

*Scott Stamper's*

# **Paysite Secrets Exposed<sup>TM</sup>**



**Turn Easy To Build Paid Membership Sites  
Into Your Own Private ATM Cash Machine**

**[www.PaysiteSecretsExposed.com](http://www.PaysiteSecretsExposed.com)**

Version 1.13

## **Table of Contents**

### **Section I: Overview**

1. What is a Membership Site?
2. The Power of Recurring Revenue
3. Why It's Easier Now Than Ever Before...
4. Why Membership Sites are Cash Cows
5. How Long Do Customers Keep Their Membership?
6. How Much Money Can A Membership Site Make?

### **Section II: Ideas and Markets**

7. Selecting a Market
8. Vertical Markets Vs. Horizontal Markets
9. Why People Join Membership Sites

### **Section III: Framework and Design**

10. How a Membership Site Works
11. Payment Processors
12. Password Management Systems
13. Content Management Systems (CMS)
14. Page Layout Inside the Member's Area

### **Section IV: Content and Value**

15. What Content Can Be In A Membership Site?
16. Getting Content For Your Paysite
17. How to Write an Article
18. Add Value To Your Content
19. How to Create Audio Content
20. Tools to Create Video Content
21. Pricing and Payment Plans

### **Section V: Building Paysites**

22. Creating Your Paysite: Step-by-Step
23. Putting Your Paysite on AutoPilot

NOTICE: As with any business, your results may vary, and will be based on your individual capacity, business experience, expertise, and level of desire. There are no guarantees concerning the level of success you may experience. There is no assurance that examples of past earnings can be duplicated in the future. We cannot guarantee your future results and/or success. There are some unknown risks in business and on the internet that we cannot foresee which can reduce results. We are not responsible for your actions.

The use of our information, products and services should be based on your own due diligence and you agree that we not liable for any success or failure of your business that is directly or indirectly related to the purchase and use of our information, products and services

## **What is a Membership Site?**

A membership site is a web site that allows registered members to access content or services in a password protected environment.

Membership sites can be either free or paid for. Most forums, for example, are an example of a free membership site.

Paid membership sites, also known as Paysites, require the member to pay before the member can access the content. While it is possible to monetize a free membership site, this book will focus on setting up profit generating Paysites.

Pay per month membership sites are easier to start up and maintain than most people realize. In this book, I'll show you step by step how to set-up and maintain a paysite with no out-of-pocket expense. The only thing you will have to pay for is a domain name and hosting.

Because paysites can be set to run on autopilot they are one of the best ways to build long term recurring revenue.

## **The Power of Recurring Revenue**

Paysites are one of the most profitable endeavors a private individual can begin on the internet. This is because paysites operate on the recurring revenue model. Many of the most profitable companies in the world use the recurring revenue model. Companies like AT&T, AOL, DirecTV make their profits by billing a loyal client base every month.

I started my first online membership site in 1988 when I started an online BBS system and charged people a monthly fee for dial-up access. A BBS system (Electronic Bulletin Board System) was simply a computer with a modem plugged into a phone line running software that let users dial in with their modems. Once the user dialed in, they had access to shareware, eBooks, and other content.

The main problem was I was limited to the number of members I could take on. Members had to call-in on a dial-up modem which meant that only one person at time could be online since it tied up the phone line going into the BBS system. If I had too many members, then most members would get a busy signal when trying to access the system. This problem could be partially solved by adding more computers and phone lines to the system, but this made it a very expensive enterprise to grow.

Billing was also a problem. Member's had to mail in checks which meant that it wasn't a truly hands-off business. Check had to be deposited, accounts had to be manually activated, and monthly bills had to be mailed out.

Eventually there was a service that allowed customers call in to a third party processor where they would get a "token code" which they could redeem when they logged on to pay for their month's worth of access. It was a clumsy system and it lacked the "automatic recurring payment" function since the member had to manually make a payment every month. This made the attrition rate extremely high.

Even with all the limitations, I still had a steady stream of income rolling in month after month simply by letting a computer sit in my basement.

Then In 1994, I was introduced to an incredible recurring revenue model by Jim, a friend of mine, that started a company that sold pagers. The first time I saw Jim's new company I was not impressed. He had a few employees making cold calls on the telephones and was selling only handful of pagers a day. However, he was explaining to me that by billing the customer's every month; eventually he would have a multi-million dollar company.

Jim asked for my help, because I owned some "auto-dialers". These were basically computers with high-end telephone cards installed that could automatically dial telephone numbers.

These "auto-dialers" could make 50,000 phone calls per day and transfer any live calls to an operator that could then make a sales pitch. As soon as the call ended, there was another live person, waiting on the line, that the operator could pitch to. By eliminating all the answering machines, phones that didn't answer and dialing time, we were able to increase sales 10-fold.

When we started using the dialers, we sold 150 pagers in one day and that average almost never changed.

The profit model for the company was that the customer bought the pager for \$19.95 and was put onto a monthly payment plan of \$19.95 per month for their pager service. Since the pagers were only \$10 in bulk, and the actual cost of pager service for the company was around \$1 per month, there was a huge profit margin.

In the first month, using the dialers, we sold 4,500 pagers and the initial money collected from the customers more than covered the cost of the pager, the salesperson's commission, and the cost of shipping the pager. This meant that the next month, there would be almost \$90,000 in revenue for no additional work. After 5 months of sales, there was over \$400,000 in revenue flowing in with very little overhead.

That was when I first realized the power of recurring revenue. If you could contact the masses cheaply, convert just a small percentage of those contacts, and put them onto a monthly recurring payment plan, you can make a fortune.

## **Why It's Easier Now Than Ever Before...**

Before the internet there were severe limitations on creating a business that could have recurring income. When I ran BBS systems in the 80s my income was limited based on the number of telephone lines I had. And in the early 90s when I was in the pager business we were limited by the number of physical products we could ship per day, not to mention huge startup costs.

But in 1995 the World Wide Web was brand new and I started developing websites. I immediately realized that a site providing valuable content could have a recurring revenue stream AND all the content could be digitally delivered. For the first time in history, a business could truly be run essentially on auto-pilot.

But even back then, there were limitations. For starters, at the time, it was against the policy of all major card companies to let website's take credit card orders over the internet and have them processed automatically. So there were a couple of loopholes that were used. A person with a merchant account could collect the information over the internet, then call the customer to "verify" the information and simply enter it in as a telephone order; or an order could be printed and called a "fax" order which still had to be manually entered. Either way, both these methods required some form of manual intervention.

But eventually the policies loosened up and in 1996 I became one of the first private individuals to be approved for an internet use merchant account. In those days the accounts were hard to get and were not cheap. I had to pay put down a \$10,000 deposit and let the merchant bank keep the first \$10,000 of revenue as an additional deposit. However, I was now up and running with a merchant account approved for the internet, so I quickly setup my first paid membership site. However, all the tools that exist today weren't around back then.

There were virtually no content management systems and the only products on the market that could automatically process credit cards were in the \$10,000 plus range. I had to create my own quick and dirty processing script to put up my first paysite. The site contained only about 20 pages of static content and I charged \$50 per month for access. Within a few days I had hundreds of members and a very stable passive income.

Today, all the tools, products, and services you need to start a paysite are free! There are some excellent products that you can buy and services you can pay for, but I would recommend those only after you have tested the waters.

## **Why Start a Paysite**

People start paysites for many different reasons. Many of the most successful sites were started as free sites by people that were passionate about a topic or developed a free site that was in the same niche as their hobby. Later, they realized that they could put all their content behind a “wall” and charge people for access.

### **Other reasons people start paysites:**

**Low Entry Costs** – While it used to cost a small fortune to start a paid membership site, now it can be done for under \$20 and that includes the cost of the domain and hosting.

**Almost Effortlessness Income** - Once a paysite is started, it takes very little effort to operate the site. It’s the ultimate “Do It Once – Get Paid For a Long Time” business model.

**Geographical Reasons** – A paysite can be ran from anywhere in the world. A person living in India can run a site on Fly-fishing in Montana. Many paysite owners spend a lot of their time taking vacations and traveling the world. Occasionally, they will open up their laptop, check on their sites... then go on with their vacation.

**Very Little Technical Expertise Required** – Many people get started in paysites because they have problems operating other types of websites that require technical expertise. If you can install a blog and FTP some basic files, then you can create a paysite with the information in this book. Even if you can’t, you can pay someone \$50 to do it for you to get your site up and running.



## **Why Membership Sites are Cash Cows.**

Membership sites are currently bringing in billions of dollars every year for their site owners and it keeps going up every year.

What makes membership sites so profitable is that they are very inexpensive to setup and extremely low cost for the customer's to join, yet in the long run are more profitable than selling an eBook that has almost the exact same content.

