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How I Earned \$250,000 With Just One Membership Site

In the year 2007 I finally made the leap and decided to release my own membership site.

During the prior two years I was making a good living as a professional blogger. I wrote regular articles to my blog, <u>Entrepreneurs-Journey.com</u>, built up an audience and made money through advertising programs and affiliate marketing.



My total return was between **\$2,000 and \$5,000 US** dollars per month as a blogger, an amount I was happy with, however I wasn't leveraging my potential.

Initially I had plans to release an ebook from my blog, but I found myself struggling to get something out the door. It wasn't until I experienced other membership sites by joining as a customer and seeing what they offered, that I realized I could do the same.

In July 2007 I opened my coaching program membership site, <u>Blog Mastermind</u>, to teach people about blogging. In the first week I made **\$15,000** and over the following year an extra **\$100,000** was added to my bank account thanks to recurring membership fees.

In July 2008 I re-launched my coaching program and added another **\$150,000** to my pocket within six months. The re-launch was great because I already had the content for my membership site, so I was selling something I already created, which meant a lot less work and the easiest six figures I had ever made.

Follow My Process

This report outlines the lessons learned and the process I implemented to successfully plan, create and launch my membership site.

It is my hope by following the steps in this document you will be able to replicate my system and launch a membership of your own and add an extra \$100,000 or more to your bank account within the next 12 months.

Good luck and enjoy the journey!

Yaro Starak

Yaro Starak

MembershipSiteMastermind.com

What People Are Saying About Yaro's Membership Site Training

Over 200 Members - \$10,000/m income - What more can I say!

On my first launch I left my program open for only 5 days. In that timeframe I got over **200 members at \$48 a month** using the techniques Yaro taught me.

If you are thinking of launching your own membership, I definitely recommend Yaro's teaching. He covers **all the topics you need to know** to ensure your membership site will be a success.

Daniel Scocco São Paulo, Brazil DailyBlogTips.com



\$10,000 In Sales Thanks To Yaro's Launch Techniques

Upon starting my freelance writing course membership site I did not have much guidance. Fortunately, I connected with Yaro and his **Membership Site Masterplan** shortly thereafter. Soon enough, I was on the right path thanks to detailed material as well as plenty of guidance along the way.

I picked up many tips, but the most beneficial was the information on setting up a proper **pre-launch**. If you are interested in starting your own membership site, you can learn a lot about the process from Yaro.

Chris Bibey
Pittsburgh, United States
Chrisblogging.com

From \$0 to \$24,347 a Month

Using the lessons from the **Masterplan** and what Yaro teaches in his Membership Site Mastermind program, I was able to launch a six figure membership site, with **over 700 members** in just one week.

Gideon ShalwickBrisbane, Australia
Becomeablogger.com



Earnings Disclaimer and Other Legal Things

I've mentioned how much money I've made and how much money other people have made with membership sites and blogs in this report. The numbers quoted are rough estimates. I did not go into accounting records to pull out the exact figures, I used rounded totals and quoted what my students have told me in the case of testimonials.

Needless to say, I have made good money doing what I do. I do not deliberately inflate my earnings just for the sake of impressing you or convincing you to purchase my products. I'm honest with my reporting and I hope you look at the kind of money I make as inspiration.

Note that the results I talk about are NOT typical. Most people who try and make money with membership sites and blogs, or any kind of online business, never make money. The typical reason why that is, is because they give up before they even have a chance. Sad, but true.

I'm hoping that you're not one of those people, but I also don't want you to have unrealistic expectations. Running a successful Internet business takes work.

If you're committed to what you are doing, are following a sound strategy, have good people around you, and are prepared to take a little step forward each day, you can become very successful and very wealthy, by launching a membership site. It's my hope that you do so and then come back and give me a great testimonial.

Legal protection is a necessary burden that all businesses must consider, so in the spirit of protecting myself and my business, if you want the more wordy version of what I've just stated, you can read my <u>Earnings Disclaimer</u> and <u>Terms of Service</u>.

What Can You Do With This Report?

You are welcome to share this report with anyone, reprint portions of it on your blog or website, and basically do anything, **except** sell it for profit.

If you do reprint content from this report I'd appreciate an attribution link to http://www.membershipsitemastermind.com

Affiliate Program - If you want to join my affiliate program, you can do so here.

Now scroll to the next page and begin your training...

Stop Using The Wrong Business Model

I'm a huge fan of the membership site business model because it creates a **dependable income stream**.

I like this for the obvious reason - your cash flow is consistent - but also because the reliable income lets you invest serious time and energy in your customers, and because you are well rewarded on an ongoing basis for doing so.



Compare this to a **one time** product sale, where your inclination might be to make a big

bang, generate the majority of your sales during the first few days - weeks at best - and then watch your income drop to a trickle. Once the income dries up you have little interest in improving your product and most marketers move on to their next product rather than nurture their current customers.

In order to continue to make money you need to keep making new products, and your livelihood is dependent on going from launch to launch. With a membership site you receive income each month, regardless of whether you make a new product. If you do decide to do a second and third launch of your membership site, you already have the content to sell, so you can reap further rewards from what you already have.

Would \$100,000 A Year Change Your Life?

You've probably heard before that if you really want to make **big money** online you need to release your OWN product. **I totally agree with this.**

If you're planning on releasing a product online, why not make use of the best business model there is - the **membership site model?**

Let's look at some numbers so you can see how really EASY it is to make good money with a membership site. I'm going to use two extremes in terms of pricing models you can use with membership sites to demonstrate the profit potential.

Example 1: Price your membership site at \$29 a month

This is the "low price, high volume" model. Your goal is to attract many members at a low price. This is a great formula because for the individual customer the cost is very **affordable** - \$29 will not break the bank and is less than what most

people spend on coffee each month. Thus it is relatively easy to convince a lot of people to join.

However, from your point of view it doesn't cost more to deliver your membership content if you have more members. Your **capacity to scale** is near limitless assuming your are selling digital goods, so you can take on as many members as you can get.

If you only bring in 100 members at launch at \$29 a month that's **\$2900** a month, or just over **\$32,000** a year. That's a salary-replacing income for some people.

If you follow my system for launching a successful membership site, 100 members using the *volume* model is a **worst case scenario**. I'm so confident in the system because what we are looking to do is convince only a very small percentage of your overall audience to buy. If you can build a list of 5,000 people, to convince 100 of them to join your membership is not a hard task, it's only 2% of the total.

My own launch of another membership site using this model (priced at \$27) garnered 1,017 members (**\$27,459** per month!), and I'm very confident you could do much better than 100 members if you put some effort into your launch.

Let's look at a more "average" outcome. If you can attract 350 members at \$29 a month, that's **\$10,150** a month, or **\$121,800** a year. There are expenses to come out of that money and you have to pay affiliates too, but you can see looking at the numbers, making **\$100,000** in a year with just one membership is not nearly as hard as you think.

Example 2: Premium Price - Charge \$999 A Month

This pricing model is the other end of the scale for a membership site. Charge **\$999** a month and aim for just **10** members.

That's well over \$100,000 a year and while the price is high, if you have a list of 5,000 people, convincing just 10 of them to join your membership site, if you use my system to **position** your offer right, is not that hard. You can even "limit" your membership to just 10 people, reinforcing the *scarcity* of your offer and enhancing the image of *premium quality*.

You need to choose the right pricing model for your membership site, but I see **\$100,000** as a very realistic target for every person reading this report and there's no reason why you can't do it too. Bear in mind that goal is from the FIRST launch of your site. From there you can do closing down sales, joint ventures, relaunches and all kinds of things to take your income further, all from the one membership site.

\$100,000 a year online is a *life changing* amount of money for most people and I expect an extra **\$100,000** would make a big difference in your life too. It will create freedoms you could never have before, allow you to quit the job you hate, take holidays with your family (you can run an online membership site from almost anywhere in the world), you can pay off your mortgage, and best of all, you get paid very well to indulge in something you enjoy.

Get Paid Before You Make Your Membership Site

One of the key benefits of the membership site system I use, is that you only need to create as little as **10**% of the actual content in your membership site before launching it. That means you get paid *in-advance* of actually creating your site content

You should never wait until you have created all your membership site content before launching. That's a **common mistake** and usually the reason why most membership sites **fail to get off the ground**. You can launch a membership

Common Mistake #1

Waiting To Finish Creating All Your Membership Site Content Before Launching

You should never wait until you have created all your membership site content before launching. That's a common mistake and usually the reason why most membership sites fail to get off the ground...

site and then fill it with content as you serve your first group of customers.

So many people **perpetually delay** the release of their product and in the worst case scenario, it ends up killing the project altogether. I did this too and wasted **six months** *umming* and *ahhing* and just not getting anything out the door.

You have to actually offer something for sale if you want to make money in this game, so stop the endless planning and preparing stage, and start taking steps that actually result in **opening** your membership site.

The great thing about my system, besides the obvious of getting paid before your site is complete, is that you can modify your content based on **live feedback** from paying members. This is a great way to ensure your members are satisfied and helps you create a product based on what people want, not just what you *think* they want.

Let me repeat that - do not feel that you need to create all your membership site content before launching it. Use a system like I am about to outline to you in this report, so you get paid immediately and avoid the mistake of creating membership content that no one actually wants.

Are You Convinced?

In my opinion there is no better business model available today than the membership site, so isn't it time you started to cash in on this opportunity too?

Yes? Good, now let me teach you the "how" part so you can replicate my membership site system, but first one important question I must answer...

Do You Need A Blog To Make This Work?

My system leverages a successful blog as a **springboard** to create the right conditions for a membership site launch, including using it as a key **marketing tool** to attract potential new members into your site.

The ideas in this report are applicable whether or not you have a blog already This is universally applicable information about **building membership sites**, it is NOT about blogging. However, if you do have a blog already or plan to launch one, that is definitely an **advantage**.

What If You Don't Have A Blog?

You DO NOT need a blog to make my membership site system work.

If you have a blog it can be your best tool to attract new members into your membership site, but it is not a mandatory component, the system works without a blog too.

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My advice is to study the ideas that I reveal to you in this document and take action to meet the objectives necessary before your membership site will succeed.

A blog is one of several **marketing tools** you can choose to use, one of the most powerful that's for sure, but it is OPTIONAL. If you choose to use a blog to meet some of those objectives, then that's great, but if you don't, that doesn't mean you won't succeed. A blog is a an advantage, but not a mandatory condition.

Now, let's begin by looking at your first objective - what is **preeminence** and how does it contribute to the success of your membership site?

Read on to begin chapter one...

Chapter 1: Build Your Preeminence

Preeminence is essentially a perception. It simply means that people believe you are the best or one of the best or at least better than most others, at what you do.

It's because of preeminence that people choose your business over the competition, that you can charge **higher prices** and why people seek you out instead of you needing to solicit clients through aggressive selling.



It actually doesn't matter if you really are the best at what you do - that's a **subjective** point of view no matter how you look at it. What counts is that you *appear* superior in some way, in the view of the people you are trying to influence.

You want preeminence because it will convince people to join your membership site and make it easier to find partners who will promote your membership site.

Preeminence is established by **association** with other people who have preeminence, by placing yourself in a position to create the perception of preeminence (for example coverage in the media, speaking at an event) or by delivering so much value that people refer to your materials as **definitive**.

Demonstrate Proof

Proof is a key principle for a successful membership launch. When you can show that you have done what you are claiming to be good at, and even better - when you can show how you have **helped others achieve real results** through the use of testimonial case studies with your past or current members - it is much easier to convince new people to become members of your site.

In my case I used many proof elements when releasing my membership site, some of which were planned and some were developed over time without realizing they would eventually contribute to the success of a new business.

The important point here is that right now you know **something** and if you can translate that knowledge into value for other people, then you have the key ingredients for preeminence. It's by helping others and constantly being **proof of**

your own hype, that you build your credibility and become an expert in your field.

Without Preeminence You Will Struggle

There are thousands of people who will read this report, many of whom have the skills, the resources and the knowledge to fill a membership site with great content and to genuinely help people with what they teach.

Unfortunately for most people, they lack preeminence in their industry, meaning it will be difficult to successfully launch a membership site because no one will ever find out about it, or even if they do, they won't **trust** the creator enough to make a purchase.

Preeminence is what helps you form relationships with other preeminent experts, and it's through relationships with other experts, many of whom have access to thousands of people, that you gain the advantages of leverage and credibility transference.

When an expert recommends you, instantly in the eyes of the people hearing his or her recommendation, you become an expert too. Plus, you gain access to the influence they have over

their constituents as potential members of your site.

Key Advantage: Leverage

Leverage is absoluately critical if you ever want to go from having average results online to become a true Internet success story.

If you want to make \$100,000 or more with your membership site, you will need find some source of leverage.

Knowing the right people means you can reach thousands - even millions - of potential customers, when your friends and colleagues promote your launch. That's true leverage and a very powerful advantage.

I'll talk more about **joint ventures** and **affiliate marketing** later, but bear in mind now, that it's because of preeminence and relationships that you can enjoy a huge influx of new members into your site within the first few days after opening, regardless of whether right now you have an email list or popular website. You can start with zero and succeed, when you have access to other people's assets.

To put it simply, you need **affiliates** if you want a big launch. If you are starting with nothing, and in order to convince people to work with you, they need to see that you are good at what you do. Preeminence is the **intangible force** that drives relationships with key partners and influences the decision making process of potential customers.

What Can You Do To Build Preeminence?

If you have zero preeminence people won't trust you or know you, and that includes people you approach and ask to promote your membership site.

If that is you, then your next step to start establishing preeminence is to offer **value** by sharing what you know. In the information marketing world this means you need to start publishing your best work and wowing people with what you know, giving real resources people can use to enhance what they do.

