



BOOK MARKETING: How to Build a Successful Membership Site Interview with Mike Morrison

Susan Friedmann: Welcome to Book Marketing Mentors, the weekly podcast where you learn proven strategies, tools, ideas, and tips from the masters. Every week, I introduce you to a marketing master who will share their expertise to help you market and sell more books. Today, my special guest is an online membership creation expert. Mike Morrison is cofounder of the Membership Guys and Member Site Academy, where he's been the driving force behind countless successful membership businesses.

Susan Friedmann: With over 15 years experience in digital marketing and online business, Mike has worked closely with multinational brands such as McDonald's, ITV and ancestry.com. He's the host of a popular podcast, international speaker, author of two best selling books and has been featured on the likes of Social Media Examiner, Huffington Post and Net Magazine. All the way from Newcastle upon Tyne in Yorkshire, England, Mike, what an absolute pleasure it is to welcome you to the show and thank you for being this week's guest expert and mentor.

Mike Morrison: Susan, thank you for having me on the show. What an introduction. I love that all the way from Newcastle, England.

Susan Friedmann: Well, we've got to put you in the right context because otherwise people might think you're just next door. But since we're an international podcast, and I love it that we interview people from all over the world. Mike, let's get down to basics. What exactly is an online membership site?

Mike Morrison: I love that you frame that as we're getting basic because it's a funny question actually because the term membership is just so broadly applicable. Netflix is a membership, local associations are memberships, and obviously a lot of those types of businesses have online elements, but in the online business world, when people talk about memberships, typically what they mean is some sort of combination content and community. And usually, the content is e-learning. So it's usually educational content on a specific topic, usually run by a recognized expert or authority in a field.

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Mike Morrison: And that's usually supported by some form of community. So everything from a discussion forum that is private to paying members, through to private Facebook groups and so on. Generally, there's all sorts of minor variations of that model, but it's usually a combination, e-learning with community where you pay for access to those education materials, and also for a little bit of access to a particular expert or authority that you follow and you want to learn from.

Susan Friedmann: How do we know when it's the right time for us to create a membership site? And even if it is the right time, how do we know that it's what we should be doing?

Mike Morrison: Much of it is down to knowing your audience and actually speaking to your audience. If in hearing that, you're thinking, well, what audience? Then that's probably a sign that it's not yet the time. We always recommend people have built some sort of following online. And by following, really you want that to be people on an email list, so people who have maybe read your book, I know your audience are authors, so they've read your book, they've maybe visited your website where perhaps you publish articles or you have a podcast, and they've subscribed to your email list because they want to hear more from you.

Mike Morrison: That is generally what you want in terms of an online following. And I would say once you've got a few hundred people who are demonstrating a desire to hear more and to learn more from you beyond what they've read in your book, beyond what they've even read on your local listened to on your podcast, that's usually a sign that the timing is right.

Mike Morrison: You also need to look at your market in general, and what sort of problems exist out there that either aren't being solved by other books, by courses, by online programs, or just aren't being sold either extensively enough or in a way that reflects the current state of your particular industry. It's really marrying up a demand and a need within your market with a following that you have built up whose needs align with that, and where you can serve them even further within something like an online membership.

Mike Morrison: I think if you haven't got a following, usually you're going to find it a lot harder because you could have the best membership in the world, but if you've got nobody to promote it to and you haven't got a focus group in terms of an email list you can get feedback from, it is going to be much tougher.

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Susan Friedmann: Mike, let's say we feel that it's the right time to start a site. Now, let's dig down to the basics about how would we actually go about getting started?

Mike Morrison: Wow. That is another big one. Really, I think the first step is talking to your audience, really drilling down into their core problems and it's important that emphasis on the word core because if you ask a bunch of people, hey, what do you need help with right now? Chances are a lot of the answers will be fairly superficial. They don't actually get to the heart of what problems they are having, what obstacles they are facing, what are their goals, what are their desires? What's the bigger picture for those people? Really, really isolating the problems that you can solve, I think is the first point.

Mike Morrison: And obviously, there's a lot of research, there's a lot of ideation there to flesh out a valuable idea for what could become your membership. For me, the next stage of that really is to validate your market by selling them something, so they may have already bought one of your books. If not, try and sell them your books. If you can't compel people to pay a \$10, \$15 for a copy of your book, say you've got 500 people on an email list, and not one of them is willing to part with 10 bucks for one of your books, then you're probably going to struggle to sell them a \$50 a month membership.

