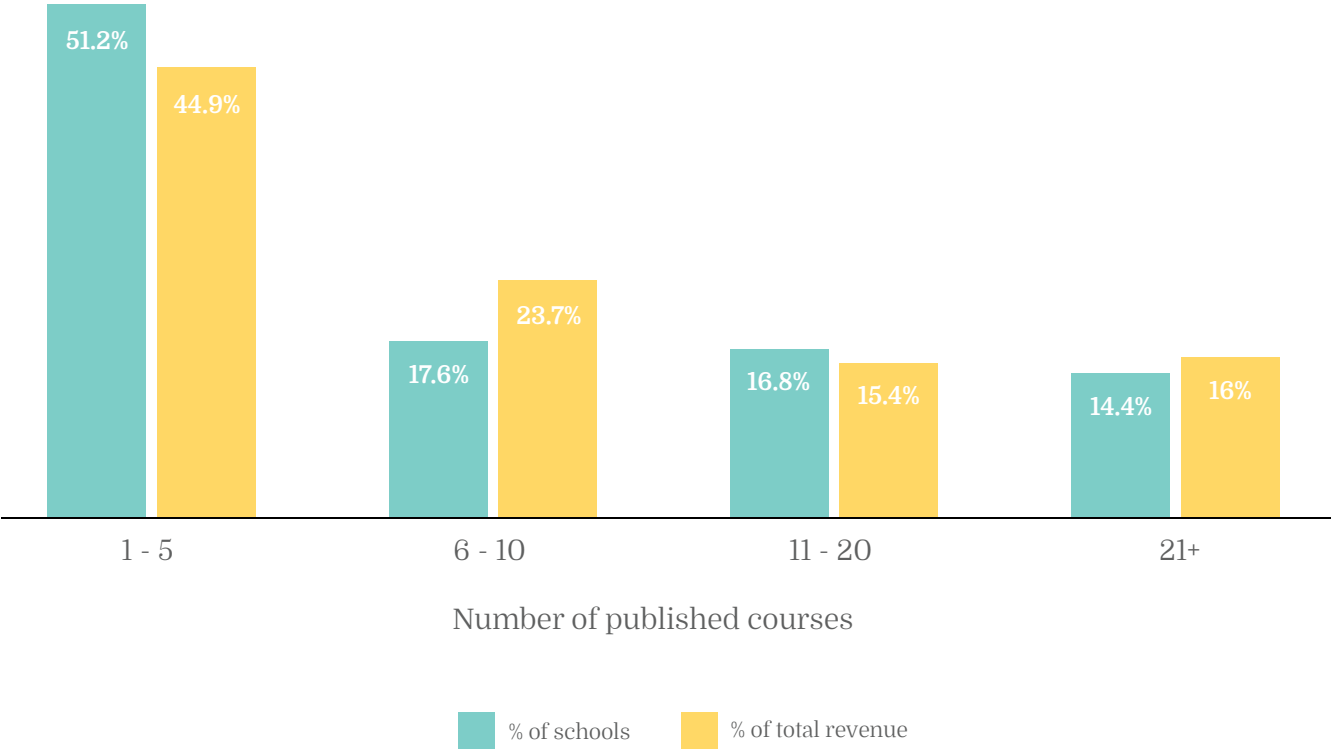
Surprised? You shouldn't be.

Online courses are the prime example of monetizable evergreen content.

Evergreen content remains relevant and valuable even as time passes.

For example, online courses on "How to learn watercolor lettering" or "How to become a card magician" can potentially attract students regardless of the year or season.

COURSES PUBLISHED vs REVENUE





ASK AN EXPERT

"Online courses ARE my business. I'm so thankful we embraced this business model and think we're really fortunate to be able to offer online training in our industry.

Back in 2014, I was a freelance marketing consultant, juggling multiple clients and having difficulty scaling my business. Client services is a tough business to be in. Trading dollars for hours and constant expectation setting.

Around that time, I discovered the drone industry and started a very basic industry news website. By 2015, I learned that one of the biggest challenges faced by people getting into the industry was training. What should they buy? How can they learn to fly? Back then, the only options were 3 to 5-day workshops that cost \$3,500.

So, over the course of a weekend, I put together a very quick and dirty online course that walked people through the industry. I had a tripod, some cheap

lights, a white wall behind me, and some slides I had put together. The production quality was horrible, but the content was great.

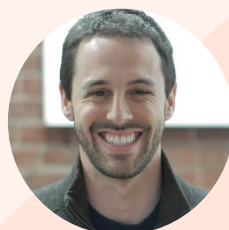
This was all a big experiment. Were people willing to purchase an online course in the drone industry? We found out our answer about 72 hours after launching the course to our email list, when we saw \$6,000 in sales. It was a phenomenal feeling, one that eventually led to me shutting down the freelance marketing business to focus on drones full-time.

Today, we're managing four online courses, and our flagship course has seen more than 4,500 students.

An online course model has given us a unique kind of flexibility. With an online model, the marginal cost per student is quite small, allowing us to scale a lot quicker than if we were doing, say, in-person training, or some other kind of higher-touch industry service."

Alan Perlman

UAV COACH



ACTIONABLE TIPS

2

Set ambitious medium-term goals,

knowing that it will be much harder to make your first \$10k than it will be to hit \$50k once you've done the former.

3

Focus on niche audiences

to create your courses. Don't target millions of individuals—an addressable market of a few thousand potential customers can turn into hundreds of paying students.

4

One course

(not a hundred) is enough to make a living by teaching online. Focus your efforts and publish that one course.

“

Just keep going until

it happens. Because

it will happen.”

ANKUR NAGPAL, TEACHABLE



CHAPTER 2

How do top schools sell their courses?

The previous chapter proved that financial success with online courses is not only possible these days, but truly accessible.

If you're excited to get started and thinking:

"How can I do this myself?"

This chapter will show you exactly how the top schools on Teachable sell their courses.

How much money can you make per month?

One of the hardest things to do when you're just getting started is to set goals.

How many enrollments per month should you set as a goal? How much monthly revenue should you aim to get?

Below are the numbers our top schools are reaching for revenue creation.

As shown by the charts below, most top schools make up to \$5,000 per month (64.1%) and enroll 100 or fewer students per month (61.8%).

Question: Why is this important?

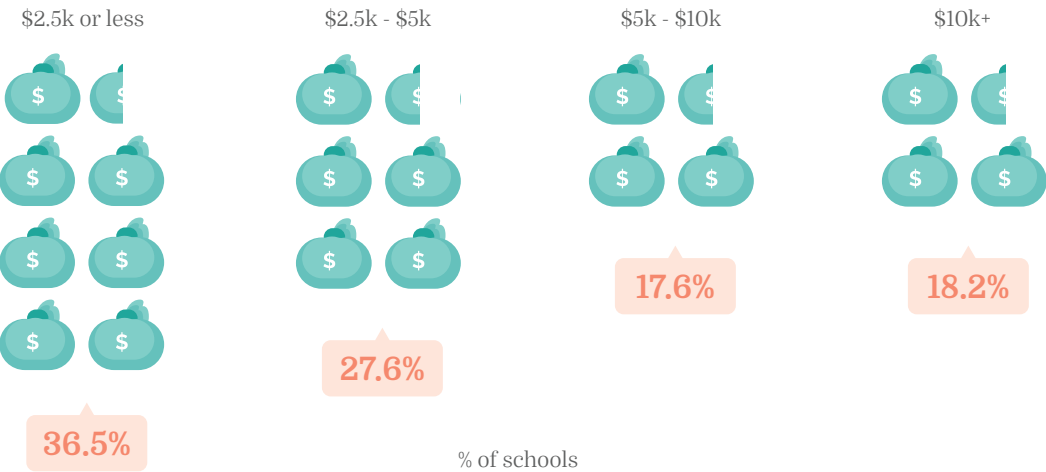
Answer: It allows new online teachers to determine growth goals in the short term.