You can do this through blogging, by running teleconferences, by speaking at events, by syndicating articles, by releasing videos on YouTube, by writing a free report (just like the one you are reading now) or by any combination of these and other tools available online.

How A Free Report Established My Preeminence

The <u>Blog Profits Blueprint</u>, a report I released in 2007 for free about how I make money from blogging, is one of the key tools I used to build preeminence in my market as a precursor to the launch of my membership site.

The report offers a concise and powerful review of the knowledge I gained through three years of successful blogging. While it was my years of experience that brought me to the point where I could write a document like the *Blueprint*, it was the end product, the value I offered people through the Blueprint itself, that **proved** to people I was good at what I do.

Monetization

To to See that you know. Until you you need to use the

That's a very important point. Just because you know how to do something doesn't mean other people **believe** that you know. Until you prove it, everything you claim are simply just *claims*. You need to use the mediums available online today to prove to people that you are really what you claim to be.

One of the best ways you can begin to build your preeminence is through **blogging**. My blog, <u>Entrepreneurs-Journey.com</u>, is the communication tool I use to build my preeminence (along with the *Blueprint* free report). A blog full of case studies and how-to articles is THE perfect tool in today's online business world to facilitate the foundation of your expertise, spread your message and link you with the right people.

The Blueprint, combined with the success of my blog and a recommendation from many other preeminent bloggers, positioned me as an expert in my field and gave me enough preeminence to go to market with a membership site and enjoy tremendous success - enough to make \$250,000 from just one membership site.

If you plan to release a membership site based on information from a credible expert source (whether that is you or someone you partner with), that expertise must be established **prior to launch**, or at the very least you better have some previous success stories to convince people of your preeminence, which you can release during the launch.

Preeminence is a difficult subject to understand because it's *intangible* and *immeasurable*. However, it is critical you understand this concept and go to work to create a position in your market where you can benefit from preeminence.

Preeminence is a powerful force, but it means nothing if it doesn't spread. Thankfully the Internet offers some of the easiest and cheapest tools to spread your preeminence and attract the type of person who would love nothing more than to join your membership site.

Now let's take a look at some of the different ways you can build traffic to your membership site...

Chapter 2: Marketing Through Communication Channels

Preeminence is the key ingredient necessary for success with a membership site (or any business), but without means to **communicate** your message you will find it impossible to create an awareness of your expertise and convince people of the benefits of purchasing what you offer.

Expertise, combined with **distribution** is all you need to make a ton of money on the Internet. If you want to sell



something - a membership in this case - you need a way to get your offer in front of people in the first place. You need distribution.

Communication channels are marketing methods you can use online to tell people about what you offer. Through these channels you have a means to attract attention and funnel people into the process you set-up to demonstrate what your membership site is all about.

You Must Have An Email List

In the online world the typical communication medium used is an **email list** (also known as an **email newsletter**). While you may use other mechanisms to get

people on to an email list - for example a blog, or Pay Per Click advertising, or social marketing or offline advertising - the end goal is always the **email subscription**, so you can deliver more content and convince people that your membership site is worth joining.

If you spend time delivering great content to people through your email list, when you send an email telling them about your membership site, a good chunk of those people will be interested, because they already **trust and value** your work.

This is a simple process to understand. Here is how it works...

- Attract people on to your newsletter through various online marketing tools like your blog, paid advertising and by giving away content like free reports.
- 2. Continue to establish **relationships** via your email newsletter by giving away more great tips, advice and resources.
- Promote your membership site offer to the people on your email newsletter and do it more than once.

If you have no email list and you intend to build a serious Internet business, even if you don't know what type of business it will become, it pays to begin building your list now.

What Service Do I Use For Email Newsletters?

AWeber.com

I've used <u>AWeber</u> as my email list service provider for many years and strongly recommend you use them, you won't be disappointed.

Read <u>my review</u> of their service, then sign up for their <u>introductory</u> <u>package</u>.

Forming **relationships** with your prospects is crucial and it's a slow process (relationship building by nature is not something that happens quickly). The sooner you start a list and establish a preeminent relationship with your subscribers, the better your chances of enjoying a successful membership site launch.

How To Build Your Email List

Let's assume I've convinced you that you need to build an email list in preparation for the launch of your membership site. Here is a list of some of the most common tools people use to drive **traffic** and build a list online today.

Blogging

If you have no relationships, no email list and no money to invest in advertising, then my advice is to start a blog and email list as your first communication

channels. Over time just these two tools can be enough to successfully launch a membership site.

Pay Per Click

If speed is important and you have money to invest, <u>Pay Per Click</u> advertising combined with an email list (and a <u>landing page</u> to sign people up to the list) is a quick path to build a list, provided there is traffic online searching for what you offer. <u>Google AdWords</u> is the first Pay Per Click system you should test.

Joint Ventures/Affiliates

The quickest and most powerful way to access large sources of traffic and build a list, is via **joint ventures** and **affiliate marketing**. If you can find and convince the right strategic partners, you can very quickly enter a market and launch a successful membership site.

However, as I mentioned in chapter one, without some form of **preeminence**, most people will not be willing to work with you if you have no prior relationship, unless you can convince them of the benefits they will enjoy - what's in it for them?

I Use All Three Methods

I built my email list on a foundation of successful blogging, then later created landing pages (for example www.blogtrafficking.com and www.blogmastermind.com) which I send traffic to from my blog, by purchasing clicks from Google AdWords and I have affiliate partners who send traffic to my sites in return for referral fees if they make any sales of my products.

Bear in mind I didn't set all these tools up **overnight**, I built my sales funnel over time, so you shouldn't feel pressured to get all of these tools set-up quickly.

Inside my training program, <u>Membership Site Mastermind</u>, I explain each of the above traffic generation strategies in some detail so you can determine which is right for you and which you should focus on first. There is an entire module in the program focused just on the traffic strategies I used to launch my site.

The Sales Funnel

The sales funnel is simply a name we use to describe the **process** you create to convince people to join your membership site.

For the purposes of what I am teaching you in this report, your sales funnel will contain some or all the



elements I already introduced to you (blog, email list, PPC, landing pages, affiliates) and you will use the emails you send to your list as the **filtering mechanism** within the funnel.

When a person joins your membership site they have effectively reached the end point of your sales funnel, although you can sell more products and services to "extend" the funnel, which is a very smart idea as you can increase your income dramatically. However, as an initial objective, we're going to focus only on that **membership site sale** as the ultimate conversion goal.

One of the core reasons for establishing a sales funnel is to **filter prospects**, discarding the poorly matched (people who would never join your membership site) and enhancing your relationships with those who have an inclination for what you promote. Your membership site, like anything you sell online, will be more successful if you can zero in on the ideal prospects and *pre-sell* what you offer.

Using an email list allows you to funnel and pre-qualify people who are ideally suited to your membership site offer, which in turn leads to **greater satisfaction** for your customers and **fewer refunds**. This is the perfect situation to aim for to create a stable business.

The Sales Funnel Explained

I've written an entire series of articles on the sales funnel, and I suggest you go read through the series if you have not heard of the "funnel" concept before. You can begin part one here -

The Sales Funnel Explained

The Key Is Marketing

It's often said that all businesses, despite operating in different markets with different customers, are all in the same business - *the business of marketing*.

If you are planning to launch a membership site and you haven't considered exactly how to tell people about your offer, it's time to start thinking about **where** your potential members hang out, how you will **reach** them, how you will **convince** them of your value and how you will craft an **offer** that uniquely matches their desires.

Remember what you assume as true isn't necessarily **reality**. All assumptions about what your prospects want are exactly that - assumptions - and until you

either seek feedback or test the market, you are dealing with pure hypotheticals. You don't want the success of your membership site to rest on hypotheticals.

Now you know the core conditions that are required to move towards launching your membership site. Next you must consider what technical components you will use...

Chapter 3: Technology

The pieces of the puzzle to produce a successful membership site are coming together. **Preeminence** (credibility, reputation, key contacts) and **marketing** (an ability to communicate with your prospective members) are in place, and now you can work on putting together the technology to deliver your membership service.



To build your membership site you need to consider the following requirements:

- How will you protect member resources from public access?
- · How will you take payments, process registrations and deliver resources?
- What content features will your membership site contain (audio, video, forums, chatrooms, teleconferences)?
- What **email list service** will you use to communicate with and how will it integrate with the rest of your membership site?
- How will you handle affiliates track referrals, offer promo tools, pay out commissions and ingrate everything with your email list service?

As is typical with web technology, you have quite a few options to choose from to satisfy all the above requirements. The challenge is coming up with the **right combination of tools** that meet your needs and work well together.

My process to decide what technology to use started a long time before I launched <u>Blog Mastermind</u>, in fact years before I even decided to produce a membership site at all, and it was a long and difficult process.

Before deciding to produce a coaching program for professional bloggers I was planning to release an information product, an e-book. This was about a year into

my blogging career and at the same time I made my very first technology choice, which (eventually) impacted the structure of my membership site. I made the decision to use AWeber.com as my email list provider.

Thankfully AWeber integrates with pretty much every mainstream membership site software program, so although I made my email autoresponder decision early, it had little impact on what software I used to meet the rest of my membership site needs.

What Membership Site Software Should You Use?

Choosing a program to protect membership content was and still is the hardest part of the technology decisions you have to make.

I changed my mind and instead of an e-book, decided that a membership site training course would be the better way to go. Because of this decision I needed to find a way to **password protect** the course materials using a membership system.

I began by researching online, checking forums to see what people were recommending and talking about, searching Google results and compiling a list of the market leaders in the online membership site software industry.

Some of the programs I considered -

- aMember Pro
- MemberGate
- VisionGatePortal
- Membership Client Pro
- iSubscribe

Some programs, such as MemberGate, were way out of my price range, so I disqualified them immediately. Others seemed quite good, but after research turned out to either lack the features I wanted, or the demo version had such **complicated navigation**, I thought it would take forever to install and configure the software.

In the end I settled on aMember, mainly because it has plug-ins to integrate with common forum software programs, including the one I was using at the time, Invision Power Board forums, and even a plug-in to integrate with WordPress blogs. I liked the idea of using a blog to deliver a course, so my initial plans were to use the plug-in to protect a special members only blog and have an additional resources area as well.

Butterfly Marketing Changes My Plans

I began the process of setting up aMember myself, a critical mistake given my tech skills were not up to the task. It took so long to make any progress that I found my launch plans pushed forward month after month. I fell for the perpetual delay beginner mistake I mentioned earlier, and it nearly proved fatal.

It was around this time that I took notice of <u>Butterfly Marketing</u> a product by **Mike Filsaime**, that is half membership site software and half marketing tool.

I decided to purchase Butterfly Marketing, the full home study version, which includes the software and documentation to explain the marketing strategy behind it, and use the 30 day trial period to assess whether it would suit my needs.

Butterfly Marketing Review

If you want my definitive review of the Butterfly Marketing strategies, see my <u>Butterfly Marketing</u> <u>Manuscript review</u>.

I also reviewed the software program here - <u>Butterfly Marketing</u> Software Review.

With the power of hindsight I can now tell you that although Butterfly Marketing is still a reasonable choice to sell a **product** online, it's not great for something that requires *recurring* payments, like a membership site.

The technical challenges and the lack of a dedicated software company backing up Butterfly Marketing, result in some nasty implementation issues. I still love the simplicity of it as a marketing system, but I don't like how much time and money it cost to get it to work right.

I'll leave it up to you to investigate Butterfly Marketing if you think it might suit your needs. Just make sure you know what you are getting into before choosing it as your membership site management system.

AMember Is The Market Leader

In the past few years aMember has risen to become the dominant, low-cost membership site management system that most people use. Although I think it tends to over complicate and create too many layers to get some things done, it is a solid option.

AMember has the backing of a **dedicated software company** updating and supporting the program, so I definitely recommend looking into it as an option for your site, especially if you want a single sign-on so your members only need to create one login account for access to multiple features.

However, despite the effectiveness of aMember, after dropping Butterfly Marketing, I didn't go back to aMember, instead I decided to focus on **simplicity**,

which is a key aspect of the system I teach in my program. Here's what I currently use to manage my membership sites...

Today I Only Use WordPress

Although my initial membership opened with *Butterfly Marketing* and before that I installed and began to set-up *aMember*, after much experience I learned a crucial lesson.

Keep it as simple as possible.

Today my membership sites run using the blog platform WordPress.

The **advantage** of this simple set-up is that you don't have complicated layers of software code controlling your membership site and it's very easy to understand how your system works.

The **disadvantage** is some tasks that can be automated by scripts are not with WordPress. However, in my experience automation processes are never 100% accurate, which means you need to manually confirm anyway, which is often more work than handling things manually in the first place.

For example, with scripts like Butterfly Marketing and aMember, the rebilling process should work so when a renewal payment is not made the member's account is suspended or downgraded. Unfortunately, getting a script to communicate with an external payment system like PayPal accurately, is very difficult in my experience, meaning you need to double check rebill failures and manually chase up non-paying customers.

I chose to have processes outsourced to a customer service **person** - a real live human being - who chases up lost payments, suspends or activates accounts and provides member support.

Using a human for operations that require interaction with other humans, is almost always better than using an automated robot script. Customer service is a BIG deal and **critical** for the success of your membership site, and while I love computer automated processes, when they aren't accurate and you need to directly communicate with your customers, a human solution is almost always the better option, and certainly has been for my membership sites.

My decision was not to struggle and rely on **complicated** membership site technology and instead use a very simple technical set-up, and then rely on my customer service delivered by real humans to be the automation, so I personally do not spend time dealing with it.

