<u>The Membership Site Formula</u>

By Tim Carter

**Learn exactly how I created a compelling PLR membership offer
that has an average retention rate of 18 months.**

**25% of my membership has been paying monthly for almost four years.
You can duplicate this formula.**

Disclaimer :

This information is derived from my own experience in creating and marketing membership sites. This is not a guarantee that you will have similar results by following these steps. Your results are not guaranteed in any way. Your results wll depend solely on the effirts that you put forth in product research, creation and marketing.

The author makes no guarantees as to your earnings, nor any other guarantees what so ever.

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Introduction

A little about me.

My name is Tim Carter. I have been a full time internet marketer since May 2005.

Before I started internet marketing I was a computer programmer and systems analyst earning a six figure income.

One day the company I had been working for for seventeen years decided to downsize. I got the silver handshake and I was out of a job. (Silver handshake = a butt load of money – but not enough to maintain my lifestyle for very long. IE – I had to find another way to make income.)

Okay – so I thought to myself - "Self it is time to try something completely different." So I uprooted my family and moved from Calgary Alberta Canada to small town Alberta and bought a video store. This was January 2002.

Well – let's just say that by the time 2005 rolled around I was sick to death of this! Dealing with employees and difficult customers, long hours, payroll, and all that crap. I needed to find another way to make money!

So I remembered I was a member of the Warriors when I first started looking into this in 1992. There wasn't even a forum at the time. But I knew there was a goldmine there so I checked it out – and low and behold there was a forum. (Note – *makesmiles, twocolor*. If you know what that means you have been around the Warriors at least as long as me).

So I started internet marketing in May 2005 and haven't looked back since. I got straight to work and made $14,000 in my first month! Not many people do this. Now don't get me wrong; this didn't continue. I had some struggles along the way to keep a steady income coming in.

Then in 2007 I decided to open a membership site. I have been making a consistent full time recurring income off of this site and others since that time.

What you will learn in this report.

This report has been written to give you a proven plan for starting a successful membership site.

The fact is that most people get this completely wrong! At one time it was pretty easy to get a membership site going. However everyone is jumping on the bandwagon, and they are almost all making the same mistake.

I will reveal the secrets to success for membership sites throughout this report.

Okay – so let's get to the details!

Part One – Membership Site Paramaters and Target Market.

Although you can create a membership site for any market that has a continual need for information, this report is going to concentrate on one type of site. The type of site we are going to discuss and study is a **Private Label Rights** digital product site. From this point forward we will refer to private label rights as PLR.

There is a great demand for private label products. After all, this is the shortcut to creating your own product to sell. The problem is that most people that open PLR membership sites are doing it all wrong! But we'll get to that in a little while....

In order to understand how to set up one of these sites properly we need to have a discussion about the different types of rights that products can have.

It is essentail that you understand what the different rights are and how they work. It is equally important that your members understand these rights. To convey this you will supply a rights file with all of your products that explains the rights that your members have. Here is an example of a rights file:

Set Up Your Own Hosting Service

PLR + Resale Rights Version
You Have The Following Rights:

Rights:

You Have Private Label and BASIC RESALE rights.
[YES] May be changed or branded with your own name
[YES] May be added to PAID membership sites
[YES] May be packaged with other PAID products
[YES] May be offered as a bonus with other PAID products
[NO] May be given away free
[NO] May be added to FREE membership sites
[YES] May sell personal use rights
[NO] May sell plr rights
[NO] May sell master resale rights
[NO] May sell resale rights
[YES] May Resell on auction sites within the pricing guidelines.
[YES] Will receive a sales page with graphics. and PSD Files (changeable format).
[YES] Will receive video files in an editable format. (AVI) as well as flash.
[NO] May claim copyright

** Pricing guidelines for resale rights version..
Minimum selling price - $17.
If adding to a membership site the minimum monthly subscription price must be $17. You may only sell personal use rights to your customers. If you want to be able to pass on resale rights to your customers you must be a member of Video PLR Monthly.

Suggested Retail price - $27

<u>Rights Explained.</u>

Here I will break down the different kinds of rights a product can have.