Setting monthly goals allows you to prioritize and focus all of your efforts on reaching milestones that will build up to long-term success.

For example, let's say you usually email limited-time coupons to potential students to purchase your course, and you get 10% of recipients to purchase. Next, if you want to add 50 new students per month, you should research ways to add 500 new people to your email list each month. Determine what you can do to grow your email list by 500 every month, and focus on that.

HOW MUCH DO TOP SCHOOLS EARN PER MONTH?

Revenue per month



ASK AN EXPERT

"We couldn't launch a course or run evergreen programs without email. We could run good launches without webinars and even without long-form sales pages - but we couldn't without email. I realized this a few years back, right around the time I got my first complaint from a subscriber: I was sending "too many" emails for him, but for others I was clearly sending just

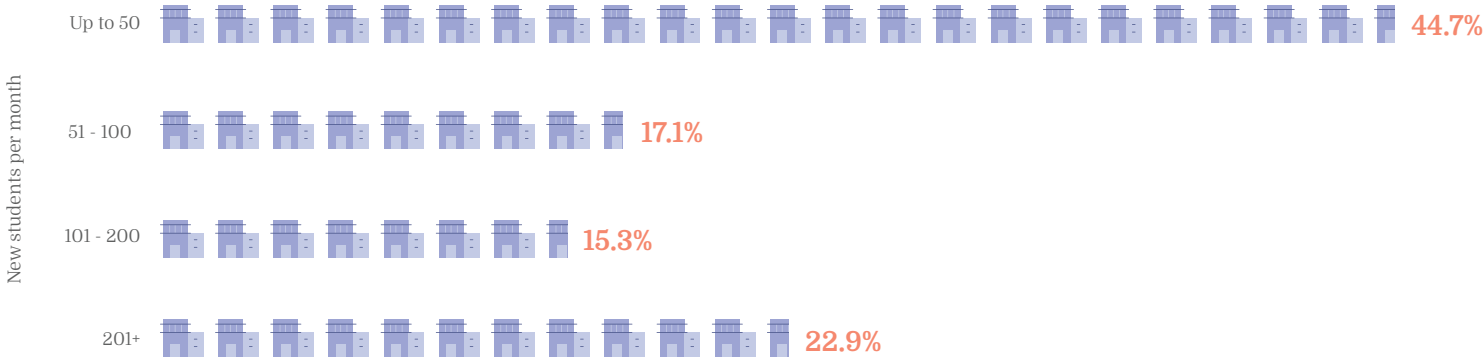
enough, as they were snapping up my course thanks to all those emails. I had to make a choice: send fewer or no emails and avoid complaints, or send better-targeted emails and grow my business. Naturally, I chose the latter, and the effort has paid off endlessly."

Joanna Wiebe
COPY HACKERS



HOW MANY STUDENTS ENROLL EVERY MONTH?

% of schools



How should you price your course?

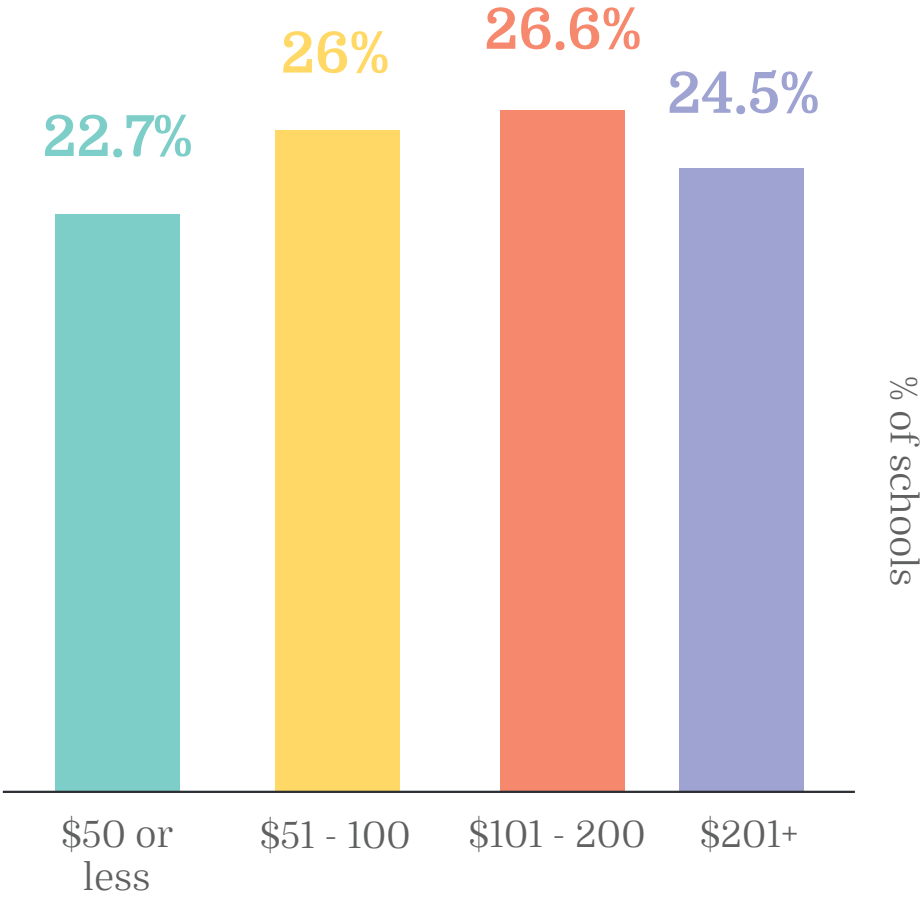
One of the most important reasons why the best online teachers in the world choose to host their own courses is this idea of having complete control over their businesses.

Specifically, these teachers want the freedom to define the amount they charge for their content.

Not surprisingly, most of our top schools have premium-priced courses, with an average price per course of \$177. Furthermore, if a weighted average is calculated based on revenue generated (hence increasing the importance of schools that make more money) **the average price rises even higher - to \$187 per course.**

This is how Teachable's top schools price their courses:

HOW DO TOP SCHOOLS PRICE THEIR COURSES?



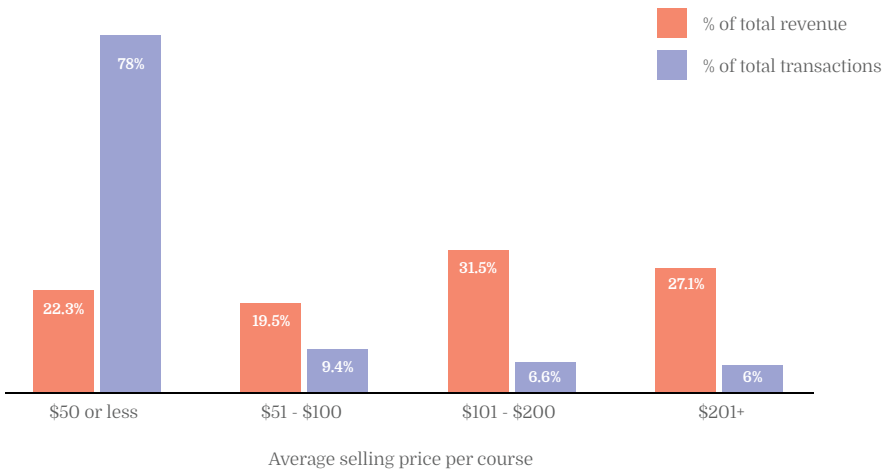
Even though the course prices are somewhat evenly distributed, the smallest group charges \$50 or less.