This has worked WONDERS for me and that's why I'm teaching this system to you, although other membership site experts will not agree with me and have preference for scripts like aMember.

If You Already Know WordPress Then You Will Love My System

As a blogger myself, who uses WordPress, I know how to add content with the system, which is very easy to do. This means that you can adjust your membership site, **add content**, change things and use all the great features that a blog has (commenting, permalinks, and all the amazing WordPress plugins) to enhance your membership site.

You could plug WordPress into something like aMember, but this immediately creates an **extra layer** of possible problems. Unless you really want certain features from a dedicated membership site script, I don't see any need to go beyond WordPress.

It's my belief that **simple is good**. I want to focus my time on overdelivering to my members and marketing my membership site, not trying to make technology work. The less systems you use and the simpler they are, the better.

How To Take Payments

PayPal.com

I chose Paypal (read my Paypal review) as my payment processor for my first membership site. While I love the simplicity and the fact that Paypal integrates with every membership software program you could think of (in fact you could use just AWeber with Paypal to create a membership service if you want to keep things very simple - here's how to do it), it has come with its own set of unique issues.

Paypal has a nasty habit of canceling subscriptions if it thinks your customers are not able to make payment, for example if their credit card has problems. I've had a few members who have had their subscription with Paypal cancelled without wanting to leave my program, which is obviously not a good thing.

This creates yet another layer of support to get people back on to subscriptions and an annoying process of having to follow up every cancellation to see if they actually intended to cancel or not.

PayPal has proven to be a reasonably reliable system, just prepare for membership cancellations that are not intended and billing failures that are not always expected by the customer. If you have good customer follow-up practices you can communicate with cancelled members to bring them back.

2CheckOut.com and Paymate.com.au

I also registered an account with 2Checkout.com as a potential emergency back-up option if something went wrong with my Paypal accounts.

Some people rely on 2Checkout.com as their main credit card processor. I went with Paypal, however there are pros and cons and your situation might suit what 2Checkout.com offer, so check them out.

As an Australian, I have an active account with Australian Paypal clone, <u>Paymate.com.au</u>. Paymate is only for Aussies (at the time of writing), but is worth looking into if you qualify as they are expanding overseas.



ClickBank

ClickBank has a subscription option, although the fees are quite high (almost 10% when all is said and done). ClickBank has the advantage of an in-built affiliate program that is well respected and well known, since so many merchants and affiliates use it.



ClickBank allows customers to pay via a credit card or via PayPal too, so you gain the benefits of PayPal's large user base.

One problem with ClickBank is the lack of customization controls over your affiliates. One really important feature I must have in an affiliate system is the possibility of offering affiliates multiple destination pages. This is important so your affiliates can send traffic to a free report or blog post, and not just the sales page, and still set their cookie in the browser.

Thankfully there is a script you can use called EasyClickMate, which adds an extra layer of features to manage your affiliates with, including <a href="emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:emailto:em

We used EasyClickMate, ClickBank, AWeber and a WordPress blog as the only tools for the launch of Become A Blogger Premium, a joint venture between myself and Gideon Shalwick. This program runs for six months, with six monthly payments handled via ClickBank.

One great thing about ClickBank is it takes responsibility for **affiliate tracking** and **payouts**, which in my experience is one of the most troublesome aspects of running a membership site. Many times I've had to ask my tech help to manually double check affiliate commissions to make sure everything is tracking okay. It's critical you pay your affiliates everything they are owed so they are encouraged to keep promoting.

With ClickBank you get **industry leading tracking** from a company that sells hundreds of thousands of products online. They have a solid reputation in the market, enjoy good relationships with credit card processing services and have a FOUR email follow-up process to chase failed rebills. Although it's not the perfect system, right now as I write this report, it's my membership payment system of choice.

PayDotCom.com

Mike Filsaime's PayDotCom.com is a ClickBank clone, and a good one, which also has a subscription feature you can use to take payment with. I've not tried it, but on initial inspection it looks good and I know Mike pours a lot of money into keeping PayDotCom going.



PayDotCom can use Paypal as a processor, so you have the unwanted cancellation issue again, and there are fees, so like with Clickbank, you get the Paypal fee added to the PayDotCom fee, which adds up.

Many of my colleagues in the Internet marketing industry use PayDotCom as their payment processor, so it's worth investigating.

1ShoppingCart.com

<u>1ShoppingCart.com</u> is an all-in-one electronic commerce solution. You get an email autoresponder, a shopping cart, an affiliate tracking system and more.



When I first came across the 1ShoppingCart service I was only just beginning my online career and was very excited about the possibilities it represented. I signed up for a trial but never really made use of the system. Eventually as my business grew, 1ShoppingCart surfaced again as an option, in particular for **affiliate tracking**.

For the relaunch of Blog Mastermind in 2008 I decided to switch to 1ShoppingCart. I still used the AWeber email autoresponder to deliver the content, but 1ShoppingCart managed taking payments and tracking affiliate commissions.

I'll be straight with you - 1ShoppingCart has its issues and it's not always great to deal with, however it's a capable system that is very widely used. For its cost (under \$100 a month) there are not many systems out there that offer as many features.

Bear in mind 1ShoppingCart is technically **not** a payment processor. You still need to plug the shopping cart into something like PayPal or a **merchant account** to take credit cards.

For the Blog Mastermind relaunch we used 1ShoppingCart plugged into my Australian merchant provider called Eway.com.au. If you are in North America you can try iPowerPay, a popular merchant service that understands Internet marketing, and for other countries, search Google to find local providers.

Note you don't need a merchant account, you can just plug in PayPal or 2Checkout or a range of similar online payment systems that 1ShoppingCart is compatible with.

Don't Underestimate PayPal

Many people prefer to pay for things online using their Paypal balance rather than their credit card. Thanks to the popularity of eBay and solid marketing by PayPal, the payment service has become a virtual online currency and if you don't accept it, you will **lose sales** for that reason alone.

See this article that explains why **not having Paypal is NOT an option** - Why Paypal Is A 'Must Have' Payment Option For Your E-Business.

Also, don't forget that people do not have to have a Paypal account to pay with Paypal, they can use a credit card without creating a PayPal account. For certain countries Paypal has a fully fledged merchant option, so the payment can be seamless and branded as your own.

Include Audio, Video and Forums

I've been a user of audio in my Entrepreneurs-Journey podcast and in streaming format on the blog for years, so it was natural for me to include an audio component of my membership site too. To do this I continued to use the combination of Audacity audio recording and editing software, with ITunes for conversion.

I also added an embedded MP3 player by taking



the code from the <u>Audio Player plug-in for WordPress</u> so I could have a streaming version of the audio along with a downloadable MP3 version included within my membership site.

With the launch of <u>Blog Mastermind</u> I finally delved into video, capturing the content with my <u>Logitech QuickCam Pro 5000 Webcam</u>. I used <u>Camtasia</u> to do screencast video recordings and export video in a web safe format, usually flash.

I use the very popular <u>vBulletin forum software</u>, although in the past I've used <u>Invision Power Board</u> and <u>PhpBB</u> is a good free open source forum script, but decided this time to go with the industry leading software, vBulletin.

In 2008 I switched to Mac (sorry Microsoft, but Vista is a nightmare and Mac is amazing!). This happened in particular because I saw what **Gideon Shalwick** produced using his mac - some very impressive, yet simple video presentations.



I purchased a **MacBook Pro** laptop and used the screen recording software <u>ScreenFlow</u> to record desktop presentations, and Quicktime or iMovie, which both come with Mac, to record my face talking. For advanced users Apple's <u>Final Cut</u> video editing program is the best choice.

Creating video is always a challenge, but the process is simple. Getting everything to look how you want it is difficult. If you decide to go down the video path, I recommend the Mac tools over Windows. Gideon offers some great free videos to teach you how to create quality video at GetYourVideoOnline.com

You can also offer features such as live webinars and teleconferences (try <u>GoToMeeting</u> and <u>HiDefConferencing</u>), chatrooms (most forums have a chatroom plug-in or you can get <u>standalone software</u>) and provide downloadable software (if you provide custom software it can be a huge competitive advantage and value-add).

The sky really is the limit when it comes to the technology you use to deliver membership features, but I recommend you definitely consider using **audio and video** whenever feasible.

The tools are free or very affordable and you don't have to be a professional. Screencasts are particularly powerful, easy to produce and your members will appreciate the multiple media formats. I think a forum is also a must have as it allows your members to create a resource and meet each other in a community format.

Affiliate Management

I spent a lot of time searching for an appropriate **affiliate script** to manage my affiliate program. Before I committed to *Butterfly Marketing* for my first launch, then *1ShoppingCart* and *ClickBank* for more recent launches, I was going to use a standalone script that you install on your own web server.

When I say standalone, I mean the program runs as an independent script. It may be capable of plugging into your membership system (for example AMember has plug-ins for iDevAffiliate and PostAffiliatePro), but in most cases it won't. You run the program independently and it performs the affiliate tracking process only.

Here's a list of the scripts I researched -

Affiliate Scripts and Services

- AlstraSoft Affiliate Network Pro
- Post Affiliate Pro
- iDevAffiliate
- Paul Galloway's Synergyx

Many of the most successful Internet marketers are moving to a full CRM (customer relationship management) system to manage their affiliate program, and the service of choice is Infusionsoft.

Perry Marshall, Richard Schefren, StomperNet, Niche Profit Classroom, Andrew and Daryl Grant, Frank Kern, and according to the Infusionsoft website, Dan Kennedy and Michael Gerber are all users of the software. Besides offering a robust affiliate solution, the integrated user management features allow you to carefully track a client through all stages of your business, which is great tool for building a sales funnel.

I have no back-end experience with Infusionsoft, so I can't say how good it is, although I hear it's quite challenging to get working due to all the features. It's also not cheap, in the vicinity of \$300 a month and a hefty set-up fee (\$5,000 last I heard!) but it does everything - salesforce integration, email list marketing, shopping cart, contact management and of course - affiliate management. If you are serious about your tracking then Infusion could be the all in one option you need, but if you are just getting started, it's overkill and too expensive.

I recommend you research the above standalone scripts and also take a good look at <u>ClickBank</u> and <u>1ShoppingCart</u> as options for managing your affiliates.

When you do your research, consider the following important aspects of your product, how you intend to promote it and what tools you want to give to affiliates to promote with.

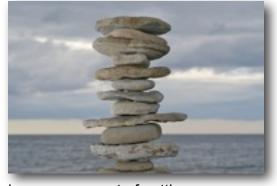
Points To Consider

- Do you want your affiliates to have a custom login, with tracking statistics?
- Do you want to give affiliates banners, text links, template emails and other promotional tools?
- Will you pay commissions with PayPal, cheques/checks or direct bank transfer?
- Do you even want to handle paying commissions? (Clickbank will do it for you)
- Do you need a two-tier affiliate system where you can have affiliates refer other affiliates to help build your affiliate army?
- Do you need a system that is built to integrate with other key parts of your membership technology?

Putting It All Together

You're probably feeling a little overwhelmed right now because I've mentioned many different scripts, software programs and online services you can consider for your membership site.

You need to use the right combination of these tools to create and deliver content, manage affiliates and take payments.



Although this may seem daunting, the technology component of setting up a profitable membership site can be kept very simply and your tech people should handle most of the work for you.

My current system only uses AWeber, WordPress and Clickbank. If you want to keep things simple, consider joining Membership Site Mastermind, as I lay out a very basic structure for setting up the technological components of your site. I make what can seem very confusing, very easy.

Next, lets take a look at how you can create content for your membership site and how much you should charge for entry...

Chapter 4: Content and Pricing

The previous three chapters of this report focused on the **marketing** and **technology** requirements to successfully launch a membership site.

There is still one critical component you must have in place before you move on to the prelaunch and launch phase - the **content** you will provide members in return for their membership fee.



Surprisingly, while content is of course a mandatory requirement for any membership site, it's the area that smart marketers spend the **least** time on.

That's not to say that you shouldn't pay attention to your content - your goal should be to always *over-deliver* when it comes to content - but so much time is committed to marketing that content takes a back seat.

Two Critical Questions: How and What?

You have two important decisions to make when it comes to content for your membership site -

- 1. How you will deliver your content
- 2. What content will you deliver

There are limitless options to answer both questions above and you need to work with what you are capable of and what your members will respond favorably to.

When I was planning <u>Blog Mastermind</u> I wanted to make use of all the media tools available to me. While I did not have the budget for expensive equipment and I'm far from an expert at multimedia, thanks to tools like <u>Camtasia</u> and <u>Audacity</u>, you can be an amateur audio and video producer and still deliver good content.

The model I followed for my membership site was based on <u>Andrew and Daryl Grant's e-book business mentoring program</u>.

They charge **\$49 a month** for an elesson, some phone consultation (not necessarily with them, with their "lieutenant" experts) and a resource area. The main continuity element is the elessons and not surprisingly, most members never use their consulting time.

Andrew and Daryl Grant

You can learn exactly how Andrew and Daryl Grant generated \$250,000 US in their first year of selling e-books online by listening to the two part podcast interview I did with Daryl.

You can find details about their mentoring program here.

I felt capable of producing a quality series of e-lessons to teach budding bloggers and it made sense to do so since the process of building a popular blog and then monetizing it (the goal for members of my membership site) is very sequential: you must build on your previous work.

I decided to also use an e-lesson focused model and throw in additional multimedia to further enhance the learning experience for my students.

Strategic Profits Business Coaching by Rich Schefren

I am a member of Rich Schefren's coaching program, which provides a fantastic learning experience and an opportunity to network with the best in the Internet marketing business.

You can learn more at Strategic Profits.