- **Personal use rights**. This is just what it sounds like. When someone purchases personal use rights **they have no right to sell the information** or give it away. It is only for their own personal use.

- **Basic Resale Rights**. When someone purchases basic resale rights they can use it for their own personal use. **They can also sell personal use rights to their customers.** They have no rights to claim ownership or change the product in any way. You should supply this product in a non editable format like a secured PDF.

- **Master Resale Rights (non transferable).** When someone purchases non transferable master resale rights they can use it for their own personal use. **They can also sell basic resale rights to their customers. Thier customers can only sell personal use rights to their customers.** They have no rights to claim ownership or change the product in any way. You should supply this product in a non editable format like a secured PDF.

- **Master Resale Rights (transferable).** When someone purchases transferable master resale rights they can use it for their own personal use. **They can also sell master resale rights to their customers. Thier customers can also sell basic resale rights or master resale rights to their customers.** They have no rights to claim ownership or change the product in any way. You should supply this product in a non editable format like a secured PDF.

- **Private Label Rights** – There are two types of PLR rights – restricted and unrestricted. You need to create a rights file to explain the rights beneath the PLR rights umbrella.

  - **Unrestricted PLR Rights**. - Just like it sounds. You are offering someone the rights to label the product with their information and then they can do whatever they want with it, such as give it away, sell plr, master resale rights or any combination they want.

  - **Restricted PLR Rights** - You are offering someone the rights to label the product with their information. You can then assign any of the above rights in the rights file. This is the most profitable type of PLR to offer in a membership site.

You shold now understand how product rights work.

Membership Site Paramaters

Okay – here is the secret to creating a membership site that will have long term profit potential Most people that start a new PLR membership site are doing it all wrong! First let's go over the typical path that people follow when setting up a new membership site.

1. Obtain the rights to a bunch of PLR products.
2. Create a platform to deliver these items. (membership site).
3. Try to sell a bundle to people seeking plr products on a subscription basis.
4. Repeat this process every month.

Although this sounds like a good plan to follow it is quite flawed. In the past this was quite doable, however there are now big PLR sites out there you have to try and compete with. They are well established and usually on page one of Google. They have established reputations and credability. If you are new to this you have a huge up-hill battle!

So here is the solution.

You must make those PLR and Resale Rights site owners your customers. This is how I have remained successful and kept customers long term.

I have two membership sites running right now providing products mostly to membership site owners.

My first site has been up and running since May 2007. The membership is 75% full (maximum 200 members). Twenty five percent of my customers have been paying me since it opened. Most of the remaining members have been with me for over eighteen months.

My second site has been open since February 2010. Ninety percent of my members have been paying me for one year.

So that is the difference between targeting the end user and membership site owners. You will hear chatter on boards like the Warrior forum indicating an average stick rate for a subscriber at two to three months. This is the typical experience for membership site owners.

Now you must be wondering how you can target the membership site owners. I'm sure you are getting the picture as you read this sentence. **The secret is – you have to create**

your own products or have them created for you. Now don't freak out. This is not as hard as most people think it is. We will go over that in the next section.

Part Two – Product Creation

Types of products to create.

Let's talk about the types of products you can create. First of all, if you have never created a product before don't freak out. It is a lot easier than you think. You just have to take it step by step. It really is as easy as one, two, three. We will get to product creation in the next section. For now lets talk about the types of products you can create.

You can create:
- An Ebook
- An Audio Product
- A Video Product
- A combination of the above
- Graphics
- Email autoresponder sequences for niches
- Websites
- Blogger or Wordpress Themes
- Many others – use your imagination!

As you can see there are many different product types you can create. This is not by any means a complete list, but it should be enough to get you thinking about the possibilities.

The product creation process

Creating a digital product is not difficult when you take it step by step. By following a proven process you can create a prduct in a short time that will have people lining up to purchase them. Here are the basic steps to the product creation process. We will expand upon these steps a bit later. Let's just get them on paper first.

Product creation steps:
- Find what people are looking for information about
- Research and find information about this subject
- Create an outline
- Create the product from the outline.