It's also worth noting that these are average selling prices, which means that the listed prices are actually higher, but you'll understand this when we discuss coupons.

Moreover, when we analyzed the amount of revenue and transactions that were generated by each price group, the chart on the right shows our findings.

The majority (58.2%) of the revenue generated by top schools came from courses priced above \$100, and these schools only needed to process 12.6% of the total number of transactions.

AVERAGE SELLING PRICE vs REVENUE vs TRANSACTIONS



ASK AN EXPERT

"The single biggest optimization I've found, in the 4 years I've been running my course, is increasing price. The first four times I increased my price, sales went up. Increasing prices also increases completion rates, as well as the overall quality of your students.

In chatting with other course creators, I've found that most people get their initial pricing wrong by about 50%. When in doubt - 2x your price!"

Tammy Griffith
CLICKMINDED



At Teachable, we've always told our instructors to use premium pricing for a number of reasons:

- 1 Students tend to perceive higher-priced courses to be higher in quality or more valuable.
- 2 Premium pricing significantly reduces the number of transactions needed to hit monthly goals, so you can meet your revenue goals with fewer students.
- 3 In the world of online education, students' commitment and engagement is directly proportional to the amount of money invested in their education. In fact, our analysis showed that course completion rates were 61% higher for courses priced above \$200 than for those priced below \$50.

Should you use coupons?

One of the most common tactics, used by top instructors to get potential students to purchase their courses, is to run promotions by offering coupons.

Almost every school (93.5%) uses coupons to sell its online courses.

Why? For the same reason people collectively spend billions of dollars on Black Friday: *Everyone loves a good deal.*

Premium pricing allows online teachers to set a high value on their course (a strategy called price anchoring), and promotions make it harder for potential students to resist the opportunity to get a high-value course for a special price.

But just how much of their sales happen because of discounts?

Most top schools (61.6%) used coupons on less than half of their total number of transactions, and the largest group (36.5%) used coupons on fewer than a quarter of their transactions.

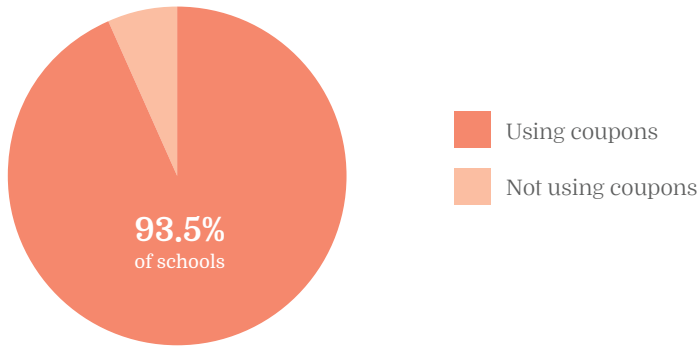
In other words, most online teachers sold their courses at full price on a majority of occasions.

Even more interesting is the average selling price for these groups.

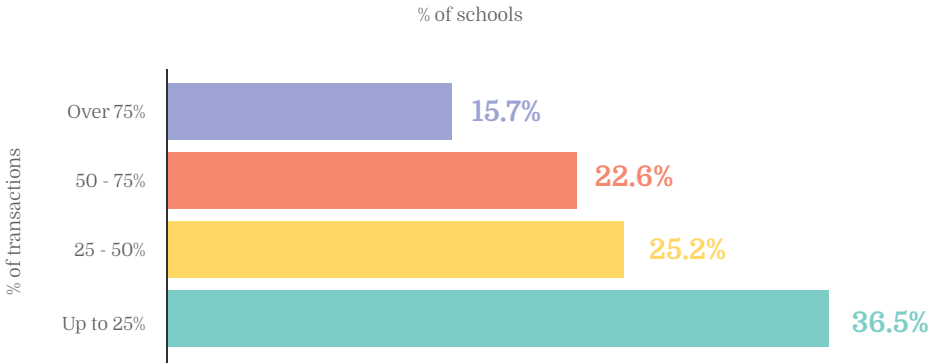
Schools that use coupons in less than 25% of their transactions, and those that use coupons in more than 75% of transactions, have very similar average selling prices.

These numeric indicators show that even if schools rely heavily on discounted prices, that does not necessarily translate to lower selling prices. Schools that process

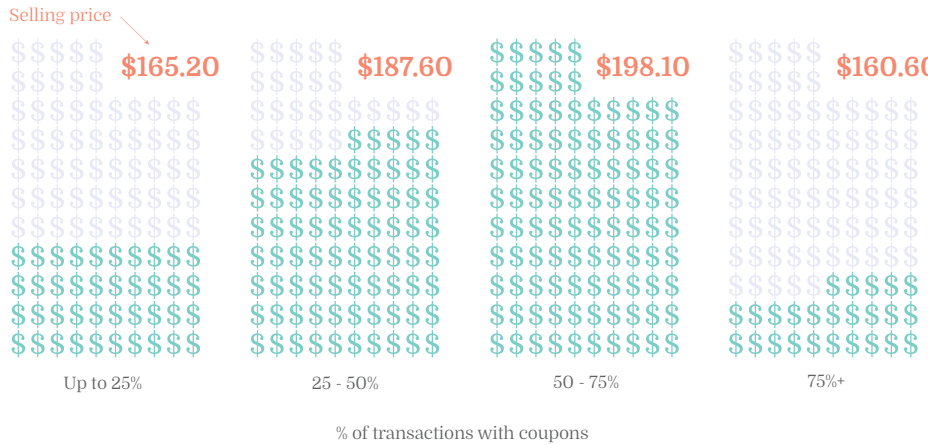
DO TEACHABLE'S TOP SCHOOLS USE COUPONS TO PROMOTE THEIR COURSES?



HOW FREQUENTLY DO TOP SCHOOLS USE COUPONS?



FREQUENCY OF COUPON USAGE vs SELLING PRICE



over 75% of their transactions with coupons are either setting higher list prices as anchors before discounting their courses,

or offering discounts at a lower percentage (for example, offering a 10% discount instead of a 25% discount).



ASK AN EXPERT

"Nothing happens without a deadline.

Much of our online success with discounts can be attributed to a quiz that helps people to self-sort into the most appropriate course for their current situation and immediate goals.

After taking the quiz, the prospect opts-in to learn what to do next to help them solve their problem. We focus heavily on education and motivation at this point. It's all about giving the prospect something tangible to do since they just trusted us by parting with their email in exchange for some nugget of information.

The nugget of information is a big picture item about how to reach their goal and solve their problem. At the end, the call to action is to buy the specific course for a discount and we include a deadline (usually about 5 to 7 days out) to claim it. This gives us enough time to

include additional education information via email to help them solve their problems as well as point back to reasons to get the course.

We believe there are 3 things needed for a discount:

- A reason why.
- An irresistible offer.
- A deadline.

Keep in mind that when it comes to digital courses, false scarcity ('only 12 PDF copies left') just won't fly. You'll lose all credibility because the market is much more sophisticated nowadays. Tell them what you have, what they'll learn, what to do next to get the course and why they should do that now.

We've found that strategic use of coupons in these ways have helped to grow Kinobody dramatically over the last few years."

Darren Crawford
KINOBODY FITNESS



Should you offer free courses?

At Teachable, we've found that an excellent way to grow an audience and get people to purchase a premium-priced course is to offer them a free mini-course first.

So we asked ourselves: *How many of our top schools offer free courses? How do they perform compared with schools that don't?*

Numbers are pretty evenly distributed. About half of the top schools (48.8%) have published free courses, and those same schools have generated about half (50.7%) of the total revenue.