For instance, if you have a membership site with a monthly recurring fee of \$19.95 and the average member stays a member for 6 months, then you will make more money per sale than if you sell a \$97 eBook. (\$119.70 vs. \$97). Many niche membership sites keep members for an average of 12 months or more

### **Other advantages of membership sites:**

- **Higher Conversion Rates:** Generally a sales letter for a \$19.95 membership site will convert three times higher than a \$97 eBook. From my experience, the average conversion rate, with targeted traffic, for a \$97 eBook is 1%, and the average conversion rate for a \$19.95 niche membership site is 3%.
- **Almost Zero Refunds:** Unlike an eBook or other downloadable product, membership sites rarely have to make refunds. Members will more often than not simply cancel their recurring membership instead of asking for a refund.
- **Stable predictable income:** If you have a base of 500 members at \$19.95 per month, then you can pretty much count on a recurring income of almost \$10,000 the following month even if you don't make another sale all month. Compare that to selling other products, where sales and income can dramatically fluctuate from month to month.
- **Members are Pre-Qualified Buyers:** Every person that enters your membership site is also a potential customer for other related products. And best of all, these are people that have a credit card (since they joined the site with one) and have shown that they are willing to use it on the internet. Many membership site owners actually make more money in upsells and backend products than they do on subscriptions.

While the internet is full of a lot of free information, people are willing to pay to have information researched, refined, and organized.

## **How Long Do Customers Keep Their Membership?**

Three months is a number that is thrown around a lot in the forums as the average length of time a customer keeps a membership, however this number comes from the average length of memberships on adult sites. These numbers are skewed since the people that join adult sites are very savvy and bounce around from site to site taking advantage of free trial offers. In mainstream membership sites, the average is closer to 6 months. However, it is very hard to calculate this number since many members will stay on for years and it's impossible to calculate when their membership will end.

A better and more precise way to calculate future earnings is by calculating the attrition rate of a site's membership base. A membership site that updates often should have an attrition rate of less than 10%, meaning that every month 10% of its members will end their membership.

## How Much Money Can A Membership Site Make?

Income depends on a variety of factors; conversion rate of your sales page, price of membership, traffic, and attrition rate. For this example, we will use real life averages; a 3% conversion rate, a 10% attrition rate, a \$19.95 monthly membership price, and 100 visitors per day to the sales page.

Sample PaySite Revenue Calculations

	Attrition	Additions	Base	Monthly Income
January		93	93	\$ 1,855
February	9	84	168	\$ 3,346
March	17	93	244	\$ 4,866
April	24	90	310	\$ 6,175
May	31	93	372	\$ 7,413
June	37	90	424	\$ 8,467
July	42	93	475	\$ 9,476
August	47	93	520	\$ 10,384
September	52	90	558	\$ 11,141
October	56	93	596	\$ 11,882
November	60	90	626	\$ 12,489
December	63	93	656	\$ 13,096
<b>Income for the Year</b>				<b>\$ 100,591</b>

**Attrition** = Number of Members Lost  
**Additions** = Number of Members Added  
**Base** = Total Number of Members  
**Monthly Income** = Total Revenue For the Month

Looking at the above table, the sample membership site had 3 subscribers per day (3% of the 100 daily visitors) and at the end of the month had 93 total subscribers for an income of \$1,855. In the next month 9 subscribers were lost (10% attrition rate) and 84 more subscribers joined, for a total income of \$3,346 in February.

At the end of the year, the site brought in a total of \$100,591, and if all factors stay constant it will grow to a yearly income of over \$250,000 the following year. And remember... this does not even include any up-sells or offers inside the membership site.

Notice: The numbers shown above are not to be considered as guarantees; they are simply shown as instructional calculations for how a membership site's revenue model works based on given variables.

Now let's look at a similar niche site that sells a \$97 eBook. At a 1% conversion rate with the same 100 visitors a site would average 1 sale per day.

Sample eBook Sales Calculations

	<b>Sales</b>	<b>Monthly Income</b>
January	31	\$ 3,007
February	28	\$ 2,716
March	31	\$ 3,007
April	30	\$ 2,910
May	31	\$ 3,007
June	30	\$ 2,910
July	31	\$ 3,007
August	31	\$ 3,007
September	30	\$ 2,910
October	31	\$ 3,007
November	30	\$ 2,910
December	31	\$ 3,007
<b>Income for the Year</b>		<b>\$ 35,405</b>

As you can see, the site selling the \$97 eBook only made \$35,405. If all factors remain the same the site will make the same amount of money the next year. In other words, this site needs to bring in 100 visitors per day in order to make \$35,405 the following year... But the membership site will make over \$85,000 the following year even if it's traffic comes to a complete stop and it never makes another sale (based on a 10% monthly attrition rate).

As you can see, recurring revenue is a powerful tool that is overlooked by many internet marketers.

Notice: The numbers shown above are not to be considered as guarantees; they are simply shown as instructional calculations for how an ebook site's revenue model works based on given variables.

## Selecting a Market

Picking what market or niche to enter is the hardest part of starting a paysite for most people. No book, guide, or software package can tell you what market to enter, because a book doesn't know what your passions or expertise are. If there was a way to say "Click here and find your niche" things would be a lot easier.

So instead, I'll do the next best thing. I'll tell you the process that I go through when looking for a new market.

When picking a niche for a paysite, I look for markets that people are already paying for content. I'll go to my local bookstore and look at what magazines are on the shelves. If there is a magazine devoted to a topic, then I know that people are paying for content in that niche.

When starting out you should choose a niche that you are an expert in or are passionate about. Avoid some of the overly saturated markets like weight loss, internet marketing, and golf.

Internet marketing in particular is a highly competitive and overly saturated market. At my local bookstore, there are zero magazines on internet marketing but there are three different magazines on robot building.

On a recent trip to my local bookstore, I saw the following niches in the magazines for sale:

- Fishing
- Hunting
- Camping
- Traveling
- Gambling
- Cooking
- Robots
- Ham Radio
- Investing
- Personal Fitness
- Decorating
- Bird Watching
- Personal Finance
- Antiques
- Home Schooling
- Canoeing
- RV Living
- Barbeque Cooking

There are thousands of markets and many of them are untapped. For ideas on niches and markets, visit a site that sells magazines like NetMagazines ([www.netmagazines.com](http://www.netmagazines.com)) and browse through the categories. As you look through the categories think about what subjects would make a good paysite.

Many people, when trying to come up with a niche to build a paysite in make the mistake of only thinking about what they are currently interested in. But if you think about what you have done in the past you can come up with some very profitable niches.

For instance, most of us had hobbies when we were younger but have given them up to spend more time with family and work on careers. Starting a paysite is a great way to rekindle an interest and make money at the same time.

Don't forget about the people around you. What topics are your friends and family interested in? Does your teenage son spend all his time playing video games and online trying to find tips on gaming? You could start a site and let him contribute with research he's already compiled. Give him a percentage of the site as long as he continues to participate in the content creation.

While trying to come up with ideas for your paysite, ask yourself the following questions. Reminding yourself what you are good at, what you like to do, and what you have done in the past is an excellent way to jog your memory.

- What are your hobbies?
- What magazines do you subscribe to or buy?
- What type of books do you like to read?
- What have you been successful at currently or in the past?
- At your job, what inside tactics do you know about?
- Do you build or create anything?
- What software or hardware system are you proficient at?
- What do people ask you for advice about?
- What are you passionate about?
- Are any of your friends or relatives experts in a subject?
- Do you give lectures on a topic?
- What have you won awards doing (even it was in high school)?
- Do you teach or give classes on a topic?
- Have you ever coached a sport?
- Have you ever taught someone how to accomplish something?
- What clubs or organizations do you belong to?

When picking a niche for your paysite, don't pick a broad niche like Antiques. While you may have a passion for antiques, you will not be able to put enough content into your site that will cover every aspect of antiques. The result will be that you by trying to please a wide range of antique lovers, you will end up pleasing none of them.

However, if you drilled down and created a site on "Antique Doll Collecting" you can fill your site with content that is specific to that sub-niche and your members will love the targeted content. You could further drill down and create a site on "Antique Barbie Doll Collecting" and get some really rabid members.

When you look for a market, look for a market where people are continuously spending money. Hobbyists, Collectors and Investors are prime examples. If they are spending money every month anyway, a few dollars on a paysite is no

big deal if they feel they are getting value. Many people will join simply because they want to belong to something they themselves are passionate about.

If you already have been marketing on the internet for a while then you probably already have an email list of people in certain niches. Odds are your lists cover broad niches. To refine your market, you can survey your list. To begin, make a list off the sub-niches that your list subscribers might be interested in. Go to Survey Money ([www.surveymonkey.com](http://www.surveymonkey.com)) and create a survey asking what sub-niches your subscribers are interested them. Send them an email with a link to your survey and just ask. If there is an extremely high interest in one particular sub-niche, then you have probably found a good topic for your paysite.