That;s it! When you take it step by step it simplifies what appears to be a daunting task

into bite sized pieces that are easy to get your head around. Now let's expand upon these steps.

Step One – Find what people want information about.

This is the most important part of the product creation process. If you do this part wrong then you have absolutely no chance of making any money.

You better be sure that you are providing information people want and are willing to pay for. Fortunately there is an easy way to do this. All you have to do is check authority sites and forums and find out what people are asking questions about. This is true for any niche, but in this report we are talking specifically about the "make money" niche, so my first stop is always the Warrior Forum. Have a look at the questions being asked in the main forum when I brought up the page:

Now all you have to do is go to these threads and see if it gives you an idea for a product. If something looks like a good candidate see if there are buyers for your product idea.

There are several ways to do this. First – go to Google and search on the main keyword and see if there are any sponsored ads along the side. If lots of people are paying for advertising it is likely that people are paying for information on that topic.

If you have a subscriber list you could survey them and find out if they want information

on this topic. You could also post a poll on a forum as well.

Okay – on to step two.

Step Two - Research and find information about this subject.

This step will help you create the product content. If you already know all there is to know about this subject then there is not much for you to do here. You can put your own knowledge and experience into words.

However if you have only some knowledge, or little knowledge about this subject then you need to educate yourself. Fortunately all of the information you will ever need is at your fingertips.

All you need to do is read up on the subject matter and educate yourself so you can pass that knowledge on to other people. To do this you can check sites like Wikipedia, Ezine Articles, forums and authority sites. You can also go to your local book store or library and read up on the subject matter. Once you have done that you can proceed with the next step.

Step Three - Create an outline

The easiest way to get your product created is to have a coherent way to put it together. To do this you need to create an outline. The outline will ultimately become your table of contents.

This breaks down your project into little pieces. That makes it far easier to get the whole project completed.

Step Four – Put the product together.

Instead of concentrating on the whole project at once and becoming overwhelmed you can just concentrate on one piece at a time. Create that pice and then move on to the next piece.

The product ends up putting itself together.

Follow these suggestions and you can put together a quality product very quickly.

<u>Part Three – Creating Your Membership Site</u>

If you are on a limited budget - do it for free

Even though I make a very good living from my membership sites, I'll let you in on a little secret. Here it is. *I always use free tools and scripts when it is possible.* And it is almost always possible.

I use free scripts to run all of my membership sites. There is no reason not to if the script can do the job that you want it to do. Now this is entirely up to you. If you want to spend your money on a script go right ahead. But I want to show you that not being able to afford a script is not a barrier that will stop you from acheiving your goal. So before I give you my recommendations for site setup I will give you my recommendation as to what you should use for a free membership script.

My recommendation is to use [S2Member](#) and **[Wordpress](#)**. S2Member is a plugin for Wordpress. When you put these two together you end up with a very powerful content and subscription management system.

S2Member has the following features:

- Multiple levels of membership (one free and up to four paid levels)

- Subscription or one time payments. These can be combined.

- Sell access to individual pages or posts

- Download protection.

- Custom Capabilities for users which expands membership sections.

- Page, post,category,tag and URI protection

- IP checking and protection prevents link sharing.

- Supports Paypal IPN and notify_url.

As you can see that is a fully functional plugin that you don't have to pay a single penny to use. That is why I recommend it as long as you can use Paypal.

If you are unable to use Paypal you can purchase the pro version of S2Member to get more payment gateways or you can look for a different script. However in this report I will be talking about S2Member in all my examples.

Membership Site Setup

In this section I am not going to go through the mechanics of installing Wordpress and plugins. There is plenty of information about that on the Wordpress site. Also, if you have hosting with Fantastico you can install Wordpress with three clicks of the mouse.

What I am going to go over in this section is the inside workings of your site and how to set your settings to get things to work the way you want.

I will not talk much about the mechanics of setting up S2Member either. I will tell you how to set some specific things, but I will not be going over S2Member in any great detail. The reason is because there are already excellent video tutorials and written instructions that show you all that. These were created by the developers of S2Member, so there is no need to re-invent the wheel. You can get all of that information here.

Okay so let's get on with the specific things you should do to make your membership site profitable.