However, when we assessed the numbers of student enrollment for these two groups, the results looked differently.

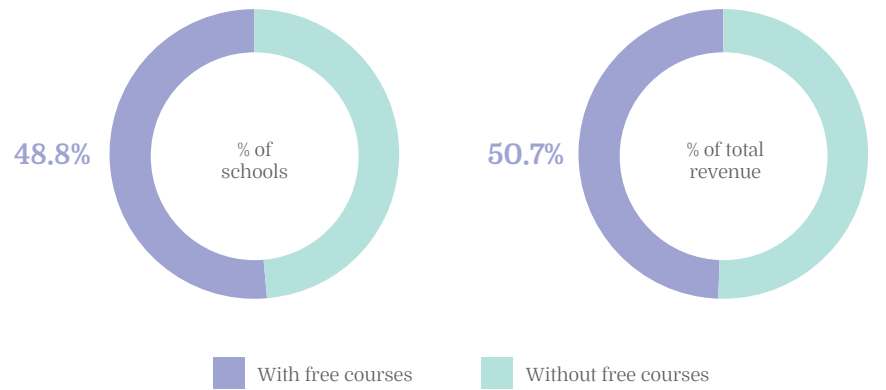
Schools offering free courses concentrated the large majority (87.4%) of students among the total population of students in our top schools.

As expected, some schools choose to use free courses as a method to attract massive numbers of people who are interested in their content, to whom they can upsell at a later time.

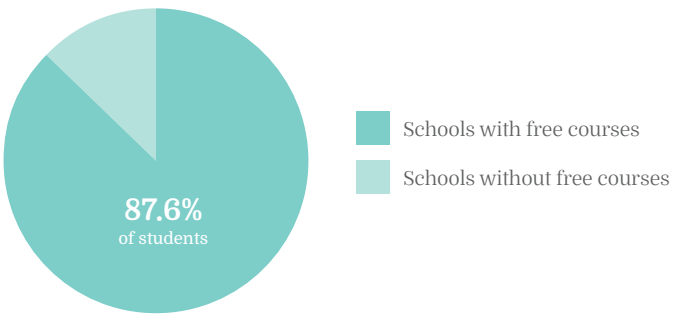
However, this doesn't restrict other schools from marketing their courses to large audiences.

Schools that don't offer free courses already have other methods of attracting potential customers: content upgrades, blog posts, YouTube videos, etc. The only difference is that, instead of free students, their potential customers are in the form of YouTube subscribers, Facebook group members, social media followers, podcast listeners, email

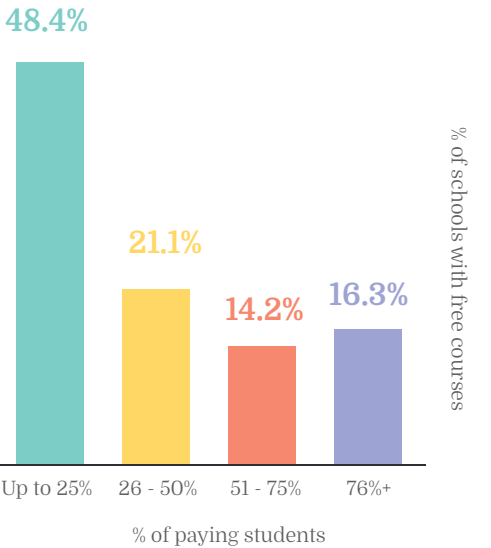
DO TOP SCHOOLS USE FREE COURSES? HOW DO THEY PERFORM?



FREE COURSES vs STUDENT ENROLLMENT



HOW WELL DO FREE STUDENTS CONVERT INTO PAYING CUSTOMERS?



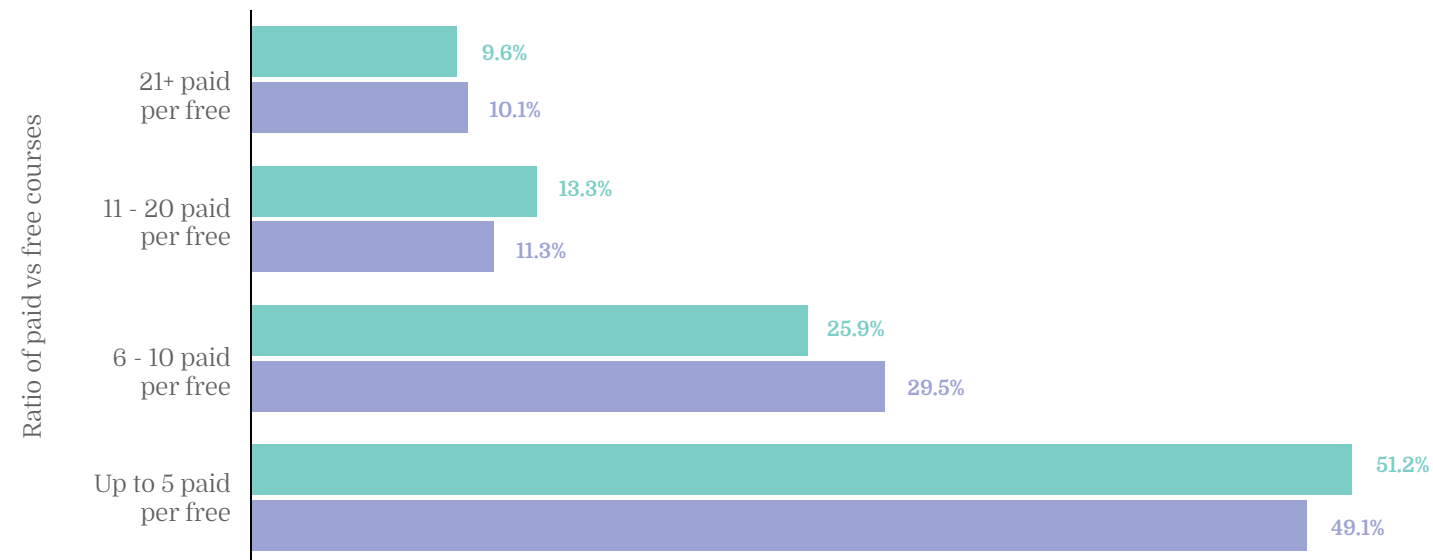
subscribers...the list goes on and on.

For those schools offering free courses, we wanted to find out the

rate at which free students were converted into paying customers.

It turns out these schools do very well at conversions.

FREE COURSES vs PAID COURSES



Even though a large group of schools has a percentage of paying students under 25%, the majority of schools (51.6%) with free courses **convert users to paid courses at a rate above 25%.**

This number is **astounding.**

To provide a benchmark, the highest average email click-through rate reported by MailChimp across [46 industries](#) is [5.1%](#)—and that's not even a monetary transaction, just a click. If non-paying students convert to paying students at a rate of 25%, that blows the industry standard out of the water.

Free courses are a great (if not the greatest) way to start a customer acquisition funnel.

Now, how will you decide on the amount of your content that will be made available for free? The chart above shows how these online schools balance out their paid and free offerings.

Most schools that list free courses (77.1%) show an average rate of up to 10 paid courses per free course,

with a large group (51.2%) showing only 5 paid courses per free one. The revenue generated by this group is also proportional to its size (78.6% of all top schools.)

Of course, this result is skewed by the fact that, as we saw in the first chapter, most of our top schools list fewer than 10 courses. But it still gives us a sense of the distribution of free versus Paid courses in a single school.