I considered providing **private coaching calls** at one point, but then I realized I couldn't work with a large group if I was to do all the calls myself.

Instead I decided to focus on question and answer recordings, modeling what **Rich Schefren** did with his live teleconferences in his coaching membership site. Rich collected questions in advance through a members forum, and then responded to them and answered more questions in teleconference calls.

Forums

Obviously having a **forum** as part of your membership is a good idea, but bear in mind it can be a lot of work, especially if you don't set up a structure that includes help from other people.

When I first launched Blog Mastermind I was initially overwhelmed with the response and was not equipped to handle the activity in the forums. I had to quickly put in place **volunteer moderators** to deal with spam and hire additional mentors to help provide educated answers. The students are also great at helping each other, which was my intention with the forum from the get-go, and

I'm pleased to see a reasonably self-sufficient community arise in the members only forums.

I suggest you **plan for success** and have people in place ready to help you respond to forum posts as soon as you open your program. Your very new members will be eager to jump in and make use of the forums, and they will expect you to be there too.

If you can, reply to posts as soon as possible, but you may find yourself overwhelmed during the opening period, so tell your members that you will be a little delayed replying while the launch period finishes. You don't want to be in the forums when it's still time to **market** your membership site.

Video

Video is huge on the web at the moment. You can use it to record yourself sitting in front of the camera as a "talking head" to make content more personable and human, or create "screencast" presentations, where you record your computer screen desktop.

Not everyone has the capabilities to view video due to slow Internet connections or old computers and some still prefer text as their learning medium, but in most cases a majority of your audience will **love video**. I would definitely consider it for your membership site.

Physical Product

Everything I currently produce for students is digital and this report is about creating an *online* membership site. However, there is no reason why you can't take what you produce digitally and make a **physical product**.

Written text can be printed and turned into paper newsletters or manuscripts. Audio and video can be burned to CD or DVD and sent to members. This generally results in an increase in **perceived value**, which affects pricing (in a good way), but also increases your expenses as you have to produce and ship the content.



It's important to realize that not everyone has the bandwidth or technology in place to consume multimedia. Some people don't like audio and video and prefer text wherever possible (especially those who prefer to scan, which in today's information overloaded reality, is just about everyone), so it is a good idea to have **transcriptions** made of any audio you produce and not depend on video too heavily unless you are prepared to exclude some people because of it.

Every person learns differently. Some enjoy audio, others benefit from visual training like video, while for many people reading text is their preferred method of study. If you can provide alternative ways to consume your content, you maximize the potential to satisfy a majority of people, no matter what their preferred learning style is. Having a physical option for your content also helps to eliminate any technology issues caused by limited bandwidth.

What is Value?

It's tough to figure out exactly what your members will consider **valuable**. Simply having regular lessons and some form of mentor contact, perhaps through email or forums or teleconferences, may be enough. Maybe you don't need a mentoring component and your members will be happy with a series of videos, perhaps one a week, or regular audio or maybe just the opportunity to email questions directly to you, is what people want.

Your goal is to **over-deliver value** without drowning your members or overextending yourself. If people receive too much they may quit simply because of overwhelm.

It is possible to deliver too much content, but it's not possible to deliver **too much value** - the relationship is not linear. You don't want to over commit yourself, creating so much work that your quality drops or your health or lifestyle suffer.

What Is Good Membership Site Content?

The best indication of success at finding good content balance is retention rate

If most members remain members, then you know you are doing a good job.

The only way you can determine whether you are doing a good enough job is to gauge **feedback** from your members. Not everyone has the same opinion, but if you can satisfy and deliver value for a majority of people, you have the ingredients for a very stable membership base.

The best indication of success at finding good content balance is **retention rate**. If most members remain members then you know you are doing a good job. This also relates to marketing, whether you are attracting the right type of customer with the right **offer**.

As long as you please the majority of people, consider your content a success. However, it's still important to **monitor everything** because there may be elements that trigger an unusual number of cancellations, in which case you need to make adjustments.

How Important Is Pricing?

You might think it makes sense to discuss pricing at the same time as you consider what content your membership site delivers. There is definitely a relationship between what you provide and how much you charge, but in reality the **perceived value** of your offer is the real determinant of how much you can charge.

In almost all cases you can charge *more* than you think you can. There is a perfect price for a membership site. From a purely financial position it is the point at which **profit** is maximized, but you also need to consider the other variables I mentioned previously -

- How hard do you want to work and what resources do you have available?
- Do you have content already produced you can provide now at no additional labor cost?
- Do you want an obligation to produce content every week?
- Are you willing to spend **personal time** consulting through email or phone?

I've seen membership sites offering subscriptions at \$3.95 a month all the way up to \$10,000 a year. Strangely enough, although the price might differ dramatically, the gap between the content delivered isn't nearly as large.

I've written extensively about <u>perceived value</u>, and when it comes to pricing there is no more important concept, so please read over my previous article if this concept is confusing to you and you want help choosing a good price for your membership site.

Nearly as important as perceived value is what **offer** you present to your market, which is closely related to *perceived value*. It's because of these two elements - perceived value and your offer - that marketers spend so much time on the marketing of their content and not the content itself.

A good example is a series of DVD videos taken from a recorded workshop. One person might charge \$97 for content of the same length as another who charges \$497.

Why does one cost **five times** as much as the other?

The answer is what the DVD proposes to do for the customer (the benefit) and how important that outcome is *perceived* by potential customers. Preeminence also plays a part, since if the producer of the DVDs is considered an expert the perceived value is higher (as discussed in chapter one).

In the case of your membership site I suggest you look at what others have done before you. The only way you can determine the **right price** is to put something out there and charge for it. Seeing what has worked for others is the best market research you have available before launch.

Don't make the mistake of undervaluing your content simply because of low self esteem or fear of failure. Pricing too little can end up killing your membership site because everyone perceives your offer as low quality.

Sometimes in order for people to feel they are experiencing value and to actually take enough action to get results, requires a hefty financial investment. An entry fee motivates - it's pain money (pain forces action) - so don't be afraid to charge more because it might actually make your offer better and more people will sign-up.

You can always change pricing at a later date, or even during your

launch. In my experience, one price will often hit a certain target market, while another price suits a different group, but you don't know this until you put something out there with a price tag.

upfront, since I had finished creating all the lessons by then.

I initially opened Blog Mastermind at \$47 a month, raised it a week later after the launch to \$77/m, then closed it down a few months after that. Twelve months after I first opened the program, I relaunched it at \$97/m and included a new \$497 once off payment option for people who wanted to buy all the materials

During the launch of *Blog Mastermind* it became apparent that some people couldn't afford my offer. I wasn't too concerned because nearly 1000 members participated at some point, but I did wonder whether a lower priced product might be needed to serve a different market.

Eighteen months after the opening of my first membership site, in a partnership with **Gideon Shalwick**, we released the <u>Become A Blogger Premium</u> program at \$27 a month. This program was deliberately priced lower than Blog Mastermind and positioned to target a different market. Although there was some initial confusion about the differences between the two programs, they were both massive successes. Having two membership sites at different pricing points is a great way to tap into different markets driven by people's different needs.

Don't Be Afraid To Ask For Money

People are afraid to charge an adequate price for the value they deliver.

You need to look at the entry price as a way to help your customers get a result because it motivates them to take action. This should be a win-win, you get paid for your value, your members take the value and use it to improve their lives.

You don't have to get everything right with pricing first go. The act of putting something out there will tell you more about the right price for your market than any speculation can. Take your best educated guess based on what's worked in your industry before and then begin the process of **live testing** to see how people respond (i.e. launch your product).

Who Is Your Target Market?

The type of client you are looking to attract and how **painful** the problem your membership site promises to solve, heavily impacts how you price your offer.

You might aim to attract a very small selection of highly targeted elite clients. If you do this successfully, charging thousands of dollars for your membership site is not unreasonable.



You may price your offer at an entry level in order to bring people into your 'sales funnel'. Provide a valuable but basic service at an entry price and then offer your clients an upgrade option at a higher price. Or maybe you want to target very beginners and go for volume - 2,000 members all paying \$9.95 a month certainly adds up.

Choosing a price should not be something you dwell on too long. Ultimately your **market** will tell you the correct price and until you actually release a product, your best research sources are other membership sites in similar markets. See what other people charge, consider the perceived value of your offer, crunch some numbers to see how much you could generate with 10, 100, 200, 500 and 1000 members and then make your decision.

Chapter 5: Psychological Triggers

I'd like to tell you that your hard work is done, but really you have only just laid the foundation for a successful membership site and now the real work begins.

Everything you learned so far in this report - building and demonstrating **preeminence**, finding ways to **market**, bringing together the right **technology** components, deciding on the **content** you will provide and how much you **charge** - all come together during the **Prelaunch** and **Launch** phases. This is the make or break time for your membership site - it's the *money time*.

How To Use Triggers To Influence Decision Making

Before discussing what you do during the prelaunch and launch phases in the next chapter, the most important chapter in this report, I first need to introduce you to the major **triggers** you must elicit from people.

It's these triggers that create the right conditions for people to feel comfortable making the decision to join your membership site - in fact they should feel an overwhelming compulsion to join if you use these triggers well.

Note that many of these elements are going to feel like you are "tricking" people, that you are attempting to force them into a decision that isn't necessarily in their best interest by **manipulating** their emotions.

With great power comes great responsibility.

This statement doesn't apply only to Spider Man, it applies to us marketers too.

You are about to learn some powerful techniques and you must NOT abuse them. You should only use triggers to help people help themselves.

You have to genuinely believe that your product will enhance your members' lives, and the triggers are simply tools that help you convince people that you are worth working with. They are not to be used to sell people crappy products.

Marketing is a *social science* - it's the study of **human behavior** - and everything you are learning in this report relates to human behavior.

Remember that marketing and these triggers are not inherently wrong, they are simply understandings we have come to as a result of testing. It's what the knowledge is used for that the potential for abuse arises.

Now, with that out of the way, let's take a look at these triggers.

Trigger #1: Social Proof

Social proof is absolutely critical and you must demonstrate it in as many ways as possible during your launch phases.

Here are three powerful ways you can demonstrate social proof -

- 1. Use a **prelaunch blog** and a **JV partners' blog** to communicate with potential customers and affiliate partners. The ability to leave comments allows people to help you demonstrate social proof, since if there are comments in response to your posts, you demonstrate that you have the "active" attention of other people.
- 2. When sending emails use examples and language that demonstrates people are **engaged** with what you are doing. This could be as simple as using a feedback email or customer question as a topic for your next prelaunch email broadcast.

For example - "One of my customers, George, recently asked the following question...etc".

This demonstrates that you have customers and that they are **participating** in what you do. Even if you don't have customers, any feedback communication you receive from people can be used as a tool for demonstrating social proof.

3. **Testimonials** are some of the best social proof and preeminence building tools you have available. Include as many testimonials as you can, whenever possible, and not just in your final sales page.

You can include testimonials in the emails you send to people during your prelaunch phase and in information you give away (like in free reports or videos). If you can, get audio or video testimonials to go with your text testimonials and if you have the backing of other well known and preeminent experts, make sure they give you a testimonial too.

Trigger #2: Proof

Social proof is about demonstrating that other people trust you and have benefited from what you do. Proof is similar, but instead you have to show that you have done what you offer to teach people how to do, or show proof of the outcome of what your membership site offers.

Demonstrating **proof of results** is one of the favorite techniques Internet marketers use to build buzz during prelaunch. I've seen many prelaunch videos showing how much money people are making using a new *proven system*, and I use this kind of proof too in my marketing materials.

Although you might be tired of seeing sales pages full of pictures of checks, Clickbank commission statistics, Paypal sale receipt emails, bank balances,

expensive cars, boats and mansions, etc, the marketing psychology behind why this is done is sound. It gets people excited and demonstrates proof of results.

In your marketplace money may not be the outcome desired, so the kind of proof you need to demonstrate must be tied into the **outcome** your membership site proposes.

- If you are helping guys get more dates with girls, then you need to show proof that you are good with women
- If you are helping people lose weight, you yourself better be pretty fit
- If you are teaching people how to improve their golf game, you better show shots of you winning golf trophies

Trigger #3: Reciprocity

Reciprocity is a fantastically simple idea based on a wonderful human condition.

If you do something for someone else, they tend to want to do something for you. It's human nature to want to return the favor.

The area I constantly experience reciprocity in action is when dealing with strategic business partners, or as I prefer to call them - *friends*.



If you mention someone else on stage or in an email, or promote their product in a blog post or email, or record an interview for them or just do anything helpful, they are more inclined to help you when it comes time to launch your site. In most cases it's **not about the money**, it's the act of helping for nothing that makes people want to help in return.

Here's a tip if you want to convince someone to promote your membership site: Promote their product or service first, or do something for them and ask for **nothing** in return.

I guarantee, when you come to them and ask if they would mention your membership site launch to their readers, there's a very good chance they will do so, possibly even without wanting an affiliate commission.

Trigger #4: Risk Reversal

People want to know that making a purchasing decision has zero risk and the best way to do that is offer a **money back guarantee**. On the surface this might seem simple enough, but you have to understand that it is not just the fact that your members can ask for their money back that is comforting, it's also because they feel more confident they are purchasing a good product, if YOU are confident enough to offer a money back guarantee.

I've read strategies where marketers attempt to differentiate by offering unusual guarantees. The standard 30-day money back guarantee is seen as not having as much power today since everybody offers it, so to combat complacency, some marketers now offer 150% money back guarantees so customers can potentially make a profit if they return the product. The marketer makes this offer confident their refund rate will be low, so they rarely have to act on the guarantee, and in the eyes of the potential customer, the position of confidence demonstrated is a very powerful **persuasion tool** to encourage a purchase.