Your site's theme.

To be honest, this doesn't matter one bit. Your membership site is the back end. You should have a sales page that is your front end that does the selling for you. All I do here is match the background colors to my sales page and add my banner and any graphics to the theme. I just use the old default theme (Kubrick) and set it accordingly.

To see what I mean you can look at one of my membership sites. Here is the sales page for Video PLR Monthly. Now here is the members area. Beleive me you don't need to waste your time here. Concentrate on the more important aspects first. If you want it to match you can do that later. Let's get the thing functional first so we can make money. Then you can worry about improving the looks of the site if that worries you.

Setting Up Membership Levels.

Here is some advise for you. Make sure you have a free level. By having a free level you can convince people that may be a little wary of joining your site to give it a try. You can then try and convert them to paid members later. I have converted many free members to paid members. They probably would have never joined in the first place if I didn't offer a free section so I have made money from some people who wouldn't have purchased anyway.

Your free content should be something that you create. That way they get a sampling of what your products are like.

The way I incorporated free content into Video PLR Monthly was to let them view the last couple of months of my Bronze content level but they can't download it or do anything else with it. But they do get excellent information from my free products and

get an idea of what they can expect if they upgrade to a paying member.

Remember earlier when I said that you should target membership site owners? Well that is true, but that doesn't mean that all of your leads and customers come from this category. You will still attract people looking for content to sell or use in other ways, so having a free level helps convert these leads to paying customers as well.

This brings me to the next point. Some people don't like to sign up for anything that has recurring payments. They don;t mind paying once for something, but they never sign up for anything that bills them again.

To convert these customers you should have a one time payment level. These can be downloadable versions of the free level that they have some sort of rights to. As you see in Video PLR Monthly the Bronze level (one time payment) allows them unrestricted rights.

The quality of this information should be excellent, however the product(s) should be something you can create in less than half an hour. Generally this level is a stripped down version of your main level(s) which are your highest level of products.

So – to make a long story short, make sure you have at least three membership levels. This gives you the best chance of converting your leads to paying customers.

Bonuses

Bonuses are a great way to get people to join a paid level or to upgrade from a free level to a paid level. By offering irresistable bonuses you will convert more leads to paying customers.

Bonuses can be items that you create or products that you have give-away rights to. Just create or find products that compliment your site.

One Time Offers

This is where you can put your profit potential into overdrive. Hit your leads up with an offer to upgrade to the next level at a discount, or offer them some of your past products in this offer. This is an excellent way to pump more profits out of your site.

If you want to see this in action go over to Video PLR Monthly and join as a free member and see what happens. Do something similar to upgrade your customers and make more money from your existing customers.

You can create a one time offer for each level if you want. To do this you create a one time offer page and make the page slug in Wordpress level_(level number). For instance for free members the level in S2Member is zero, then 1,2,3,4 for the paid levels working

your way up. So to create a OTO for level zero you would set the page slug to level_0. You can see what I mean in this image:

What happens now is when they sign in they will always go to this particular page. The first time it happens it is truely a one time offer, but every time they sign in it is going to go to this page, so you have to do something to prevent it.

What you do is set a cookie the first time they hit this page. Then every time this page trys to load on subsequent logins check for the cookie. If it is there direct them to another page. This page would be the home page for this membership level.