If you don't have a list then you can poll forums in markets you wish to enter. Don't use the poll software on the forum because the information will be made public to everyone and you don't want other people to get a free ride from your research. Instead make a posting in the forum telling it's members that you want to write some articles and you would like to know what area they are interested in. Then put a link to the survey you created on Survey Monkey.

When exploring markets, do keyword research at CheckRankings.com. Look for niches that are high in searches (counts) but have a low number of competitors: <http://www.checkrankings.com/keywordsuggestion>

## Horizontal Vs. Vertical Markets

When creating a paysite, pick a market that you can grow into to increase your revenue.

For instance, if you are creating a paysite for that helps dentist promote their practice, you should develop it with the other vertical markets in mind like a paysite that helps dentist with their accounting, a site that helps them plan for retirement or a site that provides PLR content that a dentist can give away their patients. This is called a vertical market and looks like this:

Dental Accounting Site
Dental Business Marketing Site
Dental PLR Site
Retirement Planning for Dentist

However, most people prefer to try to expand their internet business horizontally because they can produce content a lot faster.

For instance, if you already have a website that helps dentist plan for their retirement, it would be really easy to create another product that helps Chiropractors plan for their retirement and then one that helps Veterinarians plan for their retirement. This is called a horizontal market and looks like this:

Retirement Planning for Chiropractors	Retirement Planning for Dentist	Retirement Planning for Veterinarians
---------------------------------------	---------------------------------	---------------------------------------

The problem with building your sites using horizontal markets is that you have to enter a brand new market every time you create a site. But if you build vertically then you can market to the market base that you have already established. It's also easier to cross-promote, up-sell and down-sell sites in the same vertical market.



After you have fully developed your websites vertically, then you can easily produce sites in horizontal markets and have a full matrix of sites that would look like this:

Chiropractor Accounting Site	Dental Accounting Site	Veterinarian Accounting Site
Chiropractor Business Marketing Site	Dental Business Marketing Site	Veterinarian Business Marketing Site
Chiropractor PLR Site	Dental PLR Site	Veterinarian PLR Site
Retirement Planning for Chiropractors	Retirement Planning for Dentist	Retirement Planning for Veterinarians

## **Why People Join Membership Sites**

There are many reasons why people are willing to pay a monthly fee to join a membership site. Knowing why someone wants to join your site is key to converting your visitors retaining them as long term members.

The main reason people join a membership site is the same reason people part with their money for any reason. They want a return on their investment. The return doesn't have to be a financial return. It can simply be that your site solves their problem, saves them time, or returns enough enjoyment that they would rather have that enjoyment than the money in their wallets.

A survey of website member's showed that paysite members would join and stay with a site if it provided the following:

### **A Solution To Their Problems**

If a dog owner is having a problems with their dog, they are probably very interested in finding a solution. That is why dog obedience schools are a thriving business. However, there is a large segment of the population that has a "do-it-yourself" attitude and would prefer to try to fix the problem themselves, rather than hire someone else to do it. Many of these people are willing to pay for the information that will help them.

### **Convenience**

While a person interested in dog training can do a Google search on the term, he will be overwhelmed with over 22 million results of which 99% are sales pages or worthless content. If a paysite gives them a collection of targeted content they will pay for it month after month. Many paysite members like to have all the information they need packaged in one place rather than trying to find it all themselves on multiple sites.

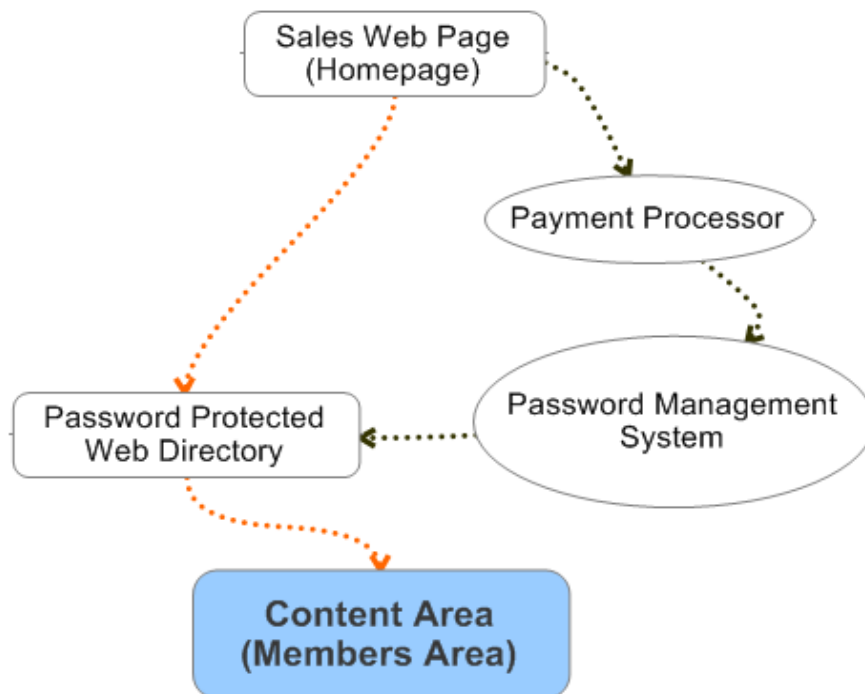
### **Exclusive or Hard to Find Content**

If your site offers them something they can't get anywhere else, they will pay to become a member. The key is to find a hook, or what is known as a USP (Unique Selling Proposition). For instance, your site's selling point may be "The only dog training site with over 40 hours of audio interviews".

## How a Membership Site Works

Most membership sites are fairly simple and work as follows:

1. The homepage of the website is a sales page for the membership site.
2. When the visitor wants to join they are sent to a payment page to enter their payment information, generally this is an order form that captures credit card information.
3. When the payment is approved, the Password Management System will put the user's username and password into a password file in a password protected directory on the website.
4. When the user wants to enter the member's area he can go to the password protected directory of the website and will be asked for his username and password.
5. When he enters his username and password, he will be given access to any webpages that are subdirectories of the password protected directory.



Don't worry if this seems complicated at first. It should all become clear as you continue.

The main thing you should take away is that you can put any content or web pages you want into the password protected directory (and any of its sub-directories) and only the paid members with a password will have access to it.

Here's an example: You could have a password protected directory on your website for your members called "members" and the URL would be **www.yoursite.com/members**. Any pages and content in that directory would only be viewable by paid members. Also, any web pages in subdirectories like **www.yoursite.com/members/reports** would also only be available to members with a password.

I have setup a sample website called Demo Paysite at [www.demopaysite.com](http://www.demopaysite.com) that uses the exact example above. You can get a demo password at [www.demopaysite.com/access](http://www.demopaysite.com/access).

## **Payment Processors**

### **Credit Cards and Merchant Accounts**

If you have a paysite, then you need to have a way for your members to automatically pay to join AND a built in way for your members to pay their membership on a recurring basis (generally every month or every 30 days) until they cancel. Of course accepting credit cards is the best way to accomplish this.



Your paysite should at a minimum accept MasterCard and Visa. Your payment processing system should be able to automatically allow your members to sign up and automatically re-bill your customers without you or your members doing taking any extra steps.

The best way to accept credit cards for your membership site is to have your own merchant account that allows you to process major credit cards. To open a merchant account you need an established bank account and reasonable credit.

A merchant account is issued by a merchant bank and it is the account that all credit card transactions are deposited into. When money from credit card transactions are deposited into your merchant account, they are then transferred (minus any transaction fees) into your bank account.

### **Payment Gateways**

If you use your own merchant account, you will also need a payment gateway. A payment gateway is a separate service that authorizes the sale and encrypts the sensitive data (like credit card numbers) and passes the data to merchant bank. It's like an online cash register that rings up and processes the sale between your website and your merchant account. The most popular gateway is AuthorizeNet.

When you apply for a merchant account, you should be sure that it works with AuthorizeNet, and when if you purchase any membership site software you should also make sure that it works with AuthorizeNet.

To make things easy, it's best to get a merchant account that has AuthorizeNet already built in. Here is a list of companies that offer merchant accounts with an AuthorizeNet payment gateway:

- Merchant Warehouse – [www.merchantwarehouse.com](http://www.merchantwarehouse.com)
- Business Payment Systems - [www.joinbps.com](http://www.joinbps.com)
- Total Merchant Services – [www.totalmerchantservices.com](http://www.totalmerchantservices.com)
- Merchant Plus – [www.merchantplus.com](http://www.merchantplus.com)
- Merchant Accounts Express - [www.merchantexpress.com](http://www.merchantexpress.com)

By getting a merchant account with AuthorizeNet, your credit card transactions will seamlessly integrate with any of the password management systems or membership site software packages recommended in this book.

### **Processing Payments without a Merchant Account**

Not everyone has the ability to qualify for a merchant account. Requirements can be very stringent. However there are solutions for people with little to no credit, bad credit, or non U.S. citizens that sometimes have problems establishing a merchant account.