Mike Morrison: You need to validate the market both in terms of do people have problems that I can solve? That's the first. Two is the solution that I could provide to them a good fit? Three, can I compel these people to actually put their hand in their pocket and pay me to solve their problems? And the best way to validate that piece of the equation is by selling them something smaller first to determine if they are buying market, to determine whether you even like selling things online to this audience, and to verify that your understanding of the problem and solution match is actually accurate.

Mike Morrison: That idea of validation is definitely the most important step before you even get into looking at what your membership might consist of and how you might handle things on a technical front and all that sort of stuff.

Susan Friedmann: Mike, one of the things that pops into my mind is that people are not necessarily sure what their core issues are. They're frustrated about certain things or they feel they have certain problems, but they may be superficial to what actually the real issue is. What are your thoughts on that?

Mike Morrison: You've got to ask them more questions. I can't remember if it's Six Sigma where the idea of the five why's, I think... This is completely riffing from memory, but the notion that you have to ask at least five why questions to



probe deeper and deeper and deeper. What's your number one problem right now? And someone can give you the answer. Okay, well why is that something that is impeding your progress? And from that answer, there's another way and there's another way, and you have to keep probing, rather than taking that first answer that you get.

Mike Morrison: Now, obviously that requires more than just a blanket approach to gathering feedback. It requires more than simply sending an email out to your list saying, complete this survey or hit reply to this email and tell me what the number one thing you're struggling with right now is, arranging to get on the phone, get on a Zoom call, get on Skype with five or six people who match the profile of what you believe to be your ideal customer, your ideal member, and having those probing conversations, having those deeper conversations, and asking questions and listening, not leading them towards essentially just giving you what you want to hear, but really get to the heart of it.

Mike Morrison: You say your thinking of starting up a membership to help aspiring authors, to keep a topical example. Then, you might be looking for feedback on what obstacles people are facing and getting their books self-published. And so, somebody might say, okay, well, I'm halfway through my book. I just can't get it finished and I really struggle with writer's block. And that's a fantastic selling point to be able to just probe deeper and deeper and deeper and deeper to find where those root problems are.

Mike Morrison: And the more these conversations you have, you would imagine, certainly if you've got a consistency amongst the people you're attracting in your audience, you'll start to see patterns emerging. From that, you'll have a wealth of information to then build on when it comes to figuring out what are the real struggles, what the real obstacles, what the real things getting in these people's way and how can I create something that takes them through that journey, gets them through those obstacles and solves those problems?

Susan Friedmann: I'm very familiar with that five why model and it's a brilliant model because you're right, it really allows you to drill down to what the real issue is. And talking about models, you mentioned earlier that there are different membership models. Talk to us about some of the different models and which one might be the right one for us to use.

Mike Morrison: Typically, at their heart, memberships are comprised of the three Cs. Those are content, community and coaching. As we mentioned before, the content could be e-learning content. Typically, it's e-learning content. It could also



be entertainment content. Certainly, Netflix is all about entertainment with very little educational value. It could simply be fan contents like deeper access or bonus content.

Mike Morrison: But generally, it's content, community, which is typically an online discussion area but could also be local meetings. It could be private Zoom Hangouts where you can get 20 people on a video call and do almost a virtual mixer. And then, there's a third C, coaching, and that typically comes from the founder, the expert, the authority that people are paying to gain access to. That can take the form of live Q & A's, it can take the form of actual one-on-one coaching, group coaching, mastermind groups and so on.

Mike Morrison: In terms of the overall deliverable, usually it's going to be some sort of mix of laws three. But the model often comes down to the actual delivery of those. Some memberships will have a drip feed model where there is a finite amount of content and you join, and on day one, regardless of when you join, the receipt of that content is scheduled in accordance with your join day. So, if I join on January 1st, I get my week one content, and then I can know week two, and I get my week three, and I get my week four. Then it's February and so on and so on.

Mike Morrison: Someone who then joins in October, their week one content in the first week of their membership, so it's drip fed. Everyone gets the same almost curriculum of content of material on a schedule that begins whenever they join. So that's your drip feed model. You have the all access model, which personally is my favorite because it's the simplest, where you essentially have just a library and any new content you publish, you're frequently publishing fresh content, goes into that library and every member has access to it regardless of when they join. Again, a bit like Netflix. If I join Netflix, anything they've added up to this point is on there. Anything they add from here on out, I get immediate access to as and when it's available.