Again – if you log back into Video PLR Monthly for a second time you will see that it bypasses the one time offer and goes to the members page. Obviously this is not foolproof but it gets the job done. So let me show you how to make this work.
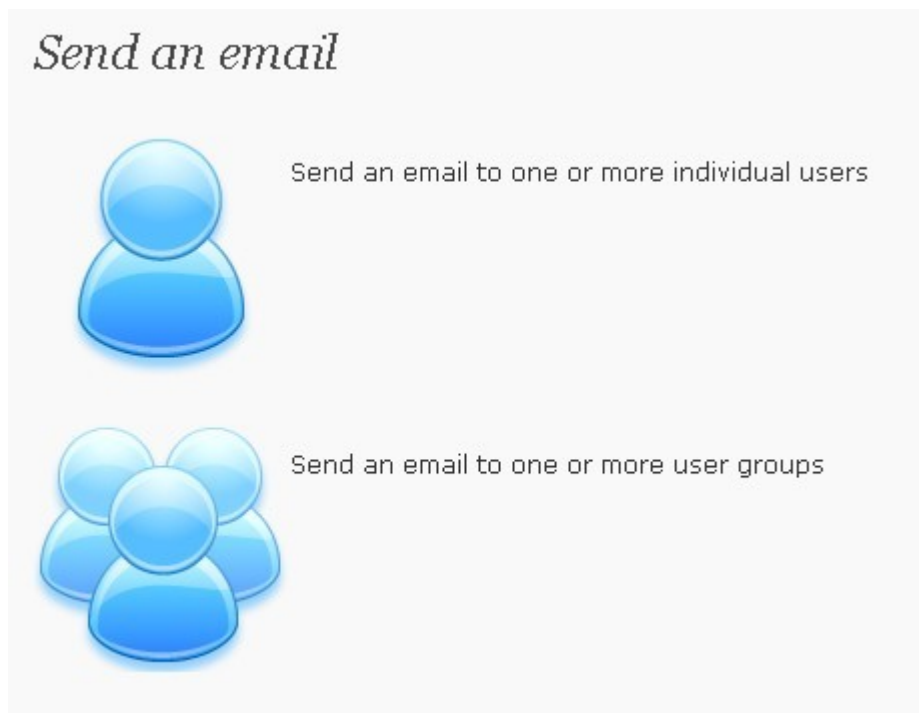
Implementing a OTO into S2Member

To get the OTO to work you need to install the Headspace2 plugin. You will also need a script that sets and checks for the existance of a cookie. I have included a script called cookiescript.js. This is a javascript program. You need to do a little bit of editing to get it to work. This is very easy.

I have created a short video to show you this part since it is easier to show it than explain it. See the included video.

Communicating With Your Customers

When you release a new product on your site you need to let your customers know. To do this you need to install a plugin called email users. Then you can add a new page for each level of membership with that month's downloads. Then you can email each individual group and tell them where they can download their monthly product. See the image below:

Send an email

Send an email to one or more individual users

Send an email to one or more user groups

First pick email a user gtoup.

Write an email to user groups

Mail format	HTML
Sender	Tim <tim@videoplrmonthly.com>
Recipients	Role - Subscriber Role - s2Member Level 1 Role - s2Member Level 2 Role - s2Member Level 3
You can select multiple groups by pressing the CTRL key.	
Only the groups having at least one user that accepts group mails appear here.	
Subject	
Message	Upload/Insert
	b i link b-quote del ins img ul ol li cod

Now you can email each group individually.

You can also offer free members an incentive to upgrade by sending them a special promotion such as a lower price for a short time. This gives a sense of urgency and you will likely convert many free members to a paying level.

Promoting to your target market.

Forum Marketing

Since you are looking for membership site owners you need to go to where they are looking for content for their sites.

The best place to look is in the Warrior forum. Add a link and description for your membership site into your signature and participate in forum discussion. Do not even try to spam this forum! These people are saavy marketers and that is not going to fly. Just follow the rules.

You should also look into the different advertising areas in the Warrior forum.

You can also do the same thing on other marketing forums like Digital Point.

Remember although you are targeting membership site owners, you will also get other people joining. That is perfectly fine. These types of customers don't usually subscribe for as long a time but it will still make up about one third of your membership. (As per my experience.)

Get Into Google

You need to do some on-site SEO on both your sales page and on the public pages of your membership site. Make sure you add all the meta information to your sales page. You also need to install the "All In One SEO Pack" on your membership site and fill it out properly for every page. This will give you a good chance of rising in the search engine rankings.

You can also do the usual things such as writing and submitting articles and link building.

Conclusion

Now you know the system I use to create long term profits from my membership sites. I hope you put this information to good use.

Please give me an honest review of this product and I will notify you first when I decide to release resale or private label rights to this product. You will get the lowest price available. I will only sell a certain number, and if you leave an honest review I will offer it to you first.

Thanks for the purchase!

Regards

Tim Carter.