Other unusual guarantees include having longer terms, like 90 day guarantees, or even strange numbers, ending in the magical number seven for example - a 67-day money back guarantee. There's even a group of marketers working the contrary offer, explicitly stating there is NO guarantee because they have so much confidence that the customer will love it.

In my opinion it really doesn't matter what guarantee you use, as long as you have **some form of risk reversal**, making the decision to join your membership site risk free. If you believe in what you offer, you should have confidence that by offering a money back guarantee most people won't act on it, and the piece of mind for your customers is often the final swaying factor leading to a purchase of membership.

Trigger #5: Urgency

Have you ever noticed how every product has some form of limited time offer?

That's urgency in action and it should be clear to you why this trigger works. If you only have a limited amount of time to take advantage of something, then you are more inclined to make the choice to **buy now** rather than later.

Many people who decide to buy later, **never buy at all**, hence some form of urgency, often combined with risk reversal, create the conditions necessary to make the sale.

Urgency can be played out in many ways, but the most common are by using a limited time **discount price**, or by including a limited **number of copies** or a certain **bonus** that is only available in limited quantity or for a certain timeframe.

What's important when using urgency is to ensure your justification is **authentic** and that you actually follow through with what you claim. You can't make something urgent just for the sake of it, you need to provide a *reason why* to make the urgency realistic.

Thanks to the proliferation of "closing down sales" from stores that never close down, people are extremely critical of any urgency play that isn't backed up with a reason. If you want to maintain your credibility and for urgency to be effective, you have to justify it realistically and be firm with your offer.

Possible justification for urgency include -

- A limited quantity of stock
- A reward for acting quickly
- A limited number of memberships so as to not "flood the market" with insider strategies thus weakening the content value
- A limited number of spots due to limited resources (for example you can only work so many hours in a day to deliver private coaching)
- Or any of the above methods applied to a special added bonus rather than the product itself.

Triggers Work. Use Them.

Triggers are not ideas I came up with myself, they are *tried and tested* techniques that work and have worked millions of times for millions of products.

If you have studied copywriting then you know most of the triggers well and I encourage further study of these elements if you want to become a better marketer. Be sure to make use of any or all of the triggers during your prelaunch and launch phases.

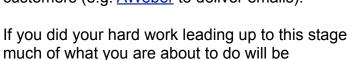
Now it's time to move on to your prelaunch and launch phases, the most critical component of this process and when you finally earn a return on your investment.

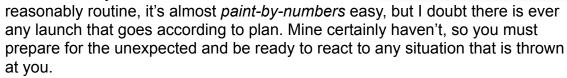
Read the next page to begin your launch...

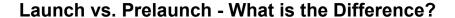
Chapter 6: Prelaunch and Launch

With your basic understanding of triggers now in place, lets take a look at how you implement a prelaunch and then a launch of your membership site.

During prelaunch and launch you use the **marketing channels** and **relationships** you have established to build buzz about the content you are about to release and the offer you are about to make. You use the **technology** you set up to deliver the content and communicate with potential customers (e.g. <u>AWeber</u> to deliver emails).







There is not much difference in terms of the overall strategy for your prelaunch vs. your launch, which is to **build buzz** and convince people to join your membership site. However, what you communicate to people and what you are attempting to achieve during each phase is *subtly* different.

I consider the "prelaunch" everything you do leading up to the launch day and "launch" being the actual day you release your membership site (you take on paying members) and the days following it.

Your prelaunch is designed to *pre*-sell your membership site, where your launch is designed to *sell* it. That may sound very similar, but the psychology is different.

What Is A Prelaunch?

The prelaunch is all about building buzz, spreading the word as far as possible and demonstrating proof that what you are about to unleash on the world is *truly amazing*.

Two elements play a crucial part of this process - your affiliates and the free value you deliver.

Your affiliates are your partners who use their influence and preeminence to reinforce that you are about to release something valuable and help to spread the word far and wide, much further than you could ever hope to do on your own or even with a team of marketers working for you.

Your free value is the content you offer to people as samplers of what your full membership site provides. The more you **over-deliver** in free value, the more inclined people will be to join your membership site. As the saying goes - *if your free stuff is that good, imagine how good the pay-for content must be!*

The report you are reading now, is an example of the free value I deliver as part of the prelaunch of my Membership Site Mastermind program.

I used the <u>Blog Profits Blueprint</u> during launch, and in a relaunch, the <u>Conversion Blogging video</u>, as fantastic free content leads into my <u>Blog Mastermind membership site</u>.

Gideon Shalwick and I used <u>10 free videos</u> and the <u>Roadmap Report</u> as the leadin content to the release of the <u>Become A Blogger Premium</u> membership site.

Video has become the tool of choice for recent online product launches. I used it in several ways during my prelaunch and I believe it is a critical element for a successful membership site launch. As reviewed in chapter three on technology, using a program like <u>Camtasia</u> makes video production very easy.

You can use video to show people pictures of your income if you present a business related offer, or the results of whatever it is your membership site delivers, or use it to do a tour inside your membership site, or provide testimonials or how-to tutorials as examples of the training your membership site provides.

The options with video are limitless but at the very least, just having you as a "talking head" explaining what your membership site is about is a huge credibility booster, **don't underestimate the power of this medium**.

Start Raving About Your Launch

The prelaunch is about opening a *dialog* with your target market, which you continue to build upon right up to launch day and beyond.

The dialog is first started when you send out your **initial free value** (usually your strongest lead resource, like a free report first, followed by complimentary resources like videos, case studies, podcasts, etc), distributed via your own internal communication channels (your email list, blog, etc) and your affiliates. You then continue the conversation over a period of weeks or a month at most

(you don't want to drag on a prelaunch for too long - I think one week, up to ten days max, is ideal).

The excitement builds as you send out each email to your interested parties to the point where just before launch they are so eager to join that they don't even need to read your sales page. Of course you still have to have a sales page, but a good prelaunch should convince people of the value you offer **before** it becomes available.

Email Is Critical During Launch

The copy within the emails you send is the most critical component. You can run a successful launch simply by sending out a series of value packed emails.

The key communication mechanism for most online launches today is **email**. Video is increasingly becoming a key ingredient as well, and blog posts can be powerful launch tools too if you have a popular blog.

The copy within the emails you send is the most critical component and you can run a successful launch simply by sending out a series of value packed emails. The more you communicate with prospects and **blow them away** with your value and the more you make use of different media, the better your launch will be.

Once you have built buzz, released plenty of great free content and your affiliates have helped you to distribute your message far and wide, you can finally open the doors and let your first customers join.

How Do Affiliates Fit In?

Before we talk about the actual launch day it's important you understand how critical affiliates are and how you can work with them. I could write an entire chapter - heck, an entire report on attracting and working with affiliates (there's an idea...), but for the sake of brevity I'll mention a few points relevant for your membership site launch.

Reward affiliates well. In the Internet marketing world most affiliates won't bother with anything less than 35% commissions, although 50% is standard and it's becoming necessary to offer as much as 75% to get attention. If your product is a front end sales funnel lead generator you can even offer 150% or more commissions, see this article for an explanation of how this works: The Sales Funnel Part 2: Generating Leads At The Front End.

In non-Internet marketing niches you may not have to offer as big a commission, but obviously the better a return for your affiliates, the more likely they will continue to promote your offer long term.

- Provide plenty of promotional tools. If possible, make it so affiliates can copy and paste the code for affiliate promotions already embedded with their affiliate ID. The easier you make it for them to promote, the more likely they will do so. Offer a range of promotional tools, like banner ads, text link ads, AdWord ads, custom articles, videos, audio, landing pages, full websites you name it!
- Create a separate email list just to keep in contact with affiliates. You
 want to keep communication open with your partners, inform them when
 new promotional tools are released and remind them of special offers to
 send to their audience. Your affiliate list will become the most important
 email list you have, second only to your customer list.
- Approach A-List partners personally. This is a crucial tip. Do NOT use template emails or impersonal mass broadcast methods to approach affiliates, especially premier partners. You must build relationships and treat partners as friends.

I talked about this in chapter one about preeminence. If you have built preeminence already, then chances are you already know and are friends with some of your key strategic partners, so it should just be a matter of asking for their help.

How To Create Your Sales Page

You would think that your final sales page - the page you use to invite people to join your membership site and make the sale - is the most critical element, but it's not. I consider everything you do **up to the point** where you release the sales letter as more important. Sales copy is powerful, I won't deny that, but I think a launch "process" is a lot more powerful.

That being said, you must have some form of sales page.

I'm not a copywriter and I'm not about to start training you on what goes into good copy because it's a huge topic and there are many qualified experts whose work you could study.

You already have the **triggers** I gave you in chapter five and if you simply must write the copy yourself, use the triggers and other people's sales pages as inspiration to create your own. Just remember there is a huge difference between an amateur sales page and a professionally written one, this is not an area to cut corners unless you have no choice.

My advice to you is hire someone to handle your copy for you, even several people to review your copy if you have the resources, rather than attempt to

produce the final product yourself. I created the **basic framework** for my copy since I know my customers well, but I would not trust my own skills alone for the final version.

I wrote the <u>sales page for Blog Mastermind</u> by brain dumping everything I knew about my program and more importantly, everything I knew about my target customer. I modeled what I wrote based on what I knew about **triggers** and other sales pages I had seen over the previous years. The end result was a very long winded mess of a sales page, but it was full of great content.

It became clear I personally wasn't capable of producing a final sales page by the launch date, so I brought in the big guns last minute and hired a copywriter. This particular person happened to be in the right place at the right time, since I had met him at a conference a couple of weeks prior and he was available for some rush work right when I needed it.

In the last 48 hours before Blog Mastermind went live, **Chris Bloor** reviewed and rewrote my copy for the first launch of <u>BlogMastermind.com</u>. He did a great job and turned my good ideas into great copy, adding ideas of his own as well. It cost me four figures to get it done, but it was worth it. I felt confident releasing my program after a professional had reviewed my copy, even if it was last minute.

My good friend **Will Swayne** from <u>Marketing-Results.com.au</u> also knows a thing or two about copy and helped out with a final brush and polish and a few modifications to my copy as required. Later for the relaunch of Blog Mastermind and then my next membership site, Will again helped with the final polish after I created the draft.

Using great copy in all aspects of your launch is a **smart thing to do** and as I did, you should be prepared to spend thousands if necessary to hire a pro to do it for you. If a good copywriter can help you make an extra \$10,000 in sales, would you not spend \$4,000 to hire them? I think so...

If you don't have a good contact for copy writing now, you need to start looking. Try the following places as starting points to find copywriters -

- Copywriting Forum (WarriorForum.com)
- Guru.com Copywriters Category
- Elance Copywriting Category

There is nothing worse than spending all your time and effort to do a great launch and then have your final sales page let you down. Good sales copy is part of a successful launch process and should not be neglected. Every piece of the launch puzzle augments the other parts, so don't neglect your copy. Good copy will **increase conversion**, it's as simple as that, so spend some time getting this part right.

The Launch Phase

Finally you reach the big day. With your prelaunch over and your sales page in place, it's time to open the floodgates and let people join your membership site.

It's a good idea before launch to **test your sales page** to establish a base conversion rate by sending Google AdWords traffic to it or by broadcasting to a small list or a segment of your list. Just split-testing three different headlines on your sales page can make a huge difference to conversion. You can also test different pricing points and other copy elements.

Not testing my sales page during my very first launch is the one major regret I have, however for every relaunch and launch since then we've tested the sales copy. You only get one launch day and it's during the first few days up to a week that the majority of traffic will hit your site, so you don't want to waste this opportunity.

During your prelaunch you should have created **anticipation** by telling people in advance the date and time of your official release (complete with a nice big countdown timer on your sales page) and reminded your affiliates when the best time to promote is.

As part of your prelaunch you may have created an "early notification" email list, which is something I did. If you promised your email subscribers or your affiliates that they will get first notice about the release of your program or the chance to join or promote before everyone else, make sure you deliver on that promise.

It's Time To Rock and Roll

Once all the emails have been sent, the sales page is ready to go, the payment systems and other technological elements have been tested and you have back-ups in place, your customer support is ready and your product order process has been tested, it's time to **open the doors**.

Your sales page goes live, your email broadcasts go out and then, finally, your first sale comes through. You can breath a sigh of relief, at least someone wants what you offer!

Hopefully the first sale is the start of a long line of sale emails you will receive over the next 24 hours and the following week. As <u>Jeff Walker</u> notes (a well known Internet product launch guru) and I also experienced with my launches, in the first 24 hours of a week long launch you should receive about **one third** of the total sales, with two more thirds coming over the next six days. There will be a **big rush** during the last 24 hours, assuming you set in place some form of limited offer to expire.

In my case for my first launch I offered a **discount period** for one week, and exactly 100 members signed up in the first 24 hours with a little over 200 more coming by the end of the week (about 70 signed up in the last 24 hours). In my relaunch I made 200 sales in the first 24 hours and almost broke 500 by the end of the week. In my most recent launch, we had 300 in the first 24 hours and almost 900 by the end of a week.

Keep Momentum Going

You must remind your affiliates to promote on opening day because it is the most critical day, followed closely by the period just before your urgency offer expires. It's a good idea to provide a template email affiliates can send so they don't have to write one if they don't have time.

After the first 24 hours of my first launch, once the first 100 students were in the program, using the materials and interacting in the forums, I produced a special behind-the-scenes, inside my membership site *sneak-peek* video, taking people inside Blog Mastermind so they could see what goes on once you join.

Continue To Demonstrate Social Proof

Once your launch begins you finally have customers, which is powerful social proof.

When people see that others are joining your site, that will compel them to do so too.