Some of the password management systems mentioned in the next chapter work with PayPal, ClickBank, and CC-Bill; and can be an option for people that can't obtain a merchant account.

**PayPal** ([www.paypal.com](http://www.paypal.com)) is the world's leader in 3<sup>rd</sup> party credit card billing. However, there are some people that can't get a PayPal account or have had their PayPal account shut down. The major disadvantage to using PayPal is that many people view sites that accept only PayPal as "fly-by-night" or not a real business. This perception however is shrinking since more and more large corporations have started using PayPal.

**ClickBank** ([www.clickbank.com](http://www.clickbank.com)) is an option for people that can't get a merchant account or a PayPal account. There is a \$49 charge to become a vendor. Some password maintenance packages work with ClickBank.

If you process your credit card transactions with ClickBank, then you will get a check twice a month for your sales. ClickBank, like PayPal, also has the perception by some as a service that is used by websites that can't get a real merchant account.

However, one HUGE advantage is that by using ClickBank, you can open your membership up to their large base of affiliates that can promote your site. Check out ClickBank Explosion ([www.cbexplosion.com](http://www.cbexplosion.com)) for more details.

**CC-Bill** ([www.ccbill.com](http://www.ccbill.com)) is an excellent option for accepting payments without a merchant account. I have several merchant accounts, but I use CC-Bill for most of my membership sites because they handle everything for me. CC-Bill will install a password maintenance system (at no charge) on your site and handle all credit card processing.

The obvious advantages of using CC-Bill is that you don't need to purchase a password maintenance system and there is not setup charge.

Another advantage of using CC-Bill is that they also take care of all billing, password, and cancellation issues. If a member has a question about their bill, needs to find their password or wants to cancel, then CC-Bill takes care of it. This makes them an excellent option for anyone that wants to operate a site without doing a lot of routine and ongoing maintenance.

Since CC-Bill is an easy to use turnkey solution, it is the system that I will use for most of the examples in this book.

## **Password Management Systems**

All paysites must have a system in place to manage their passwords. A password management system needs to have the ability to either assign a username and password or allow the user to select his own.

A password management system must also be able to automatically put the username and password into the .htpassword file in the password protected directory or use a similar method to allow only paid members to enter the password protected directory.

Finally, the password management system must be able to expire or remove passwords for users that have cancelled their memberships or whose credit cards have been declined.

While there are many ways to automatically manage passwords, there are three systems that I would recommend.

The best system on the market is MemberGate ([www.membergate.com](http://www.membergate.com)) however it may not be the best solution for someone just beginning with membership sites. Mainly because it carries a hefty price tag; It starts out at \$4,000 and can go as high as \$15,000. Plus it requires a Windows Server running ColdFusion which most is not standard for most websites. But it will handle all your payment processing, password management, and even your member's area content management.

A less expensive solution is aMember ([www.amember.com](http://www.amember.com)). This is a script that has been around for a long time and is very stable. It's only \$140 and will integrate with most merchant accounts as well as 3<sup>rd</sup> party systems like ClickBank and PayPal. It will also handle an affiliate program and the price includes installation.

The third solution I recommend is CC-Bill ([www.ccbill.com](http://www.ccbill.com)). This company offers a web-based solution with no startup cost however they take a small percentage from every transaction. CC-Bill is a 3<sup>rd</sup> party credit card processor, which means they will process all major credit cards using their merchant account and send you a weekly check for all your sales, minus their transaction fee. They will also install and manage the password management system, so all you have to do is create the content for your site. They are a turn-key solution and even have a built in affiliate system.

There are other membership site solutions available like Visiongate, Memberstar and EasyMemberPro.



## **Content Management Systems (CMS)**

The heart of every membership site is controlled by a content management system. Some membership sites don't use a content management system, instead the operator of the sites create their own custom HTML pages using website editors like FrontPage or DreamWeaver. However, your job will be a whole lot easier if you automate the process by installing a CMS system.

While there are many good systems for sale, some of the best one's are free. Many membership site owners simply use a WordPress Blog for the inside of their member's area. By installing a free pre-designed template, you can drastically alter the look and feel of WordPress so it doesn't look like a standard blog. You can visit <http://www.wordpress.org> to download current WordPress software, then visit <http://themes.wordpress.net> to download a custom template/theme.

Another free content management system is Joomla ( <http://www.joomla.org> ). Joomla is very modular and the average non-programmer can get the basic package up and running without much technical knowledge. Available plug-ins will allow the website operator to create forums, and other applications.

You may also consider using a system like PHP-Nuke ( <http://phpnuke.org> ), that will create a community inside your member's area. There are thousands of add-ons and blocks that you can add to PHP-Nuke that will allow you do almost anything you can image.

Other free CMS systems to consider:

- TYPO3 - <http://typo3.com>
- OpenCms - <http://www.opencms.org>
- eZ publish - <http://ez.no>
- Alfresco WCM - <http://www.alfresco.com>
- Plone CMS - <http://plone.org>
- Drupal - <http://drupal.org>
- Magnolia CMS - <http://www.magnolia.info>
- Midgard Project - <http://www.midgard-project.org>

## **Page Layout Inside the Member's Area**

While you are free to make the layout inside member's area of your paysite any way you wish, I would suggest the following framework because it is used by some of the largest membership sites on the internet. If you look inside the paid member's area of any large publication's website, like the Wall Street Journal, you will find a layout almost identical to the one below.

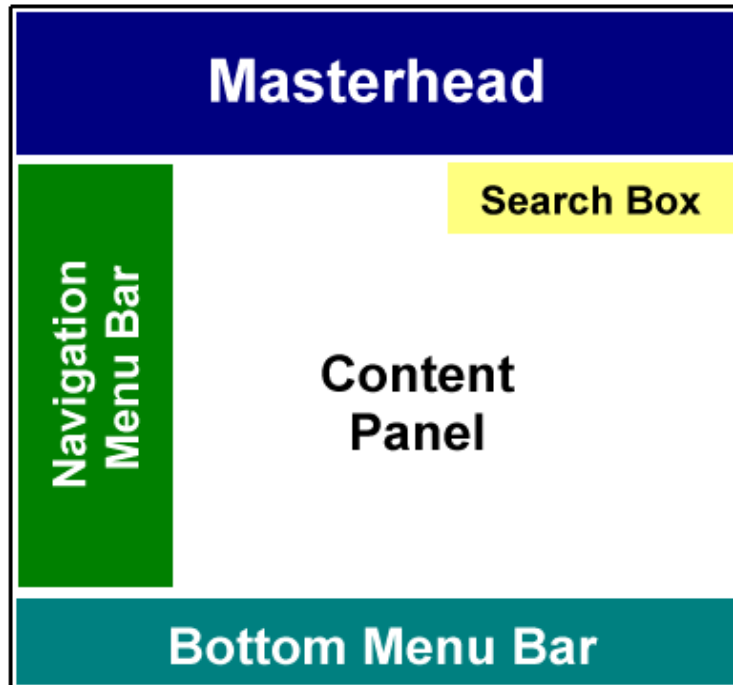
There's a reason why the billion dollar publishing companies use this time tested layout. It's simple, and everyone is used to it. The easier it is for people to find things on your pages, the longer you will retain them as members.

Most content management systems are flexible in their layouts to make these modifications simply by modifying the template.

Suggested element placements are as follows:

1. **Masterhead (location: Across top page)**  
This is your logo, graphics, and any slogans. It should be on every page and I would also strongly recommend having the date and time under the right-hand side of the masterhead so you pages have the perception of being current and up-to-date.
2. **Navigation Menu Bar (Location: Vertical on left side of page)**  
Your navbar should be on every page of your members area so your member's can jump to any area they wish to instantly. It should be a static menu, so it looks consistent no matter what page they are on.
3. **Bottom Menu Bar (Location: Bottom of page)**  
The bottom menu bar contains all the information and links that are rarely clicked on but should be included on all pages. This includes a copyright notice along with links to your site's privacy notice, terms and conditions, sitemap, contact page, affiliate program, etc.
4. **Content Panel (Location: Center of page)**  
The Content Panel contains the articles, list of articles, video box, download instructions for content, etc. Basically, any and all content goes in the content panel. It's located under the masterhead and between the left navbar and the right-hand margin of the page.

5. Search Box (Location: Upper right of page)  
Every member's area with lots of content needs a search box. The preferred placement is in the upper right-hand corner. It can be placed just under the masterhead or even inside the masterhead.



Some sites use a secondary navigation box on their homepage. This is a matter of personal choice, but be aware that it will take up valuable page real estate. Generally when it's used it's used for providing links to up-sell products and services.

The one exception to using the above layout would be single page member's areas. These site's don't need navigation bars or search boxes because there is only a single page of content.

An example of a single page member's area would be a site offering PLR downloads. Some of these sites are just a single page that only change once per month and has all their download links on a single page.