ASK AN EXPERT

"Free courses provide an incredibly high-value incentive to attract new potential customers to the way that you teach and the other courses that you have to offer. It stands out wholly amongst the sea of free eBooks and other common giveaways that are used to attract attention, and because it provides so much value upfront, the likelihood that someone will continue to want to learn from you is increased exponentially."

Pat Flynn
SMART PASSIVE INCOME



ACTIONABLE TIPS

5

Define a goal.

I.e. "reach \$2,000 in monthly revenue," or "enroll 50 new students per month", and work backward to determine which activities you should focus on to grow your business.

6

Don't sell yourself short.

If you're offering valuable content, you should use premium pricing to demonstrate it.

7

Use coupons.

Using coupons to run promotions is a great way to generate sales for your course. Even if you regularly offer coupons or discounts, that doesn't need to translate into selling your courses cheaply.

8

Offer a free course.

If you don't have a large captive audience, you can use a free course to attract potential customers for one or several of your paid courses. Plus, the conversion rate is great!



CHAPTER 3

How do top schools delight students by their online teaching?

We've covered how the best online teachers in the world sell their courses.

So, by now, you're probably wondering:

"But what about the courses themselves?"

Of course, none of these schools would have been this successful with just the right pricing and goals.

These courses sell well because the content is superb.

This chapter will cover the how these schools teach online and provide a superior learning experience to their students.

How many lectures do you need to include in your course?

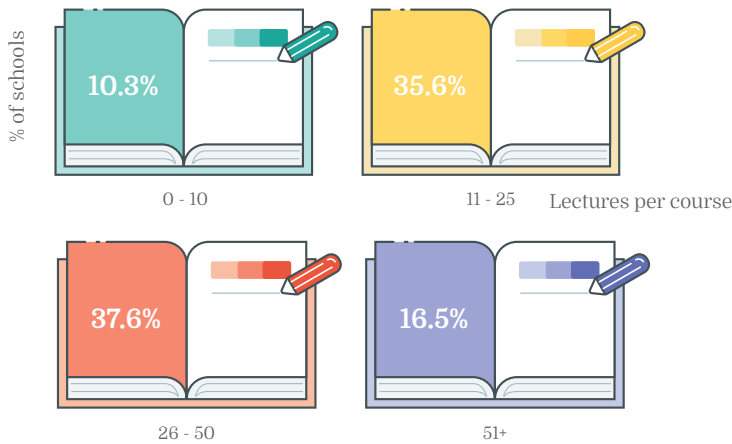
This is a question we get asked continually: "How long should my course be?"

Many new online teachers believe they have to create a massive course curriculum to charge a premium price. The chart below shows the number of lectures shown by our top schools' courses.

NOTE: Teachable schools denote each lesson in their online courses by lectures. A lecture is a structured unit of information made up of text, files, video, images, and/or quizzes. The curriculum in an online course is composed of a series of these lectures.

Most of our top schools (73.2%) hold an average of 11 to 50 lectures per course. Moreover, that group is more or less evenly distributed above and below 25 lectures

HOW MANY LECTURES DO TOP SCHOOLS HAVE ON THEIR COURSES?



ASK AN EXPERT

"We've had several students go from absolutely no programming experience to getting jobs as iOS developers in three months. We built our curriculum with the three-month timeline in mind, and we marketed that promise to potential students. Considering the success in both sales and student outcomes, I think it's fair to say that people really love the idea of learning an entire skill set in a short period of time.

That's not to say that the success of a course is determined by the amount of content in your course. If you're teaching people how to design landing pages, there's no reason to have three months' worth of lectures. Be clear about the goal of the course, and create enough content to make sure students reach that goal."

John Omar
BITFOUNTAIN



per course.

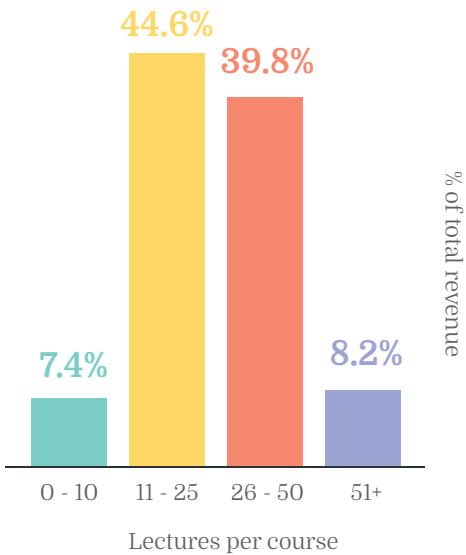
Do schools with longer courses make more money?

Not necessarily.

Over 90% of the revenue generated by Teachable's top schools corresponds to those with fewer than 50 lectures per course on average, with 52% of the total revenue associated with schools showing fewer than 25 lectures per course.

The best online teachers understand something about this industry—that the value of their courses is determined by their ability to compress years of experience into programs that will allow students to learn a skill within a short time frame.

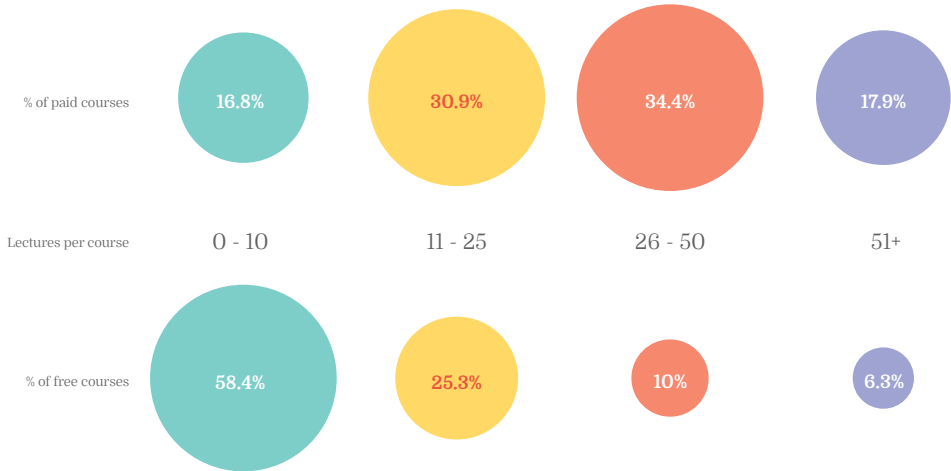
NUMBER OF LECTURES vs REVENUE



Next, we looked at the difference in length between paid and free courses.

While paid courses have a similar distribution to the one we just saw (which makes sense considering that there are significantly more paid than free courses), the free courses are clearly shorter in length, with more than half of them (58.4%) containing 10 lectures or less.

NUMBER OF LECTURES ON PAID AND FREE COURSES



Do you need videos to teach online?

In just a few years, video has become *the* trending content format across the web.

Just think about it:

Facebook is overrun with short news clips, more and more companies are hosting webinars, and YouTube is currently the second largest search engine in the world.

Online courses are not the exception—students like video.

Almost 96% of all of our top schools use video on their courses.

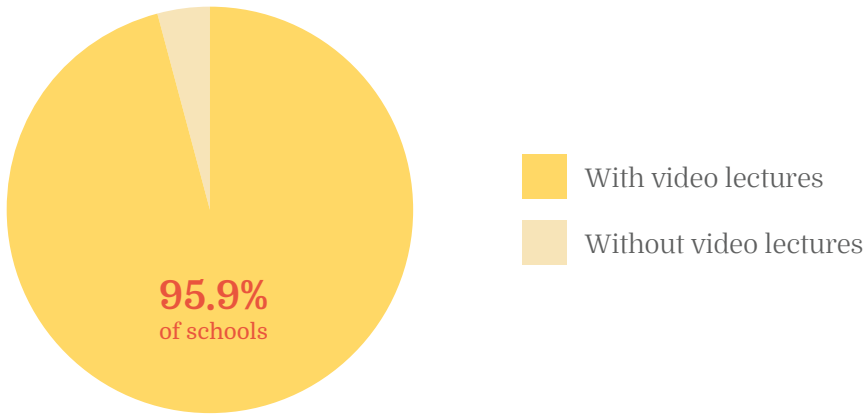
There is a simple reason behind this.