I took people through my sales page, showed them the member resources, went into the forums so they could see people had joined and were active and ended with a shot of my email inbox, showing the first 100 emails telling me of the new member sign-up sales.

You can see the sneak peak video for yourself here.

This video was a powerful **social proof** tool and was also a great promo resource I provided for affiliates to use to give to their readers. The only mistake I made (it's arguable) with the video was making it too long, but it was a great tool and released at a very timely part of the launch process.

During the launch week I continued to send out emails to my email lists, further explaining the benefits and features of my membership site, offering more free value and using more **triggers**. After each email was sent out there was another small burst of new sign-ups, so it shows that you really need to keep communication going, preferably an email each day to both your prospect list and your affiliates list during the entire launch week.

Again this is a time where **video is a powerful medium** to use to help keep communication flowing. Use it whenever it makes sense to do so, show people

inside your membership site, send out more testimonials, or teach people more strategies and techniques.

As your launch period starts to wind up, it's critical that you remind people that your limited time offer is about to expire. A large chunk of your sales will come through as the urgency pressure builds up.

If you only have 20 products left, then tell people that. If the deadline for a special bonus or a price rise is about to hit, tell people. It will feel almost like you are **printing money** as you see how people react to your emails, with each new broadcast creating a boost of sales.

Don't Forget Your New Customers

While all the crazy launch stuff is going on, don't forget that you have to **deliver** what you promised to all the people who joined. It's at this point that any leaks in your system will start to show and if anything is confusing about your sign-up process, your new customers will certainly let you know about it. Be prepared for support queries coming in at the worst time, just when you are trying to keep the pressure on during your launch.

I recommend you have **customer service staff** ready to go if you can afford it, because you don't want to be doing support when you should be finishing off your launch marketing. You also don't want to make a bad first impression to all your new customers, so keep communication fluid, regular and open at all times with your new customers.

It's absolutely **critical** that immediately after handing over their membership fee, you return to customers what you promised in your sales page. It's at this point that your new members want to indulge and enjoy what they have paid for. There is nothing more frustrating than having something not work and then having to wait for it to be fixed, just after buying it.

Return To "Normal" Life

Once the craziness of the prelaunch and launch is over you can settle down to a more normal pace of life again and get to work over-delivering great value to your new members.

Unless you do another launch or a relaunch, you will not likely experience growth at the pace you just went through during your launch and prelaunch, but there is still a lot of work to do. You have to be careful not to get too carried away with the success you have just enjoyed.

Oh, and don't forget to enjoy all the money you just made :-)

Chapter 7: How To Deal With Attrition

Once your membership site is chugging along with the first group of members, your attention moves from a focus on **marketing** during the launch phases, to serving existing members.



While you won't cease marketing altogether, it's not likely that you will ever push and work as hard as you did during the prelaunch and launch phases. Now it's time to focus on keeping your members in your program.

Monitor and Combat Attrition

There is one key metric that you have to watch carefully after launch, your **Attrition Rate**. Attrition refers to the number of people who drop out of your program, and obviously the higher your attrition, the greater the negative impact on your cashflow and profitability.

Online membership sites can suffer from high attrition, especially if you didn't clearly match the **offer** (or what your customers *perceived* as the offer) to what they received.

Other causes for a high attrition are a poor match between price and perceived value, delivering too much content causing information paralysis or not delivering enough, providing an inferior product or service to what is available elsewhere, or completely mis-aligning your offer with the market you targeted or what the market wants.

Of the people who have left my programs prematurely, the most common explanation is that they cannot **keep up** with the workload, usually accompanying a comment about how great the content is. Whether they are just being nice is up for debate, but clearly there is a need to find balance between how you over deliver on member expectations without providing so much that they can't keep up.

My members enjoy one or two new pieces of content per week but any more and they feel overwhelmed. This should not be seen as indicative of every membership site, your situation will be different. I usually provide at the very least one lesson, and a case study video or audio download each week, along with core content they have access to immediately after joining. Obviously not every member is going to feel the same, but you have to attempt to satisfy the majority and accept that you can't please all of the people, all of the time.

The only time when it is okay to overload your members is when they first join. It's right after they pay money that they will look for reassurance of a **smart investment**, and seeing lots of content at this time, is a good thing. Having content members can action and get a result with immediately is also a very good thing, as it creates a positive first experience and a sense of **progress**.

It's important that you are prepared to let certain members go, especially problem customers who suck your time, or people who are clearly not matched to what you offer. Having *some* attrition is okay and expected.

How To Reduce Attrition

You will get a feel and form assumptions for what could be the cause of attrition with your membership. Based on your assumptions and feedback from people, you can decide the best way to combat it and test different responses until you settle on an acceptable attrition rate. What is acceptable is up to you, but obviously your profit margin plays a big part in that assessment.

A common cause for attrition is the need to slowly **filter** members to find your ideal customer, and letting go of those who are not ideal.



Sometimes due to the nature of the product or service you offer and the way you market it, you attract a large quantity of people who are not quite the right target market, so you can never truly satisfy them no matter what you change. You need to **let these people go**.

However, if you also hit a lot of members who absolutely love what you provide, these are the members you want to focus on. The process becomes a case of slowly filtering until you isolate only the perfect customers for what you offer and accept that a large chunk of people will quit your program.

A possible response to a situation where there is a filtering process occurring, is to **expand your product funnel**, and focus on the core group of highly-satisfied customers you attract by selling them more or charging more.

Refine your offer so you keep **out** the type of customer not right for your membership and understand that your perfectly matched customers are willing to pay more for what you provide. You just need to figure out exactly **where the perfect customers are coming from**.

Once you know where your perfect customers come from you can focus future marketing efforts there and charge a higher price, potentially making **more profit** despite having **fewer members**.

When you get this right, you can work with a smaller group of clientele who benefit greatly from membership with you, and disqualify those who are not appropriate. This is the ideal situation to work towards, but it can take some testing and feedback to find the right fit between what you offer and how you position yourself, to attract the perfect customers.

Content Is Not the Problem

Don't assume your high attrition rate is because of poor content or product. In some cases it's not *what* you provide that is the problem, it's what members **expect** and what you stated as your **offer**, and the incongruity there, that is the real cause of attrition.

If the problem you address is even slightly misaligned with the real problem your customers come to you to solve, you will experience attrition. Sometimes you can reduce attrition simply by changing how you explain what you offer

Aligning the conversation going on in the head of your customer with what your membership site offers, is critical.

and not changing a single thing about the content or product that is delivered. Aligning the **conversation going on in the head** of your customer with what your membership site offers, is critical.

Simply increasing the price you charge could be the answer (some people won't buy if it's perceived as a "cheap" product compared to other options, because they assume cheap = poor quality), or perhaps decreasing price will work.

Perhaps taking some content out or adding new resources that combat certain sticking points will do the trick. Maybe you need to change how you deliver the content, from digital to hard copy, or perhaps offer both options at different pricing points. Or maybe you need to target a completely different target market.

The answer if you have high attrition is simple: You need to **test and change** your offer - and all aspects of your offer - until you find out what maximizes your return and satisfies your membership. The process of doing this however is not something that can happen quickly and isn't always obvious. You might need to call in third party expertise to help determine why your membership site is not working how you want it to.

In the End the Market Will Decide

The market itself plays a part too. Some markets just can't support a large membership site or are not right for the membership site model.

Don't feel bad if your membership site doesn't take off, instead, get busy testing alternative models to deliver what you offer.

Perhaps a home-study program at a one time fee will work better, or you could break up the content into multiple products and sell them individually. You don't know what will work best until you test, but at least by launching a membership site you begin the process of assessing what the market wants and how best to satisfy that desire, plus you produce content. Once you have content or a product you can sell, the rest all comes down to marketing.

How Much Attrition Should You Expect?

I can't give you a hard and fast rule for what attrition is good or bad. Some membership sites report back attrition rates as high as 50%, especially when the price is high. Based on the comments I have received from colleagues who run membership sites, I have inferred that the averages seem to float around the 10% to 30% range, with anything lower than 10% attrition considered very good.

This means, if you are only losing less than 10% of your members each month you are doing well. With ongoing marketing, most sites can bring in more members than they lose each month, but obviously it serves you well to lower your attrition as much as possible.

Generally there is a pattern when your attrition hits. Speaking with Andrew and Daryl Grant, who run a <u>How To Make Money with E-books membership site</u> priced at \$49 a month, they find if a member makes it past week 16 they will likely stay a member for the long haul. Rich Schefren's \$397 a month membership site <u>Strategic Profits</u>, has an average member lifetime of eight months, which is considered very good for such a high priced membership.

How To Counter Attrition with Ongoing Marketing

One of the best ways to beat attrition is to set up **marketing mechanisms** that bring in new members faster than you lose them. Obviously you want to work on both aspects - find out why people leave and bring on new members - but you should fix a leaking ship before you fill it up with more people.

Some membership sites work off a model that does not require members to stay in the program for very long. One such model sells an ebook as a lead generator for \$27, gives 100% of the revenue to affiliates and then upsells a certain number of the ebook buyers into a membership site.

The average member lifetime is three months, so it's like selling a product which has three payment installments. This business generates over a **million dollars** a year, which goes to show that not every membership site has to rely on current customers to survive. Sometimes using a membership site as part of a *sales funnel* that continues to bring in new people, can work too.

I covered marketing in chapter two of this report and the techniques you use to open communication channels never change. **Post launch** is a great time to test new marketing methods that you didn't try prior to launch, or continue to use what already works or any combination of new and old methods. If you can't think of marketing ideas then you are not trying hard enough, there are always new things to do.

Here are a few marketing ideas for you -

- 1. In my experience **joint ventures** are the best performing marketing method. If you can find new partners or do new promotions with existing partners, this is the quickest way to grow a membership base rapidly.
- 2. **Pay per click advertising** is something that is always available and is by far the easiest way to generate traffic quickly. Whether that traffic converts into members is a matter of optimizing your PPC ads, but this is definitely one method that every membership site owner should consider.
- 3. Consider targeting a completely **different market**. Remember what you provide can be presented to a different group of people by adjusting how you present your offer, without changing the product at all.
 - Take for example my membership site Blog Mastermind. I initially promoted specifically to the blogging market and my offer was a mentoring program and course to teach people how to make a living from blogging. I could take the same offer but instead focus on writers and present blogging (and my program) as a means to make money from what they already do for a living writing. The target market is different, but the product and offer are the same.
- 4. You can take your message **offline**. Try magazines, trade publications, newspapers, radio, television or any form of publicity you can generate in the real world.
- 5. How about an article marketing strategy or banner advertising campaign, purchasing paid reviews from blogs, or search engine optimization, traffic exchanges, building content sites/blogs, promoting to ezine newsletters or you could purchase co-registration leads.

The options are **endless**, but of course like everyone, you have a limited pool of resources and your capabilities will dictate the marketing techniques that are right for your situation.

If your budget is limited, joint ventures, publicity, SEO and content production are methods that can be implemented with little or no financial cost. It just takes time and effort.

Stabilize Your Cash Flow

At some point, hopefully sooner rather than later, you will be content with your attrition and your ongoing marketing, and can turn your attention towards providing value for your members. If your membership site is automated and the content already complete, you can sit back, relax and watch the money come in, or move on to your next project.

I doubt there is a membership site in the world that requires no ongoing maintenance, but it is certainly possible to put in place systems to make management of your site a hands-off process.

In the next section, I will teach you how to turn your membership site into a passive income machine. Here we go...

Chapter 8: Set Your Membership Site on Autopilot

The hard work is done. After a successful prelaunch and launch your membership site is operating at full steam with lots of customers.

You watch your attrition rate, test and tweak your marketing, and continue to monitor feedback from your members so you can determine how best to meet their needs.

Depending on what you offer, whether it is education, physical product, software, news content, audio, video, intellectual



property... anything, and whether you prepared in advance or you are creating what you provide *on the fly*, dictates how much ongoing maintenance you have to do.

Obviously no one wants to work forever, so you need to consider an exit strategy or set up an automation process so you can separate yourself from your membership site. If your exit strategy is to **sell your membership site**, you will attract a larger price if your membership site is *automated*, so really, unless you need to sell urgently, you should be thinking about how to automate.

A Five-Step Profit Automation Process

The following box contains the five-step process, presented in order of priority, that you go through during the post launch of your membership site, to make a ton of money on autopilot.

Your goals must be met in order of priority -

- 1. Focus on a successful launch
- 2. Minimize attrition
- 3. Automate your value delivery system
- 4. Automate your marketing
- 5. Move on to other projects and/or sell your membership site

We have looked at steps 1 and 2 in previous chapters, now we will look at the remaining steps to complete the picture.

You Need To Systematize Your Operations

Every membership site, no matter the offer, can be systematized to a degree.

In some cases you can make use of **automated computer processes** to handle aspects of your membership site, for example setting up <u>email autoresponders</u> to distribute content in a sequence at predefined times. Other aspects of your membership site may require humans to take over certain roles in order for you to remove yourself from operations.

I make use of both automation through **technology** and **outsourcing** to people.

My membership sites provide training, which usually involves email delivery of the main content in an ordered sequence. I structure my courses to go over six months and deliver content on a weekly basis, using an email autoresponder "follow-up" as the automation. This just means that software automatically sends the emails for me based on a time sequence I specify.

The great thing about using my method is you only need to create the first piece of content. You can then add more content as your members progress and once the first run of your program is done, you have a complete membership site which you can then relaunch and have a new group of members go through automatically. The email autoresponder delivers the value on **auto-pilot**, so your site content delivery can run completely hands-off, if you structure it right.