## **What Content Can Be In A Membership Site?**

All a membership site needs to attract and retain members is quality content with a high perceived value.

The mainstay of many membership sites is simply a collection of articles, but you can increase the quality and value of your paysite by adding any of the following items:

- Opinion and Reviews
- Reports and Whitepapers
- Audio or Video Interviews
- Audio or Video Books
- Current News
- Audio or Video Clips
- Scripts and Software Code (snippets or full code)
- Digital Newsletters
- PowerPoint Slide Shows
- Spreadsheets
- Plans, Schematics, and Blueprints
- Checklists and Flowcharts
- How-To Guides and Manuals
- Multi-Part How-To Courses and Tutorials
- Database information
- Resource Lists
- Downloadable Products (Templates, Software, etc.)
- Calendar of Events
- Polls and Surveys
- PLR or Resell Rights products
- A Forum
- Physical Newsletters
- Audio CDs
- Video DVDs

There are paysites that charge their members \$49 per month for just 3 or 4 audio interviews every month.

The more content and variety of media you have inside your member's area, the more you can justify charging your members.

If your site is basically all text articles, you will have a harder time justifying a high monthly price compared to if you also mailed your members a DVD every month.

A monthly newsletter is a great way to dramatically increase the perceived value of your membership site. Members that receive a physical printed newsletter in the mail are also less likely to cancel a membership.

Sending newsletters is extremely easy today compared to what it took several years ago. Today there are services like Best Printing Online ([www.bestprintingonline.com](http://www.bestprintingonline.com)) that you can simply upload your newsletter and mailing list to, and they will print it and get it into the mail going out to all your members.

## Getting Content for Your Paysite

As I said earlier, your members are paying you for organized quality content that they don't have to go out and search for. If your site is based around a topic that you are passionate about or are an expert in, then you can create much of the content yourself. But I'm going to show you how to get a lot of other content for free.

### Content Strategy #1: Republish Existing Articles

Visit an article site like EzineArticles.com ([www.ezinearticles.com](http://www.ezinearticles.com)) and browse through the articles in your niche. While the majority of the articles are horrible, you should be able to find some diamonds in the rough.

When you find some quality articles, send an email to the author of the article and ask him if you can put the article onto your membership site. Let the author know that it will only be seen by people that actually spend money. Ask him if there is a "meatier" version of the article, and ask him to send you additional articles in the same topic if he has them.

Contact at least 30 authors and you should find your inbox filled with articles that you are free to use.

Below is a sample email that you can send:

Dear John,

I was visiting XYZarticles.com and read your article "10 ways to train your dog". I was very impressed with the quality of writing and would like your permission to put the article into my paid membership site at MySite.com. Of course I'll include your bio and a link back to your site.

All my members paid to join the site, so they are proven buyers and not lurkers. Since your article will be viewed by a highly responsive targeted audience, you should get some excellent traffic. If you have a more enhanced version of the article or other articles in the same topic, I would very interested in reviewing them for publication.

Thank your for considering this, and you can send any materials to [email@mysite.com](mailto:email@mysite.com)

Sincerely,  
John Smith

P.S. Please feel free to write me back with any questions.

Don't be afraid to use articles that are already on the internet. Your members want someone to weed through the rubbish that is floating around and pick out the best information for them. On the flip side, don't publish garbage just because you have permission to use it for free.

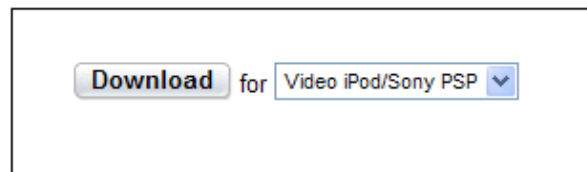
## **Content Strategy #2: Republish Videos**

Getting free videos is easier than you might think. While you can always embed any video that is on YouTube, your members might feel like they are getting ripped-off since it's obviously a free video from YouTube.

A better strategy is to visit the Google Video site at <http://video.google.com> and do a search for videos on your topic. The Google video search engine will return results from many different video sites, but you only want videos hosted on Google.

Look for videos that you would like to include in your member's area and contact the owner of the video. Send the video owner an email similar to the sample email shown above and ask if you can include the video in your site. Most people will give you permission since they know you can easily embed the video anyway with code that Google supplies.

When you have permission to use the video, download the video (don't embed it) by clicking the download button to the right of the video.



It will save it as an iPod video, but it's really just an Mpeg4 video.

Download an MP4 to Flash converter and you can convert the video to a flash video and put the video into your member's area. Since the video is now part of your site and is not hosted on a free video service, it will have a higher perceived value. As far as the member knows, it could be exclusive content.

You can find a video converter at:

<http://www.alivemedia.net/video-to-flash-converter.htm>

### **Content Strategy #3: Get Content From Affiliate Programs**

Most affiliate programs have content to help promote their products. Join several affiliate programs in your niche and check out their marketing tools area of the affiliate program's website.

Contact the affiliate manager and ask if they have any articles, audio, or video files that are not on the website. Many times they have content that has never been seen on the web before. Also ask if you can do an interview with the product creator.

Not only will this strategy give you content for your site, but you can also put up your affiliate link to monetize the content.

### **Content Strategy #4: Email Interview Experts**

This is a quick and easy strategy that can give you a lot of content quickly.

Create a list of 15 questions that you think your audience would like to know the answers to. Create a list of the top experts in your field and email out the questions as an email interview. Ask them to email you back with the answers.

Tell the interviewee that you wish to publish the text of the interview on your site. If you get 12 interviews back, then you will have a year's worth of expert interviews by having an "Interview of the Month" section.

### **Content Strategy #5: Record Audio Interviews**

The world is filled with people wanting to be interviewed. While many sites focus on the "Guru's", many people are more interested in everyday people that are involved in your topic.

For instance, if your site is devoted to dog breeding, you could interview just an average dog owner that while not a professional breeder maybe just breeds her dog occasionally.

Another source for finding people to interview is at the Radio-TV Interview Report ([www.rtironline.com](http://www.rtironline.com)). It's filled with contact information for people that have requested to be interviewed.

The best thing about audio interviews is that they can be done with anyone anywhere in the world over the phone.



## **Content Strategy #6: Put Yourself on the Hotseat**

If you are an expert on your topic, you can make audio recordings of yourself. Interactive recordings are more engaging... but it's hard to interview yourself. A good strategy for creating audio content is to offer free coaching calls, and record the calls.

If you are an expert dog trainer, you could fill your site with calls from average people calling you with their pet problems. Chances are, if someone is calling in with a problem, then many of your members have the same problem.

## **Content Strategy #7: Have Your Members Provide Content**

As your site grows, your members will become a huge resource. On the front page of your site, let your member's know that you are looking for high-quality informative articles.

Most content management systems can be setup to let people post information. Just be sure that yours is setup to where the articles or postings must be approved first. When an article is submitted, you can simply edit it and then post it in seconds.

## **Content Strategy #8: Outsource**

If you don't have the time to write articles yourself, you can always outsource the writing.

There are a number of sites where people will bid on article writing. The five most popular ones are:

- 1) [www.Guru.com](http://www.Guru.com)
- 2) [www.rentacoder.com](http://www.rentacoder.com)
- 3) [www.elance.com](http://www.elance.com)
- 4) [www.scriptlance.com](http://www.scriptlance.com)
- 5) [www.workaholics4hire.com](http://www.workaholics4hire.com)

One thing to be aware of is that sometimes writers will simply copy and paste other articles from the web. So before you use any articles from an outsourced writer, take a few key phrases from the article and plug them into Google to see if a duplicate article appears.

If you don't like to write, but you still want your ideas to be inside your site, you can sit down and record your thoughts into an audio file. Then take bids for someone to take your audio file and write an article based around it.

To do this, simply create a project on any of the above sites. Ask for a writer to take your 10 minute MP3 file and transcribe the notes, then edit it into an article. By doing this, you will have a grammatically correct article based around your ideas.

### **Content Strategy #9: Buy the Rights**

In the past couple of years, hundreds of PLR (Private Label Rights) sites have appeared. These sites sell content that you can publish, edit, modify, and brand in any way you wish. In other words, if you bought a PLR eBook, you could chop up the book into 10 different articles and put it onto your site with your name as the author. PLR products are available in all different media formats, articles, eBooks, audio files and even video.

To find PLR products in your niches, simply visit Google and type in "PLR" along with the name of your niche. For instance, if you type in **PLR "Dog Training"**, one of the first sites to appear is [www.articlebrainstorm.com](http://www.articlebrainstorm.com) which has hundreds of PLR articles on dog training.

## How to Write an Article

When starting your first site, you will probably be writing a lot of the articles yourself. Knowing what to write, how to write it, and how to format it will keep your members longer.