People are more willing to pay for a course that is engaging and easy to consume, and that is what video offers.

Moreover, our best online teachers are exceptionally good at delighting their students.

Example: The average completion rate for Teachable's top schools is 20.4%. That's 410% higher than

DO TOP SCHOOLS USE VIDEO IN THEIR COURSES?

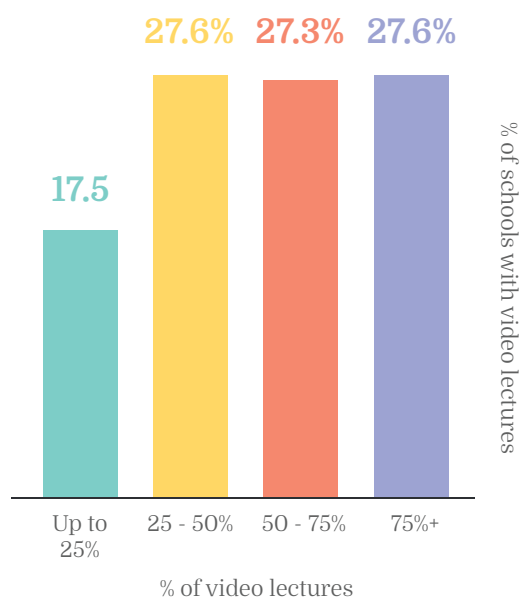


the [average completion rate](#) for massive open online courses (MOOCs.)

NOTE: We don't believe in completion rates as a measure of the effectiveness of online learning. (For example, an online course with a completion rate of 10% can be

incredibly valuable to its students, for reasons we explained in our post about the [relation between success rates and completion rates](#)). Nevertheless, for this report, we are using relative differences between completion rates as a measure of engagement.

HOW MANY VIDEO LECTURES DO TOP SCHOOLS USE PER COURSE?



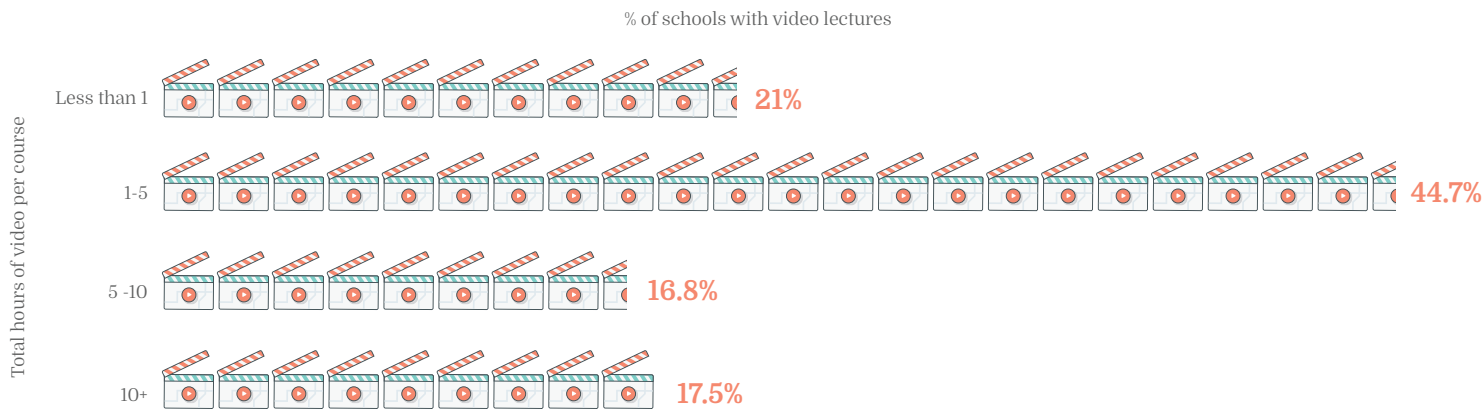
A majority of schools (54.9%) use video in more than half of their lectures. Yet, hardly any schools use videos in all of their lectures.

If you're camera-shy or believe it would take too long to produce video for your school, this is good news.

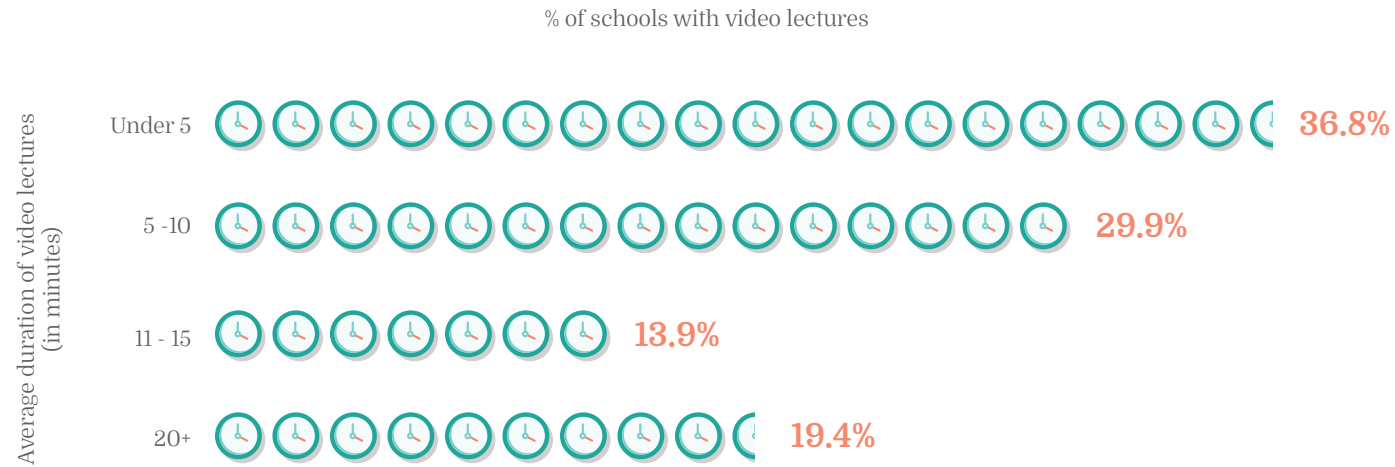
The best online schools use a mixture of formats to deliver content: text, slides, images, downloadable worksheets, etc.

How many hours of video are necessary to create an outstanding online course?

HOW MUCH VIDEO DO TOP SCHOOLS USE IN THEIR COURSES?



HOW LONG ARE THE TOP SCHOOL'S VIDEO LECTURES?



Most top schools that use video (65.6%) upload a total average of five hours or fewer of video to their courses.

These numbers are further proof that you don't need to create lengthy online courses to either become a successful online teacher, or charge a premium pricing for your course.

Now, what is the length of the videos clips uploaded by these schools?

Most online video experts agree that shorter videos are conducive to a higher engagement rate.

The same holds true for online courses, as our data shows.

66.7% of Teachable's top schools upload videos that are under 10 minutes in length.

Using short video lectures allows online teachers to:

- Keep the student's attention throughout the duration of the

video.

- Let students consume bite-size pieces of knowledge, so it's easier for them to take courses in their spare time.

- Get students excited about making progress as they complete more lectures faster.