Some programs keep going with no end date, in which case you may need to find a way to keep fresh content coming without you providing the content, unless you want the job to last forever. Bear in mind too, that if new materials stop coming then your members will quit when they reach the end, so you need to continue to find new members to keep **cash flow stable** or find a way to keep fresh content coming indefinitely.

Depending on what you provide to members, you could bring on other people to produce content or product for you, but if your content is based on some form of *intellectual property* - skills and knowledge that can only be acquired through study and experience - you may need to search for a while to find someone **qualified**. You don't want the quality of your membership site content to drop, thus increasing attrition, because you hire people who can't deliver a high standard to satisfy your members.

I Work Hard, But Only For A Short Time

My system, which has proven extremely profitable, and I'll explain why in a moment, does require some "heavy lifting" early on. I usually provide much of the content for my membership sites myself, choosing to work hard for a short period of time to produce really **powerful** and **timeless** content.

Once enough content is in place, my workload drops significantly and I have a complete membership site that can continue to take on new members. The relationship between time and money suddenly skews very much in my favor: I make a lot of money and don't have to work much at all.

Create Once Sell Again and Again

The great thing about my strategy, once content is created it doesn't stop **providing value**, even as you work on new projects.

If you choose, you can remove yourself completely from your membership site, but I prefer to interact with my members so I can monitor feedback and maintain a strong awareness of what my customers want. I do this by actively participating in member forums and hosting question and answer group teleconferences.

The great thing about my strategy, once content is created it doesn't stop **providing value**, even as you work on new projects. You can slowly build on your previous efforts to the point where you are financially secure.

My first membership site still brings in **six figures** a year but I barely do anything to keep it running now. This is an outcome that is possible for you too, if you just follow the system I have laid out for you in this report.

Learn How To Outsource

I have a friend, **Marc Lindsay**, who runs the <u>PLRPro.com</u> membership site. PLRPro provides people with niche website packages, complete with 440 fresh private label rights articles each month, website templates and keyword research. You take what they provide, set up websites each month and hopefully make a profit. In this case the offer never ends and the niche website packages keep coming to the exclusive membership (they cap how many members they accept to keep the value preposition high).

In order to make this offer work, Marc and his partner had to set up a content creation system to produce the articles, templates and additional resources they provide to members each month. It would not have been feasible for them to create this content by themselves month after month.

The solution in this case was a team of **overseas contractors** who write the content. Marc and his staff compile the content into the niche website packages and provide them to their membership. They leverage outsourcing to deliver ongoing value. As a result, once the system was established, they could focus on marketing knowing that they could provide near limitless content and value to their membership.

Outsourcing is always an option and depending on your cashflow situation and profit margin, may be the ideal solution to automate your membership site, especially if what you provide as value to your membership is something that can be produced easily by other people.

In my case I brought on several key contractors to meet technology and content management needs. I also asked other bloggers like Daniel Scocco from DailyBlogTips and Alborz Fallah from CarAdvice.com.au, people with similar skills to my own who could help train my members, to come on board as mentors to provide content and support in the private member forums.

Bringing people on to help didn't completely sever me from the program, I still had to provide the "meat" of the training materials, but it did significantly reduce the amount of time I have to commit to keeping the site going. Of course hiring help also takes a chunk from your profit margin too, so you have to balance outsourcing costs against income.

How to Find People to Help You

Most membership sites cannot be automated without the assistance of other humans and as with all businesses, the **quality** of the people you work with will dictate your success.

I sourced people from within my circle of contacts and I recommend as a first step that you also look within your sphere of influence. Many people locate staff and outsourcers by simply sending an email to their own list or making a post to their blog. These people who know you, know your products too, and it's often easier to find the right people from within your existing circle because they already have a relationship with you.

If searching your contacts doesn't work, take a look at freelancing hubs like <u>Guru.com</u>, <u>Elance.com</u>, <u>Freelance Switch</u>, or by posting in forums like <u>Sitepoint</u> and <u>Digital Point</u>.

How To Automate Your Marketing

Once you systematize the creation and maintenance of your membership site, you can spend time automating the marketing process. If you can automate both the value you offer through systematization and outsourcing, and also the marketing processes you use to bring in new members, you effectively have a **money making machine**, which has a high resale value or can simply be an ongoing profit-center for you.

The most common way I know of in today's Internet marketing world to automate marketing is to strategically insert **promotions** into **automated process**. This can be email autoresponders, landing pages, thank you pages, packaging your free product as bonuses in other people's products - essentially back-ending your free value into the funnel of another related business (incentivised with referral commissions, by doing contra deals or made possible by leveraging relationships).

Here are some examples:

• Find complimentary businesses with email newsletters and provide them with email copy to insert into their sequence that promotes your membership site or a free lead-generation product that can be given away.

This allows other list owners to offer free value to their subscribers and also generates an affiliate commission on any sales they make into your membership site. Once the emails are in the sequence, and provided the marketer continues to capture new leads into their list, you might just have a steady source of new members. Then repeat the process with more

email list owners.

- Set up pay per click (PPC) advertising campaigns to drive traffic to a namesqueeze page that offers free value and then slowly soft sell your membership site. This process, once established, can work on autopilot as long as you have someone monitoring your PPC campaign and tweaking keywords to keep the traffic coming.
- Purchase co-registration leads to bring people into your marketing process. This is another way to drive traffic, but obviously you have to know your numbers to make this work (just like PPC). If you know what the value is of one person coming into your marketing process, then you know how much you can spend on co-registration leads. Once you tweak the process, switch the traffic on and watch the members come.
- Locate other information marketers and ask them to distribute your free resource as a bonus in their package, with their affiliate link embedded so they earn commissions for any down the line sales. You can apply the same technique to the thank you pages and confirmation pages of other marketers, offering your resource to their customers, again incentivised with affiliate commissions.
- You always have the option of standard online advertising methods, like purchasing banners on websites, paid reviews from blogs, RSS feed advertising and ezine advertising, just to name a few. These methods require testing before you find a good return on investment, but if you find the right target market that converts well, keep your campaign running for as long as it is profitable.

Completing just the five suggestions above should keep you very busy. Most likely you will focus on **one or two marketing channels** initially because it can take some time to get the numbers to work in your favor. Once you have dependable sources of new leads and your membership is growing faster than your attrition rate, your job is done...if you want it to be.

In truth there is always more marketing that can be done, there are always new markets to tap, you can continue to work on providing value to your members to reduce attrition, find new JV partners, do a relaunch - the options are limitless.

What you decide to do once you have successfully created a cash cow membership site is up to you. If you have decided you want to exit the market completely by **selling your membership site**, then read the next chapter, it could result in you making more money than you have ever dreamed possible.

Chapter 9: Selling Your Membership Site

Selling your membership site is a real option and worth considering as an exit strategy.

Consider this, a business usually sells for somewhere between one and ten years net profit. Online businesses can sell for similar multiples. I have made well over \$150,000 buying and selling websites, so I know how realistic this opportunity is.



If you can build a membership site with just 100 members, each paying \$99, then you have an income source of over **\$100,000** a year. If your membership site is stable, in other words the income has been consistent for a year or two - and you learned how to do this in the previous chapters (make sure your attrition rate is lower than the number of new members you get joining your site thanks to ongoing marketing) - then you have a very valuable and **sellable** asset.

If your membership site makes \$100,000 annually then you could sell it for \$300,000 comfortably, or even as much as over **half a million dollars** if your site is stable and automated. If your site makes \$250,000, and that is just 250 members paying \$99/m or 500 members paying \$49/m (with room for expenses), then you have an asset you can sell for a **million dollars**.

Launching a successful membership site has to be one of the most straight forward methods for becoming a **millionaire** thanks to the Internet that I know of today.

Now let's take a look at the process of selling a membership site...

Preparing Your Site for Sale

I have not personally sold my membership sites as I write this, though I have considered it and if the right offer came along I would do so. I have purchased and sold several sites over the past seven years, including selling one website for over \$100,000, so I know the process very well.

Selling a membership site is no different from selling any form of web property. Buyers are interested in the same metrics and the more you can do to present your site in a good light, the more money you will make.

If you have ever taken an interest in buying businesses in the real world (bricks and mortar) you might be quite surprised when you head online and investigate the web property marketplace. Web property can be very **under priced** when compared to their real world counterparts. This might be because the whole idea of buying and selling websites is very new, or it could be because of the virtual nature of the asset. Whatever the reason, your job when selling your membership site, if you want to get a high price, is to prepare a **strategic approach** to maximize the final selling price.

Here is a list of the **metrics** you should collect and provide in a concise document, which you can give to potential buyers who demonstrate serious interest in your site.

- 1. Revenue How much raw money your membership site generates each month. Provide data for as far back as you can. If you can demonstrate regular income over a long period and a positive growth curve, you will get more for your site. Also be sure to show exactly where revenue comes from, so if you have different membership levels, break down how many members are in each level and how much money is generated. The more specific you are the better.
- 2. **Profit** Revenue is usually the most important metric, but buyers want to know how much profit there is at the end too. In particular, if you can break down the exact source of expenses, potential buyers can determine whether they will be able to reduce the costs after taking over the site and thus calculate potential profits if they become the new owner.
 - For example, if a buyer already has a dedicated server for hosting, they could move the site to their servers and remove the hosting cost component of the expense figures, thus increasing the potential profit. If they don't know the source of expenses, then they can't do calculations like that, which could impact the final selling price of your membership site.
- 3. If you treat your membership site like a business then you have accounting records. If you can generate a profit and loss statement for at least the previous year, and a version broken down month by month, then you have the ideal documents to show potential buyers all the details they need to know about revenues, expenses and profits.

Warning: Don't disclose this data to just anyone, make sure they demonstrate their seriousness and ability to source the funds to buy your site. Don't put your profit and loss statements into a document you release to the general public, just reveal summary figures and save the details for the serious potential buyers.

4. **Traffic Statistics** - Buyers want to know how much traffic your membership site gets, including unique visitors, page impressions, traffic sources, traffic trend data, country breakdown, how much bandwidth the site consumes and various other website data.

The best way to provide most of this information is to use the <u>Google Analytics</u> service and print out reports and screenshots. Google Analytics has become the de-facto standard for web stats and buyers trust the data because it is from a third party. You can also provide data from your server logs and statistic packages like <u>AWstats</u>, <u>Webalizer</u> or any stats package currently on your server.

5. Source of new members and conversion data - Since your site is a membership site, how much traffic you get won't matter as much as how you source traffic and what conversion rate you get. You need to break down exactly how you attract new members, how many members convert from a given amount of traffic by source, and if possible, how long on average members stay in your program given each source of traffic.

It's possible to get quite detailed when collecting data on traffic and conversion and as always, the more information you can provide the better. As a bear minimum, include how you drive traffic to your membership site (the marketing techniques you have implemented) and an average number of conversions per 1,000 visitors.

- 6. How much work is required to manage your site Buyers want to know how automated your membership site is and whether there are people and/or systems in place to run the site. It's important to talk about how many daily/weekly hours is required from the owner in order to keep the site running and what exactly needs to be done. A buyer needs to consider whether they can do what is required, whether they are prepared to invest the time, and how easy it would be to hire someone to perform the roles for them.
- 7. Attrition Rate How long, on average, a person stays a member of your site is a really important metric although what buyers want to know is the *lifetime customer value*, not necessarily a time period members stay in your program. If you have a well developed membership site, perhaps with different priced levels of membership that you move people through (a *sales funnel*), you can ramp up the lifetime value of each customer. This is an area where experienced Internet marketers shine. Your resources and data collection practices will dictate how much information on attrition and customer value you can provide.

The above seven points represent the main metrics buyers care about, however there is a lot more information you can provide if necessary. If your website is

well established and brings in more than six figures a year, expect smart buyers to want a lot of detailed information. They need to be sure they know what they are buying, especially if they are going to spend tens or hundreds of thousands of dollars.

Provide Documented Proof

For websites valued over **\$10,000** (I will explain how to determine a price in a moment) I would suggest compiling a PDF report of about 10-20 pages detailing all the information you can provide about the site, including answers to all of the points listed above. The more detail you put into this report, the less back and forward explaining you will have to do with buyers. However you don't want the document to get too long either, be *brief* yet **comprehensive**.

Offering a concise report will increase how much you get for your site, because you can explain the benefits and lay things out clearly so buyers understand what they are potentially investing in. Make use of **graphs** and **spreadsheet data** whenever possible and include screenshots and images to enhance the presentation.

The report is the main selling tool you have, so don't put in a poor effort or you will leave money on the table. For sites that could go for six or even seven figures expect a **due diligence** process to occur. The more you expect to get, the longer, in general, you will have to spend demonstrating your site is indeed as good as you claim it is.

Where to Find Buyers

In my experience the best way to source a buyer for a website is to use your **existing network**. Most of the sites I have sold went to people who just came along at the right time, I knew through somebody else, or came in response to a notice posted to the site explaining it is for sale. You will be amazed once you decide to sell, how the right people just tend to show up.

If you don't have an existing network in place you can use online services that specialize in selling sites. Here are some of the most popular -

The <u>Sitepoint Marketplace</u> is the number one place to sell websites and they cater to sites of all sizes (I can spend hours browsing this site for bargains!). I've seen sites go for as much as six figures at Sitepoint (possibly even more behind the scenes) and there are hundreds of buyers. If someone doesn't buy your site directly from Sitepoint, chances are the exposure alone will connect you with the right person. The listing fee for a Sitepoint website auction is \$20 US at the time of writing.