### Rules for creating paysite articles:

- **Make your article timeless** – You want your content to last as long as possible on your website. Don't write any articles at first that are tied to current events or give how-to instructions for a system that will work today but will be obsolete next week. This way you can build up a library of content that will be relevant for years to come.
- **Make your articles sell your website** – I know, your member's have already been sold, but you need to keep selling them so they don't cancel their membership. Make each article you write benefit driven, and don't be afraid to tell the reader what benefits they are getting out of the article.
- **Know your members** – If you have a paysite geared towards stock trading and your members are already savvy traders then don't write a lot of content with "common knowledge"; things like "How to Open a Brokerage Account". But if your members are newbie investors, then write articles that would be considered "common knowledge" for a more seasoned investor.

### Elements of an Article

An article needs to have just a few simple elements to be effective.

1. **Headline** – Put the benefits of the article into the headline. If it's the transcript of an interview you did, don't have a headline that says "Transcript of Interview with John Smith". Make it say something like "How John Smith gets a 47% annual yield with commodities using a simple checklist that will work for you!"
2. **Introduction** – Make your article start with the description of a problem that most of your member's are probably facing. Then begin a story about how you or someone else had the same problem. The introduction doesn't have to be a single paragraph.

3. **Body** - Discuss all the solutions to the problem outlined in the Introduction. Continue the story telling them how they can fix the problem, or how someone came up with a solution to the problem.
4. **Conclusion** – Wrap up the article to give the story an ending. This would be a good place to put a link to an affiliate website if you have one.
5. **Provide Resources** – Try not to send your reader outside of your site unless it's an affiliate link. Post links to related resources at the end of the article. If you have to, create some resources to match the article and put them into your site.

### **Format the Article**

You can have the greatest content in the world, but if it's hard to read, your member's will cancel their membership. You need to format all the content that goes up onto your site whether it was written by you or submitted by someone else.

Here are some basic guidelines for formatting your articles:

1. **Make the headline stand out** - The headline is what attracts the member into reading the article. Don't make the font the same size as the text of the article. Make it bigger, bolder, or in a different color... or all three. However don't go overboard and make it fit the look and feel of your site.
2. **Use short paragraphs** – Make sure that most paragraphs are no longer than 5 lines long; 3 is even better. Long paragraphs are hard to read, so your members will skip the article instead of reading long paragraphs. Don't be afraid to break apart longer paragraphs, even if it means breaking some grammatical rules.
3. **Use lots of sub-heads** – No matter what you do, not all of your members will read the articles. Many of them will just skim. So add benefit driven sub-heads to highlight the important parts of the article so the reader knows the article is filled with valuable content even if he doesn't read it.
4. **Create bullet lists** – When possible, take content from the article and turn it into numbered or bulleted lists. Studies show that people will take the time to read lists even if they don't read the article. People seem to find lists more valuable than article content.

There are more things you can do to increase the value of your articles in the upcoming chapter called "Add Value to Your Content".

## **Add Value To Your Content**

How your content looks is sometimes more important than the content itself. This is because presentation counts for a lot when people try to figure out the value of the information they have purchased. If your articles are just plain text then the perceived value will be extremely low causing a lot members to cancel their membership to your site.

There are some simple things you can do to spruce up the appearance of your content. Think of the way a print magazine article looks and do things to duplicate that look.

### **Add Images to Your Content**

One of the first things you should do is add a professional image or photograph to your article. While a picture won't add any real value to the words of the article, it will make it appear to be more valuable content.


Content with professional photographs not only has a higher production value in the mind of the viewer but studies show that people find articles with pictures to be more credible. In other words, people will trust your site more if you use pictures.

One of the best deals on graphics, photos, and images can be found at ClipArt.com ([www.clipart.com](http://www.clipart.com)). This service will give you unlimited access to thousands of images and photos that you can use on your site.

Another good low cost source of photographs is iStockphoto.com ([www.istockphoto.com](http://www.istockphoto.com)) which charges only \$1 per image.

## Format Your Content

You should also do some basic formatting to your articles. Many times the articles you are sent will not have paragraph breaks. Break the article apart into small paragraphs, and enlarge the first letter in the first paragraph the way magazines do as shown in the example below.



**D**ogs are like children when it comes to proper care, attention and training.

Your new dog is an extension of your family and as a member of your family he needs to learn to adjust, fit in and live by the house rules. Just as you would want your kids to be well behaved, your dog is no different. Many of the techniques that are used to raise children can also be used on dogs.

*I have some very simple and useful training tips to help you along the way*

## Turn Your Text Content into Audio

A simple way to dramatically add value to your articles or any text content is to change the media format it's delivered in. In other words... **Change the media and change the value!** One of the best ways to do this is to create an MP3 audio file of any article or text content. You can either make it a download file, a stand-alone streaming file or you can include a play button at the top of an article that allows your members to listen to the articles instead of reading them. Also, on your site, include instructions telling your members how they can burn the audio files onto a CD so they can listen to them in their car.

Many people prefer audio for a variety of reasons. Some people hate to read, while other's prefer to sit back and listen, and some people like to listen to audios while working on their computers.

The next chapter gives details on how to create audio for your site.

## Turn Your Articles into Reports

While all articles are simply words and text, there is a way to turn them into a greater value for your members. By turning an article into PDF report or

whitepaper and making it a download, your content will have a perceived value several times higher than a simple article. Also, many members like to print content so they can take it with them and read it later off-line. By giving your members what they want you will keep them as paying members longer.

Creating a PDF report is relatively simply. The easiest way is to load the article into any word processor, like Microsoft Word, and save it as a PDF using a PDF creation software.

There are a number of PDF creation software packages available. The professional version of Adobe Acrobat is probably the best one, but there are also some free options.

PDF Creator is a free software package that will create PDF documents from any Windows application. When you run PDF Creator, you can print to a PDF file the same way you would to a printer. You can download it for free at:

<http://sourceforge.net/projects/pdfcreator>

Another reason to use PDF reports as content is because you can brand the reports with your site's name and URL. Many of the reports will get sent around become viral. Don't worry about content getting "stolen" and making it's way around the internet. The more it happens, the more free advertising your site will get. PDF reports that go viral will only do so if it's quality content, so anyone getting hold of it will see that your site has quality content and are much more likely to join.



## How to Create Audio Content



To create audio for your paysite, you must first create an MP3 audio file. An MP3 file will be compatible with most visitor's systems.

It doesn't take a lot of expensive equipment to make an audio recording. In fact you can create one with no equipment by recording a phone interview or tele-seminar. Just go to [www.FreeConferenceCall.com](http://www.FreeConferenceCall.com) . When you use their free service you will get an MP3 recording of your call.

If you are a Skype ([www.skype.com](http://www.skype.com)) user, you can do an interview and record the call using free software from [www.prettypay.net](http://www.prettypay.net).

If you want to record yourself without using a telephone then you will need recording software. I use Sony's SoundForge, but you can use the free audio recording and editing package WavePad ([www.nch.com.au/wavepad](http://www.nch.com.au/wavepad)).

There is also a free audio editor called Audacity that you can download at <http://audacity.sourceforge.net>. If you use Audacity you will need to also download the MP3 plug-in at <http://audacity.sourceforge.net/download/windows>



To record your own voice you will need a microphone.

The higher the quality the better, but you can start with a headset-microphone combo that are sold at almost any store with a computer department including Walmart.

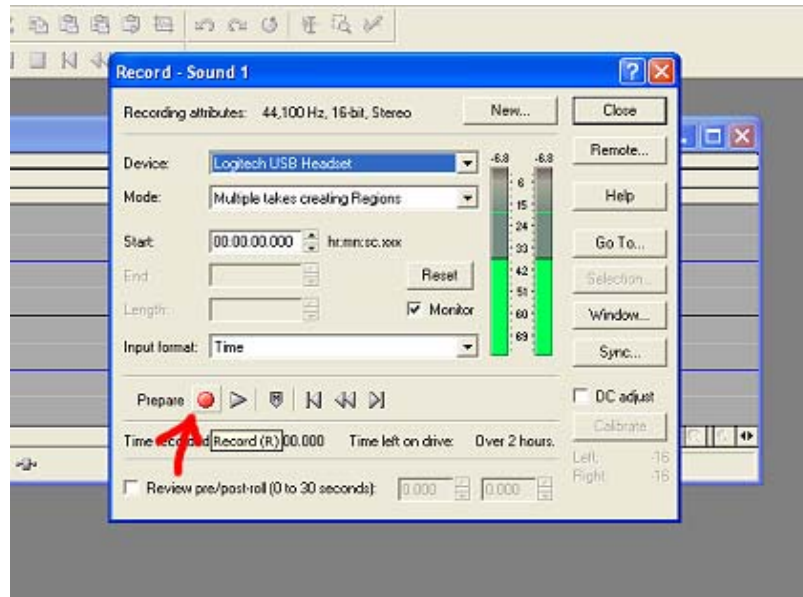
For best quality, select one that is USB instead of one that uses the analog mic jack on your computer. You should be able to find one for under \$50.