Our best instructors are great at delivering high-quality video content, but that was not always the case.

ASK AN EXPERT

"When I started recording painting videos on YouTube back in 2012, I never dreamed that through this first step I'd be building a career as a watercolour instructor, with thousands of students all over the world enrolled in my courses on Teachable.

My first videos were TERRIBLE. Cheap camera, awkward camera angle, and an internet connection so poor I had to stay up til midnight just to get enough bandwidth to upload! My children were toddlers, and I tried to film during naps, although you can hear them playing in the background of some of the videos (their favourite game was screaming!). I didn't have a big objective, other than an inner urge to share what I was learning: my light bulb moments. I had no idea that how I was sharing my insights would resonate with viewers. I think that inner urge is my teacher's heart, and online teaching has fulfilled me in so many wonderful ways.

Yet, I think sometimes it's more intimidating to share my videos now that I have a big audience than it was as when I was unknown. Knowing that many people

will view my videos makes the responsibility greater, and the number of critics higher. The likelihood that someone will challenge my words can feel like a burden, but the amazing supportive community of students has far outweighed the critics, and this sense of community is what I love most about teaching online.

My advice to anyone looking to get started is to be genuine; your brand is built on YOU, and there are people who are going to connect with your personality and method of delivery - believe that, and give your tribe the access to you that they need to build trust. It's not about one video, one sale, one course; it's about YOU, giving what you have and trusting that there is a place for you and that someone will hear your voice amid all the noise. Keep focused on your goals, don't get distracted by all the conflicting advice out there. Think of what YOU would want, if you were your own customer, and make meeting those needs and communicating them clearly your first priority."

Angela Fehr
ANGELA FEHR WATERCOLOR CLASSES



Should you use quizzes to teach online?

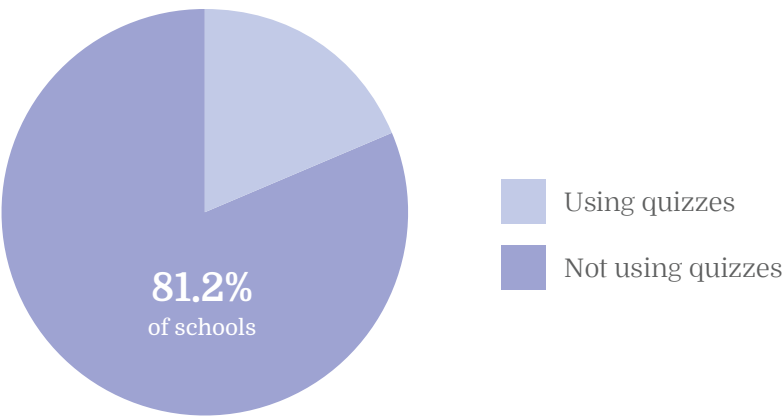
When you think about traditional education, tests probably spring to mind.

We wanted to find out how this translated into the area of online education among our top schools:

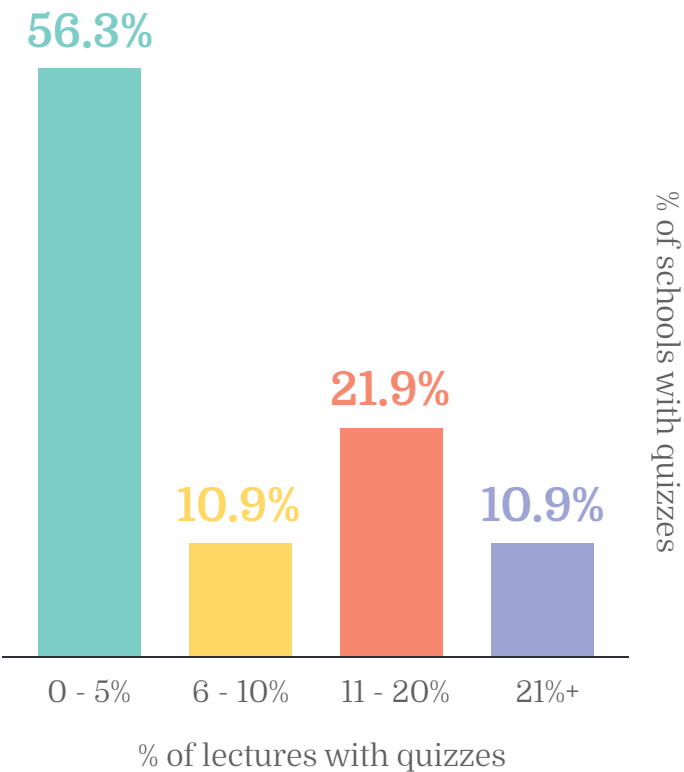
Fewer than 20% of schools in the sample use quizzes within their courses.

The main reason why this happens is because Teachable schools do not tend to follow traditional classroom models. They cover topics such as self-publishing or card magic, that don't require testing to assess learning.

DO TOP SCHOOLS USE QUIZZES?



HOW FREQUENTLY DO TOP SCHOOLS USE QUIZZES IN LECTURES?



Moreover, online schools that use quizzes don't tend to use them for the same reason as traditional educators. Since online courses often aren't attached to grades in online courses, instructors tend to use quizzes as a tool to keep students engaged and provide a more interactive experience.

As a result, schools with quizzes were 43% more engaging than schools without quizzes (based on relative course completion rates.)

To get this effect, schools don't really need to constantly quiz students.

The majority of schools that use quizzes (56.3%) only place them in 5% or less of all the lectures in their courses, or about once every 20 lectures.

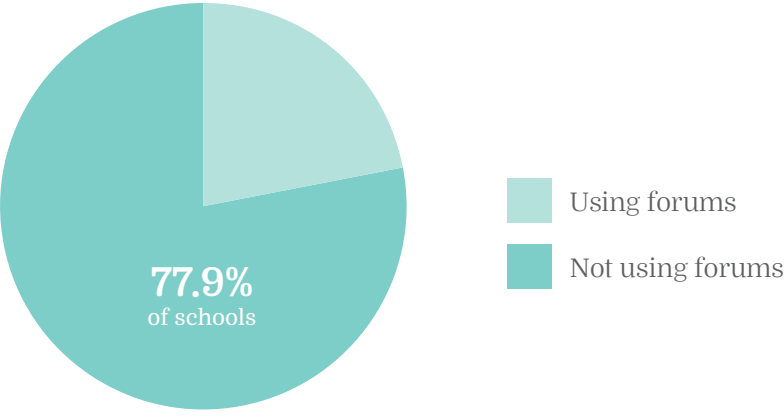
Do you need to build a community to teach online?

Online courses are a great way to build a community around your business.

Some people say, "online education is too impersonal," but we see our best schools foster communities of thousands with whom they interact on a daily basis.

They just don't do it in a traditional classroom environment. The best online instructors in the world have huge Facebook groups, Slack communities, social followings, etc. In these spaces, their students can not only reach them but also interact amongst themselves.

DO TOP SCHOOLS USE DISCUSSION FORUMS ON THEIR COURSES?



ASK AN EXPERT

"One of the biggest lessons we've learned over the years is that teaching online is very different from teaching offline. Taking what works in a physical classroom and applying it online just doesn't work. The Internet is a very noisy marketplace and it's becoming more and more difficult to gain and keep your students' attention. Perhaps our biggest obstacle, as teachers, is inaction. It's all very well to teach our best stuff, but if our students do not take action then it is just entertainment.

Over the last four years, we have refined our teaching methodologies and learning environment with the number-one goal of increasing student completion rates of our online courses. While most online courses achieve completion rates of around 5% to 10%, we are consistently seeing 70% of our students complete our courses and print their certificates.