- <u>Digitalpoint forums</u> is not as well structured for selling sites as Sitepoint and the quality of sites listed there is not as high, but the traffic is right up there, so it's worth advertising at Digitalpoint too.
- Websitebroker.com only recently came to my attention but there seems to be some action there, so it's worth trying.
- <u>DNForum</u> focuses on buying and selling domain names, but they have a section for developed websites as well.
- <u>Tidget</u> doesn't have a lot of listings, but there is enough happening there to at least take a look.
- <u>Sedo</u> also focuses on domain name trading, but there are areas for selling complete websites too.
- NamePros is another webmaster focused forum that has lots of activity, but only a small section for buying and selling, and the focus is again on domain names.
- <u>BuySellWebsite</u> certainly has an appropriate name and contains quite a variety of sites for sale, however it costs \$59 minimum to list your site. They also have an appraisal service, which isn't cheap (\$449 minimum) but might help increase the final sale price of your site.
- <u>DealASite</u> doesn't have the greatest navigation system and seems to have a lot of low quality sites not attracting bids, however there are enough listings there to give the impression that the site is well trafficked.
- There's always <u>eBay</u> as an option too, which certainly has a ton of traffic, but doesn't have the best reputation for finding serious buyers since a lot of the sites sold on eBay are junky templates with no traffic.

Sitepoint in my opinion stands above the other options as the best site to get maximum exposure, however I am biased since most of my trading has gone at Sitepoint or through private deals.

The forum based marketplaces are generally a more relaxed environment, however every site above can deliver **attention** to your sale, which is ultimately what you are really after. You may not sell your site via any of the sites above directly, but they can connect you with a buyer eventually, if your membership site offers clear value.

Another reason to browse the above marketplaces is to review how other people structure their offers. See what information they provide, how the bidding process works, what questions buyers ask, the price sites sell for, and you will develop a good grasp of how site trading works.

Hire A Broker To Sell Your Site

Another option is to work with a broker, however you have to know one to begin with.

If you can't locate a broker through your own network of contacts, you can seek them out via the sites listed above. Most of the sites, like Sitepoint and Digitalpoint are forums, so you can simply ask if any website brokers are available to help you by posting a new thread.

You may locate a broker by seeking out people who were involved in recent sales and ask if they **broker deals or used a broker** or know of anyone who does. Often there are a few people who tend to be involved with multiple deals, and just asking around will get you in touch with the broker.

How To Determine What Your Membership Site Is Worth

This is the golden question - how much is your membership site worth?

I'll open with a disclaimer you will hear from anyone who attempts to appraise a site -

You can never be entirely certain how much a site is worth because there are hundreds of variables involved. Ultimately you only get what someone is willing to pay.

Knowing the above, you can see why presenting a **concise report** is so helpful at increasing the final sale price you attract for your site. The more you can do to remove any *ambiguity* about your site and promote the benefits of owning your site, the more buyers will be interested. If enough buyers show interest a **bidding war** could ensue, forcing the final sale price even higher.

Generally the metrics I listed previously in this chapter will help determine a price range that your site should go for, and in particular, the revenue, profit, growth curve, potential for future growth, traffic sources and maintenance requirements, are the key indicators.

To give you a very broad range, websites have sold for as little as one or two months worth of revenue to as much as ten to twenty times yearly profit. However you will usually find most sites in a marketplace like Sitepoint will go for between **eight and twelve month's worth of revenue**.

If you build a solid membership site and it appears the wheels aren't falling off it (your attrition rate isn't too high and you have new members coming in) you should expect as high as five years profit and no lower than two years profit as a realistic price range.

For example, if your site generates \$10,000 a month in revenue, with a profit margin of \$6,000, then the yearly profit is \$72,000, which should sell for around \$144,000 to \$360,000 (roughly speaking).

If your site generates \$25,000 a month, with a profit margin of \$18,000 a month, that is \$216,000 a year. This site will sell for between \$432,000 and \$1,080,000 (roughly speaking) - not a bad chunk of change!



Bearing in mind how well automated and how dependent your site is on you for sustainability, is a critical factor. If the site falls apart without your expertise then you shouldn't expect as much for it. If it operates like a automatic money printing machine, seek a higher price.

Conclusion: See The Big Picture

Congratulations, you've reached the end of my report on how to launch your own **profitable membership site**.

By going through each chapter of this document you now have a clear perception of the "big picture" of how a membership comes into existence as an idea, turns into reality as a profitable business and can end with a big final cash sale, if you choose to exit that way.

I wrote the first draft of this report by drawing on my experience with my first membership site, <u>Blog Mastermind</u>. I've since gone on to conduct another membership site launch, two closing down promotions, and a membership site relaunch. With each new experience, my understanding and confidence in the process grows stronger, and my **profit** increases too.

As I type this, my most recent membership site (co-created with Gideon Shalwick), Become A Blogger Premium, has just completed a closing down promotion. The site now has well over **1,000** members and will generate over \$200,000 in only six months time. It could break half a million dollars in one year, which only a few years ago would be a dream to me.

Since then I watched one of my students, **Daniel Scocco**, launch a membership site and attract 200 members at just under \$50/m each, in under a week. That's already **\$10,000 a month** and Daniel only did a very small launch. I know he's going to make much more money in the future.

I hope you are inspired by these numbers. Your initial goal should be to launch your first site and get to \$10,000 a month, which should equate to a nice six

figure a year income for you, after expenses. This is a **realistic outcome** for your first launch, if you just follow the steps I've laid out for you in this report.

Focus On Your Strengths

My membership sites leverage my **expertise** and ability to produce content to teach students who want to replicate what I have done with blogs. This type of *expert-driven* content model is fantastic for any person who knows a specific subject matter and has experience and preeminence to back it up.

If you don't have expertise or you want to base your membership site on a different value proposition, most of what I explained in this report is still relevant and just as powerful.

Don't underestimate the potential of a **strategically planned** and **implemented** membership site launch.

You don't have to be the best at what you do, you only need to know enough so you can offer value to people who would like to learn from you.

Who is the "best" is subjective, know more than your members know, and teach them.

Your job now is to choose what product or service you are going to offer, plan your launch, strategize how you will generate traffic and deliver your value and then just get to work executing. It can be a long and intensive process, but the end result is a solid business that produces ongoing value for you, both financially and intrinsically.

Would You Like To Work With Me To Plan And Launch Your Membership Site?

I didn't hold anything back in this report. I've given you all the pieces to complete the puzzle, and I hope you get out there and make a **ton of money** from your own membership sites.

There are many layers to all fields of study, and there is always more you can learn. My system for launching membership sites is reasonably straight forward, however I realize everyone is coming at this from a **different place** and some require more help.

If you are motivated to build a membership site, like the system I've presented to you in this report, want more training and resources to help finally realize success online with the best business model there is today, and would like help from me on a more **personal level**, then I offer you exclusive support in my *six week* coaching program.



The course is called Membership Site Mastermind and includes the following -

- Six core modules detailing each step of my membership site system, including:
 - How to pick a topic and establish preeminence
 - How to get traffic to your membership site and build an email list ready for launch
 - What technical components are required to host your membership site
 - What people resources you need to recruit, how to find them and when is the right time to hire them
 - How to produce content for your membership site and how much content you need before you should launch
 - How much to charge for your membership site
 - How to conduct a complete "launch process", including prelaunch, opening week and post launch
 - How to find joint venture partners and affiliates
 - How to take payments and process transactions online
 - and much more...

Peek "Under The Hood" of a Successful Membership Site

If you love case studies, by far the biggest benefit of my course is that I take you **behind the scenes** of everything I did to launch my first membership site, Blog Mastermind.

I tell you **who I hired**, what **technical components** I used, how I **marketed** my site, how I dealt with **attrition** and even give you the exact sequence of emails I sent during prelaunch and launch, including a strategic discussion of each email, that resulted in me making **\$15,000** in sales in one week and over **\$100,000** over the next 12 months.

If you ever wanted the insider scoop from a real profitable membership site, broken down into easy to follow steps and presented in a clear and straight to the point practical breakdown, **this is THE course for you.**

Plus, if you're already a fan of my work, like the style of this report and find how I teach effective for you, you will love <u>Membership Site Mastermind</u>. Click the link below for more details and to sign up -

www.membershipsitemastermind.com/signup/

What Do You Get?

The **core six modules** are released one per week, for six weeks. Each module contains -

- A two hour video presentation broken down into four parts to make it easier for you to "chunk" the training into small bursts of 30 minutes each.
- Each presentation is 100% content from me (you will see me talking to you in the video) as I walk you through a presentation, including live demonstrations from my desktop and inside my membership site.
- The videos are available to stream online as Camtasia presentations, which work on Windows or Mac computers, or you can download the raw video files to watch on your computer or portable device like an iphone or ipod if you don't have a good Internet connection.
- Edited transcripts (not just raw transcripts these have been edited so they are easier to read) of each video presentation are provided for those of you prefer to read, plus audio-only MP3s are available so you can listen on the run, during exercise, on public transport or driving in the car.
- Each module also contains an action-focused task sheet in printable PDF, again produced entirely by me, which are 10 to 20 pages of activities you need to do to get real outcomes. The task sheets are very specific and give you a strategic breakdown and practical instructions on what you need to get done and how to get it done.
- Five bonus audio interviews with experts who have successfully launched membership sites. Topics include -
 - How to go from zero to a profitable membership site in only 3 weeks! (Marc Lindsay from PLRPro.com)
 - The top 8 mistakes most people make when planning a membership site and how to avoid them (*Daryl Grant from AndrewandDaryl.com*)

- How to choose the right **technology** to run your membership site (*Tony Clark from TeachingSells.com*)
- How to outsource the creation of content for your membership site (West Loh from MoneyMindset.com)
- A step-by-step breakdown of a six figure launch week (Gideon Shalwick from BecomeABlogger.com)
- A 96-page document I wrote from scratch just for this course full of pure GOLD. I'm not exaggerating here, this took me quite some time to put together for you, but it was worth it - I'm very proud of this resource.
 - I provide you with **every single email** I used during my first successful membership site launch campaign 35 emails in total but not just the email, I also break down the **strategy** behind the email, including **why I sent it** at that specific time. You can use this document to plan your email launch sequence, or even copy my emails if you want to.
- Specifically for Membership Site Mastermind members, I had five unique blog templates created for the Wordpress blog platform, which are designed to focus specifically on capturing the email opt-in, so you can use your blog to begin building your email list in preparation to launch your membership site.
- If you like direct contact with a coach and mentor, then you will love the live weekly teleconferences I personally conduct, one for each module of the course over the six weeks. This is your chance to speak to me directly during the call and to ask any questions you have about your membership site.
- I also give you access to my **private forums** that are only for my paying coaching students. This is a great opportunity to network, support and get help from a group of people who are motivated to succeed online. There is a team of mentors, including myself, who spend time every day responding to questions. This is another way to get in touch with me that only my elite coaching students have access to, 24 hours a day.

To join or for more information, go here -

www.membershipsitemastermind.com/signup/

How Much Time And Work Is Required?

I understand you are considering taking my course **in conjunction** with other work or commitments you have going on in your life. My course is NOT intended

to take over your life like a full time job. You can definitely work my strategies **part time**, on the side of your job or business, and personal life.

<u>Membership Site Mastermind</u> is the most **straight forward** course I have ever created. As long as you watch, read or listen to one two hour module a week and address the tasks in the task sheet document, you will get results with this program.

The majority of your time won't be spent studying my course, it will go into creating the **right conditions** to launch your membership site. This can happen very quickly if you put in the time, or you can space it out between your current commitments.

Set aside a few hours a week for concentrated effort and you will get results. How fast you get there is entirely up to you, but I can promise you will have the **exact steps to build your own \$100,000 membership site** by the end of the six week program.

www.membershipsitemastermind.com/signup/

Do You Need To Be A Tech Person Or Have Certain Skills To Succeed?

I don't presume you have much more than a **basic understanding** of the Internet. As long as you can read email, click links, watch videos and know the basics of Internet browsing, you can do my course.

You will need to create a membership site and use different scripts and programs to make it work, but this is not something I expect you do yourself, nor is it something I teach you in the program.

I will explain WHAT programs and scripts you can use, but I'm not teaching how to use each and every program, as that would be hours and hours of content and information you **don't need to know** in order to succeed. Let tech people handle the tech work while you focus on implementing your strategy.

You should be prepared to **outsource** to a person who is good with technology. This person can set up all the programs for you, it won't cost much more than a couple of hundred dollars and I'll show you exactly how to find them so you don't have to worry.

It's critical you learn how to depend on **other people's skills**, so unless you are a very technical person already, I emphasize the need to find people to help. As I will reveal to you in the course, I had a very small team of contractors help me launch my site, and I will show you how I found and selected them.

My system is **deliberately simple**, so you don't need much technology, and once you have everything up and running it will operate on autopilot.

What Costs Are Involved?

Beyond the cost of my course you need to set aside some money to pay for a few basic services.

An email autoresponder will cost you about \$20 a month and hosting about the same. You should also set aside a few hundred dollars to pay for scripts and outsourcers who will set everything up for you.

These costs will be recouped once you have your first five members, so this is definitely not going to break the bank to get up and running. As I said, it's simple, and that makes it **affordable** too.

When Does It Start?

Membership Site Mastermind is a six week course. You can check this page for the date when the next program begins -

www.membershipsitemastermind.com/signup/

Make sure you mark the dates in your calendar as the window to take the course is open only for a week, after which I shut the doors and begin teaching.

Good luck!



That's it from me. I hope you enjoyed the **Membership Site Masterplan** and now have a much greater sense of clarity regarding how people successfully launch and profit from online membership sites.

From here on it's up to you. If you decide to join my coaching course, that's great and I look forward to working with you very soon. If not, don't let go of the dream and keep striving towards your goals - you will get there.

Here's to your membership site success,

Yaro Starak MembershipSiteMastermind.com