Plug your microphone into the USB jack, load up your audio recording software and you are ready to begin.

Before you start, turn off anything around you that is creating noise like your air conditioner, any nearby equipment that has a cooling fan, or a television in the next room.



Most recording software works the same, simply press the record button, begin speaking, and then click stop when you are done.



If you make a mistake, simply re-speak the part you messed up on, then when you are done, simply chop out the part where you made the mistake.

To give your recording a more professional touch, you can add bumper music to the beginning and the end of your recording. You can find a variety of free music at [RoyaltyFreeMusic.com](http://RoyaltyFreeMusic.com).

You can use your sound editing software to add the bumper music to the beginning and the end.

Save your sound file as an MP3 file and you are finished with creating the sound file that can be used for audio on your paysite.

## **Tools to Create Video Content**

Creating video for your site today is easy compared to several years ago. There are a number of easy to use tools available, many of them are free.

Creating Video is a huge topic, to large to cover in this manual. If you don't already know how to create video for the web, I would recommend that you outsource the work. But if you would like get started learning I'll cover the basics and show you some tools to get you started.

### **Creating Video without a Camera**

The easiest way to create video is to create a screencast also known as a screen capture. You can record what you are doing on your computer screen as you speak into a microphone. It's a simple way to create a tutorial or to walk the viewer through a process.

The best product on the market is Camtasia Studio, and you can download a free trial copy at <http://www.techsmith.com/camtasia.asp>. There is a similar product that is 100% free and can be found at <http://camstudio.org>.

### **Creating Video with a Video Camera**

The best way to get started shooting video for the web is to start with a miniDV camera. Most miniDV cameras have a firewire output (IEEE 1394) so you can plug them directly into any computer with a firewire port and capture the video that you have shot. Many electronic stores now have miniDV cameras as low as \$200.

To capture and edit video, you will need video editing software. Windows comes with a free editor called MovieMaker, and most apple systems come with a free video editor called iMovie.

If you want a editing system with more bells and whistles, I would recommend Sony Vegas for Windows. There is also programs like Adobe Primere for Windows that will do a lot more, but Sony Vegas is more user friendly and it's basic functions can be picked up in just a few hours.

If you are using an Apple system, I would recommend Final Cut Pro.

Most video editing systems have built in capture software, so all you have to do is plug your camera into the firewire port, load the video editor, then run the

capture program. After you have captured the video you can edit it and export it to almost any format you wish.

### **Converting Video for the Web**

Today, the standard for putting video on the web is Flash, since over 95% of all internet users are using Flash enabled browsers. It's by far the most compatible format.

However, most video editing systems can't export files to a flash format. So you will need to use a Flash encoder. You can the Riva FLV Encoder free at <http://www.rivavx.com>

## **Pricing and Payment Plans**

What you should charge for your paysite will depend on a number of factors like your market, your competition, and the content in your site.

If your market is more affluent then as a rule you can charge more. For instance, you can charge more if your market is commodities investors than you can if your market is school teachers looking for lesson plans.

There are lots of very successful sites that charge only \$9.95 per month and have thousands of members that never leave because it is so cheap to stay a member, and there are sites that charge several thousand dollars per month and offer content plus services like coaching.

While there is no "magic formula" for determining a website's price point, the following can be used a guideline.

### **Price Point Levels:**

#### **Level #1: \$9.95 - \$39.99 per month**

This is the range that most new content driven paysites will start at. Anything under \$40 is considered an impulse buy. This is the range that you can safely charge for digital online information without having to ship anything physical like a monthly newsletter, CD, or DVD.

Research done by infomercial marketer's has revealed that any charge of \$39.99 or less will not raise a red-flag by husband's going over credit card bills, which is why you will see most monthly recurring programs geared towards women (cosmetics, skin care, etc.) will have a monthly recurring fee of under \$40 per month.

#### **Level #2: \$40.00 - \$299.99 per month**

Membership site's that are this intermediate range generally offer a lot of content or highly specialized content that can't be found anywhere else. These sites may send out physical DVDs every month or provide a database of research information to businesses.

#### **Level #3: \$300.00 – \$999.99 per month**

Websites with monthly fees in this range usually have a lot of content, send out physical products on a monthly basis and offer some form of online training or coaching. StomperNet.com falls into this category and bills it's members \$800 per month.

#### **Level #4: \$1,000 and above per month**

Most sites that command over \$1,000 per month are websites that offer business related information. For instance, many employment recruiting companies pay Monster.com several thousand dollars per month for access to the large database of job seekers. Websites that cater to individuals and charge this amount generally also provide physical items or personalized coaching like Dan Kennedy's Centurion Inner Circle which charges it's members \$2,297 per month.

## **Pricing Plans**

### **Monthly**

This is the most common pricing plan. It's simple for the member to understand and your members will become trained to see the charge for your site on their credit card statement every month. A monthly payment plan has the least amount of customer care problems.

### **Quarterly**

Sites that charge every three months tend to have problems with chargebacks and refunds.

This is because of two reasons. First, many members will have forgotten that a charge is coming and will get their credit card bill and say "What is this charge for? I never bought that."

Second, by billing quarterly the member's charge will be almost three times higher than it was for a monthly membership. So while a \$19.95 will go unnoticed month after month, a member will take note when his credit card gets hit with a \$50 charge. When the member first joined he may have liked the idea of saving \$10 each quarter, when the bill comes he may decide to cancel his membership from "sticker shock".

### **Annual**

When member's are polled and asked what type of payment plan they would like to be on, the majority will say they want to be billed annually if it saves them money. However, in reality there is a high drop-out rate when the bill comes after the first year.

However, the plus side of annual billing is that the average paysite member that is on monthly billing will only keep his membership for 6 months. So if you offer an annual payment plan, first determine how long your average customer stays a member and make sure that the amount you charge is equal to or greater to

that amount and you will come out ahead. Then any annual members that do keep their memberships is just added revenue.

Also, if your sites makes a lot of money with backend sales, then it may be worth your while to have annual members since, on average, you can market to them twice as long as a monthly member.

## **Initial Pricing**

For many membership sites, the price to join is the same price that recurs every month. For instance, a site that charges \$19.95 to join will re-bill it's members \$19.95 every month.

However, many successful sites have business models that let members join at a greatly reduced price (or for free) to sample the site then begin to charge full price after a trial period. While a lot of other successful sites will take the opposite approach and charge a high premium price to join, then will lower the monthly recurring price. There are pros and cons to both models which will be explained below.

### **Free Trial Offer**

A free trial offer is where a website let's the member join for free and will capture their credit card information. If the member does not cancel their membership within the trial period then their credit card will be billed for a full month and monthly recurring billing will start.

The free trial period generally does not last a full month. It will be anywhere between 3 to 10 days.

A free trial offer should not be used for a site that has a lot of archived content unless the site updates almost daily, as the member can simply download all the content then cancel his membership.

Some sites protect themselves by having certain download areas available only after the member is past his trial period and converts into a full paid member. If this strategy is used, it should be clear in the sales page that the member will not have full access to the entire site.

### **Paid Trial Offer**

Sites that offer an initial period, or the first month, at a reduced rate are offering a paid trial offer. Many sites will allow member's to join for as low as a dollar for

the first month. StomperNet very successfully used this business model. They charged their members only one dollar to join then converted them to an \$800 per month recurring billing plan. By doing this they were able to fill all 1,000 of their limited membership slots and there is now a waiting list to join.

Both the free and paid trail offers are good strategies for sites whose content is comprised of user generated content. For instance, if the site's member's area has a forum, then a new site can immediately add a lot of members quickly to start an active forum.

### **Premium to Join**

Many established sites charge a premium to join.

Sites that offer a lot of initial content up-front and limited on-going updates use this model.

This strategy also works well for a site that sells software. The site may charge a \$99 fee to join which gives the member access to download the software, then the monthly price drops to \$9.95 and gives the member access for support, additions, and updates.

One advantage to a premium to join model is that member's will be hesitant to cancel their membership because they if they ever want to become a member again, they will have to pay the premium to re-join.



## Creating Your Paysite: Step-by-Step

While there are many different systems that can be used to setup a paysite, I'm going to show you step by step how to quickly setup a paysite using only free products and services.

While there are many companies that can handle credit card billing and password maintenance, I will focus on CC-Bill ([www.ccbill.com](http://www.ccbill.com)) because they do both. CC-Bill has no setup charge, does not require a merchant account, and will also install everything you need for free. I have been using them for years, I know the management, and they are a top notch firm.

The CC-Bill system can also handle all your affiliate needs if you want to let affiliates sell memberships to your paysite.

### Step-by-Step Instructions for Creating a Paysite

**STEP 1:** Setup hosting for your website. If you don't already have hosting, I recommend Host Gator ([www.hostgator.com](http://www.hostgator.com)). They are inexpensive and reliable.