The benefit of such high completion rates is that our students get better outcomes, a deeper understanding of the subject and a new skill set to

apply. As a business, this has helped us keep our cost per acquisition relatively low because the positive word-of-mouth about our courses brings in new students. So focusing on high completion rates makes great economic sense and makes us feel good about the impact we're having on people's lives.

So how are we doing this? Here are a few ideas to get you started:

- We present a quiz at the end of every lesson that the student has to complete with an 80% pass rate in order for them to move on.
- We award points to our students for completing modules and entering quizzes correctly, and we display those points on the leaderboard that is visible to all students.
- We also offer prizes for our top 10 students at the end of every cohort."

Troy Dean
ROCKSTAR EMPIRES



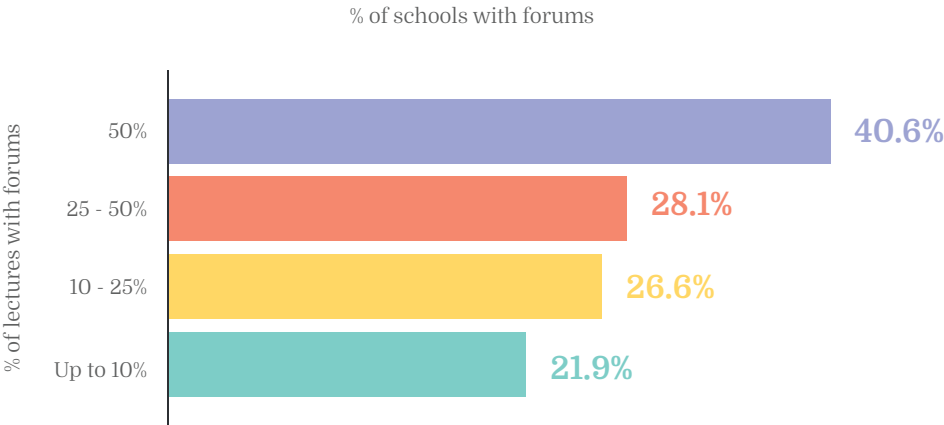
Another great way to establish a line of communication with students and spark discussions between them is to use forums within online courses.

For the 22.1% of schools that use forums, the engagement rate on their courses was 21.6% higher than for those schools that don't use forums (again, based on relative completion rates.)

Moreover, discussion forums are used more frequently across the course's lectures than quizzes.

Discussion forums appear every two lectures or fewer for 40.6% of the schools that implemented them.

HOW FREQUENTLY DO TOP SCHOOLS INCLUDE DISCUSSION FORUMS IN THEIR LECTURES?



ASK AN EXPERT

"I think community is HUGE for an online business's success. It takes you from 'business' to 'brand' because it gives your customers and tribe a reason to not just buy from you, but to hang out with you (and each other) and develop a more personal connection to what you do. I went with a Facebook group, but there are plenty of other communities you could create—a strong Instagram presence and branded hashtag, a Twitter chat, or even in-person meet-ups.

As for my group, Online Business BFFs (OBBFFs,) I like to tell people that it's a wonderful place for building relationships and social proof for my brand, but it's not the right medium to make the bulk of my sales (save your hard pitches for your email list.) So, it's been hugely important for helping to separate me as an authority (since I'm the 'ringleader' of the group and answer people's questions) and it provides social proof, since members frequently talk about my online courses and recommend them to other members.

The early days of OBBFFs were awesome! Our community was smaller, but it's always been an engaged bunch of people and a great way to start setting myself apart as an expert. I grew the engagement by having daily threads and by participating in the group myself a ton in the beginning. A lot of people have told me that they login to Facebook just to come to our group—imagine having that kind of loyalty from your tribe! It's a game changer.

Now that our community has grown to over 50,000 members, we're releasing a paid membership site, PursuitHQ, where the most driven members can hang out, get advice, and receive weekly trainings. This membership site probably wouldn't have happened without the success of our Facebook community—a good reminder that your 'free stuff' can help you determine what your future paid products and courses should be."

Melyssa Griffin
MELYSAGRIFIN.COM



ACTIONABLE TIPS

9

Opt for short courses.

You don't need to create a lengthy course to teach online and make money. Focus on creating content that will allow your students to learn fast.

10

Don't spend too much time on your free course.

A few lectures are enough to attract potential customers and show the value and quality of your content.

11

Use short videos.

Create just enough video content to fast-track your students in the path of learning a skill. Use short videos (up to a max of 10 minutes) for your lectures and supplement them with other content formats.

12

Try a quiz.

Quizzes can significantly increase engagement with your online course.

13

Include discussion forums.

in your lectures to build a vivid community around your business.



CONCLUSION

12 secrets of successful online course creators

Teaching online is one of the most effective and attainable ways to make a living on the web in 2017.

One of the core beliefs that Teachable was built around and that we continue to grow is this idea:

"The most successful online teachers of the future will be entrepreneurs, because entrepreneurs are the most motivated people in the world."

The data we used to create this report gives us confidence that we were right in believing this and hope that it will inspire you to start or grow your online teaching business.

4 things you need to know about the top schools on Teachable

1 » Success with online teaching is not a feat of a small group of “lucky” or “exceptional” individuals. Close to **28% of top schools on Teachable have made over \$75,000** in course sales.

2 » Online teachers don't need massive followings or audiences of millions of people to earn a full-time income from online courses. **Out of Teachable's top schools, 55% have fewer than 1,000 students** in total.

3 » Earning a full-time income through teaching online doesn't need to be a multi-year process. The **average age of Teachable schools with over \$75,000 in revenue is just 17 months**, with an overall average age of only 15 months across all top schools.

4 » Online courses are a great evergreen product that can generate recurring and increasing revenue without the need to continuously launching new offerings. About **55% of our top schools have five or fewer courses in total, and generate 45% of the total revenue** from the schools in the sample.

3 things you need to know how top schools sell their courses



» Some of the most successful online instructors in the world use premium pricing. The **average sales price per course was \$187 for the top schools on Teachable**. Plus, 58% of the revenue generated by schools in this sample was attributed to courses sold at \$100 or more.



» Coupons and promotions are one of the most popular ways to generate online course sales, but that doesn't translate into selling cheap courses. **Coupons are used by 94% of the top schools on Teachable**. For those schools that use coupons extensively (on over 75% of all transactions), the average selling price was \$163.



» Free courses are a highly effective way to capture an audience and convert it into paying customers. **Over 51% of our top schools with free courses have a ratio of free versus paying students above 25%.**

5 things you need to know about how top schools teach online

1

» The best online courses in the world aren't required to contain hundreds of lectures. On average, 73% of the top schools have between 11 and 50 lectures per course, and **90% of the revenue on this sample corresponds to courses with fewer than 50 lectures.**

3

» Top schools have found success in delighting their students by using short video lectures. **Two-thirds (67%) of Teachable's best online teachers keep their video clip length under 10 minutes.**

4

» Quizzes are a great way to increase engagement for an online course. **Courses with quizzes were 43% more engaging** than those without quizzes.

2

» The best online teachers are great at condensing years of knowledge and experience into short courses. **66% of courses by top schools have an average total of 5 hours or fewer of videos uploaded per course.**

5

» Forums allow online teachers to create communities and interact with students taking their courses. **Courses with forums were 22% more engaging** than those without them.

Shoutouts!

Thanks to our amazing instructors (all thousands of them) for making it possible for us to compile all of this information.

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KINOBODY FITNESS



Pat Flynn
SMART PASSIVE INCOME



John Omar
BITFOUNTAIN



Angela Fehr
ANGELA FEHR
WATERCOLOR CLASSES



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