**STEP 2:** Select and choose a domain name for your site. I recommend Moniker ([www.moniker.com](http://www.moniker.com)). Direct your domain to your hosting DNS.

**STEP 3:** FTP into your website and create a directory off your root directory called "members". This will give your membership area a URL like **www.yoursite.com/members**. This will be your future password protected directory. This directory will only be available to customers that have paid to view it and have been issued a password.

**STEP 4:** Install a content management system in the "members" directory. If you have limited technical skills, I would suggest WordPress. If you decide to use WordPress, visit [themes.wordpress.org](http://themes.wordpress.org) and pick a theme so your site doesn't look like a default WordPress blog.

**STEP 5:** Add 3 months worth of content to your site using your CMS (Content Management System). Backdate two months of the content. For instance, if it's December, then make one-third of the content have dates showing it as being posted October and one-third of the content with November dates. This will give your members the feeling that you are running an established site.

**STEP 6:** Create a sales page for your paysite and upload it as your homepage.

**STEP 7:** Go to <http://businesscenter.ccbill.com/> and click on "Sign-Up Now". When asked for the password protected folder, enter the "members" directory you created.

**STEP 8:** Follow the sign up instructions and fill out the required forms. The CC-Bill Website will generate forms for you to sign and fax back along with some required identification.

**STEP 9:** CC-Bill will ask you for the FTP logon information for your server. They need this information so they can install password maintenance software. You don't have to do anything.

**STEP 10:** CC-Bill will install all the software and scripts required for password maintenance onto your server. This process can take 2 to 4 days.

**STEP 11:** You will be supplied with a link/button which will send visitors to an order page. Put this onto your sales page. When the visitor clicks on it and fills out the order page with their credit card information, they will be given a username and password which will allow them access into your password protected directory.

**STEP 12:** Congratulations, you now have a fully functional paid membership site in place and ready to attract members.

## **Putting Your Paysite on AutoPilot**

As your site grows, you will find that you will have less and less work to do to maintain it. Below are a few suggestions to reduce your work load and possibly run your site hands-free.

### **Que Your Content**

Once your site begins to grow, you will be getting content submitted to you on a continuous basis. Most content management systems, including WordPress, will allow you to set the date and time that articles are to be published.

So you can load up your site with content months in advance. For instance, if you have 30 new articles, then you can set them to be published once every 3 days. Now you can sit back and relax, because your site will update itself for the next 90 days. After 3 months go by check your email box for new article submissions and pick out 30 more articles. Repeat the process and que up another 90 days worth of articles.

By doing this you will only have to work 4 times per year on content.

If you have an extremely large article you can break it apart into several parts. For example, you may have an article that you can break apart into 10 sections. Load up your que to publish part 1 on one day, part 2 then next day, part 3 the day after that... and so on. This system works extremely well with eBooks. You can buy the private label rights to books in your niche for just a few dollars and break them apart into content that will last for months with you just having to do a little bit of work.

### **Bring on an Associate Editor**

Getting someone to help with running the site is a cheap (sometimes free) way to put the burden of the site onto someone else's shoulders. By giving someone the title of "Associate Editor" you can find someone willing to do your work for free or for very little money.

An associate editor should be responsible for finding and creating new content, formatting it, and loading it onto the site.

One thing you do not want to do when asking someone to be an associate editor is tell them how much the site is making or tell them that they will basically be

doing all the work. You can tell them that you will be handling the business end and you would like them to help with the content.

If you have to pay someone, you can offer them a percentage of the income from the site. Never offer to make someone a partner in an established website unless they are bringing something extraordinary to the table. For instance, instead of offering someone a 10% partnership, offer to pay them 10% of the revenue. Most people won't see the difference and those that do probably won't care. By doing this they are a contractor and not a partner; so if they one day decided to stop working, then you can stop paying them.

If you are using CC-Bill to process your transactions, you can actually instruct CC-Bill to send a check to your associate editor 10% of all net revenue (or whatever percentage you decide) for the site. This is a great system since your new associate will never feel like you are cheating him since you never touch his or her money.

The first place you should look for an associate editor is your own membership base. Look for someone that logs on daily or constantly emails you with site suggestions. Offer them a free membership as long as they do site maintenance.

The second place you should look at is your list of contributors. If you have someone that is submitting a lot of articles to you, that person is obviously looking for extra exposure. Offer them extra exposure by letting them become an associate editor for your site. They are creating content for you anyway, so you might as well let them do the work of publishing it also. Plus, they will most likely kick their content creation into over-drive and start producing more and better content for your site.

The third place you should look is on sites like Craigslist, guru.com, or scriptlance.com. You would be surprised at how cheaply you can find people willing to work online. \$100 a week for some housewives is a lot of additional income, and \$50 per week is a fortune for people in some third world countries. Don't be scared to try outsourcing to people in other countries, many countries, like Romania, require that all schools teach several years of English. On average many third world country students do better in school than American students.

The last place you should look at is family and friends. Unless you know of someone that is extremely reliable, it's generally a disaster in the making. I know of too many people that have had to fire cousins, sisters, even mothers because they were doing a poor job on a website.

Also, you aren't restricted to just one associate editor. If you can find people willing to do the job for the title, bring on several.

When you give someone access to your site, always give them a password with limited access; NEVER give out your master password or a password that will allow someone to do major damage to your site.

Whoever you decide to bring on board, always make sure that it's on a trial or probationary period so you have to tell them "it's not working out" it won't come as a complete surprise. Finally, be sure to change their passwords BEFORE you fire them.

## **Recycle Content**

Much of the content you have will be timeless. If you are using WordPress or Joomla, you can take articles that were published a few month ago offline and set them to publish again 3 to 4 months from now. You can do this once a month and as your content base grows eventually all the "new" content you publish will be recycled content.

Since a large percentage of your members will be new members, they will have never seen this content before so it will be new to them. I have been using this technique for years and have never had anyone complain. Many times it's because even if an article that ran last year shows up again, the members that have been on the site for over a year have forgotten about it.

I have actually received emails from members thanking me bringing back old articles that they had forgotten about.

## **Use rotating scripts**

This technique works well for sites that have a limited amount of content and only update once per month, like sites that offer PLR content.

You can create 12 pages of content and use a simple PHP script so when the member logs in on January they are only shown page number 1 of content, then when it becomes February, they are automatically shown only page number 2. Sites like this rarely keep members longer than 12 months, so when January rolls back around the next year, page number 1 is displayed again.

If you create a site like this, then you only have to do the work once and the site will run on autopilot for years without any additional work.

There is a script that does this called "Of the Month" in the scripts section of Membership Site Club.

## **Winding Up**

By now you should have a clear understanding of the basics on membership site building.

After you build your first site you will probably want more information on traffic building, marketing, copywriting, and more advanced technology issues that are specific to membership sites.

That is why I have given you free access to **Membership Site Club** ([www.membershipsiteclub.com](http://www.membershipsiteclub.com)). Every month it's filled with everything you need to expand and grow your membership site business.

Inside Membership Site Club, you will also find video tutorials, scripts, templates, case studies and much more.

When you ordered this book, you were given a username and password for "Membership Site Club". If you have forgotten it, an email was sent to you at the time of your order.

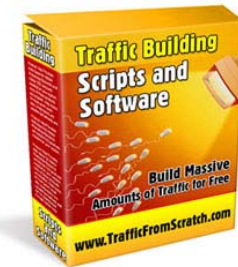
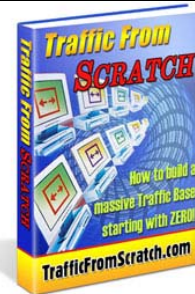
## "WOW! Get MASSIVE TRAFFIC Like An Adult Website!"

The "Traffic From Scratch" system has been called **The Best Traffic Building System on the internet.**

It uses tricks of the trade from traffic masters in the adult website industry. **These amazing techniques are powerful and proven** yet are almost unheard of in the mainstream field, but they will work on any niche.

### More Details:

- **Works on any website.** Even if your site is not even close to an adult niche site you can get a remarkable amount of traffic. For instance, it will work on site's selling children's products, a site selling digital downloads, or a membership site.
- **Works Fast.** Increase traffic so rapidly your competition will take notice but are powerless to stop you.
- **Does not use black-hat techniques.** This is an honest traffic building system. No cloaking pages, using fake keywords, or anything else unethical or immoral.
- **Provides you with TARGETED TRAFFIC.** This system will supply you with a never ending stream of traffic specific to your niche. It's no secret that the more targeted traffic you get, the more sales and money you make!



The **TRAFFIC FROM SCRATCH** system includes an easy to follow step-by-step book and companion scripts. It is a must have package for any website owner that is not getting his or her share of quality targeted traffic.



[Click here for more details or to take advantage of this 30% discount offer](#)

[www.TrafficFromScratch.com](http://www.TrafficFromScratch.com)