Mike Morrison: You also have the community or new model, which is as it sounds, it's just the community. There's not really any content. It's not really any coaching. Everything else is essentially a variation of that. Some memberships almost have the magazine model where you don't get access to any past content from when you join. If you want to get maybe the workshop or the course that was released last month, you would have to pay extra for that. Broadly speaking, for all the different variations, I like keeping things simple. I like that all you can eat all access model where there's fresh content being added to an archive, to a library on an ongoing basis.



Susan Friedmann: That begs the question, how often do you need to be adding to that content in order to keep it interesting for the membership to stay engaged?

Mike Morrison: It varies. It really varies according to your messaging, to your positioning, to the price point. If someone's paying you \$9 a month, there's obviously a far lower expectation of how much content they'll receive and how often they'll receive it. Typically, for the average online membership, there's usually going to be something new every week. Now, that doesn't mean there has to be a huge five hour long course on a real specialist topic that dives every single week because that would just be crazy. You wouldn't last long as a membership owner. Your members would go bonkers because they just get so overwhelmed.

Mike Morrison: You would want to mix it up both in terms of the type of content, in terms of how long the content you're releasing texts to consume, in terms of which segment of your audience the content is suited to. We generally recommend you have four content streams, four types of core content in your membership. And these content streams would be distinctly different in terms of the format, in terms of the depth you go into, in terms of, as I said before, the ease with which people can consume it.

Mike Morrison: And so, let's say for example, one of your content streams could be a workshop. This might be a 45 minute prerecorded training that covers a very specific tactic or topic. That's content stream number one, it's workshops. Content stream number two could be live question and answer calls, live Q & A webinars where you make yourself available via Facebook Live or a webinar tool or something like YouTube Live. You make yourself available for one hour and you basically open the floor to anyone in your audience, your paying member base, to just pick your brains and ask you questions. That's the second content stream.

Mike Morrison: And in terms of overwhelm and in terms of work for you, you just need to show up. But the value you can deliver within that is huge as well. So it's still is of a high degree of value content. Content stream number three might just be a worksheet or a template or something that is just almost like a useful extra thing. And then, content stream number four might be a perk or a bonus or a discount that you've been able to negotiate with a company or software company or something that provides something that your members might need to purchase, might need to use. You could go to those companies and negotiate deals and discounts that are exclusive to your members.

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- Mike Morrison: For example, with our membership, a lot of our members use a lot of different software products. We go to the creators of those software product and say, hey, can you give us a discount we can take back to our members? And that's part of our value proposition. That's four different types of content. You might not look at that and label some of that stuff as content in the sense it's not educational content. Not all of it's educational, not all of it's video or written or what have you, but it's still something that is valuable to your members.
- Mike Morrison: So we've got those four streams of content. Then, week one of every month is content stream number one. Week one, every month you release your 45 minute workshop. Week two is when you host your live Q & A. Week three is when you add a new worksheet or a new template or something along those lines into your library. Week four is when you add a new perk or discount into your member base. That's something every single week, but it's not content that someone needs to sit down and consume or needs to put aside four hours of their life to work through.
- Mike Morrison: You're delivering on the value proposition of providing something fresh but doing it in a way that's varied enough in terms of its consumption time, in terms of the part it plays in solving a problem and usefulness to its audience. There's enough variation there so it's not overwhelming to them, but also it's not too overwhelming to you because a lot of this stuff, creating worksheets can be outsourced, deals and perks and offers, it takes an email or two, live Q & A's, you just show up for one hour during a week so you get to deliver almost a disproportionate amount of value compared to how much you put into it.
- Mike Morrison: I've gone a little more into it. I know we were trying to keep it basic, but hopefully that gives an idea of how even a weekly release schedule isn't as overwhelming and isn't as big as it sounds. Now, it's up to you whether you want that to be one stream a week, one stream every two weeks, one new thing every month. You get to set the terms of how much you put in. And as long as you're clear about what people will receive, as long as you meet up to that promise, then you're fine. If there's no expectation there will be something new every week, then people aren't going to leave because you haven't released something every week. As long as your messaging and the promise you're making aligns with what's being delivered, then you get to set the terms essentially for how much you put out there.
- Susan Friedmann: For me personally, that's brilliant because I know that I've been overthinking it and somewhat scared to put together a membership site because I



thought I needed to be pushing out content all the time, otherwise people wouldn't stay. So, I love the idea to do something every week or, let's say, every two weeks. Yes, and it really makes that whole exercise much more manageable. Another question, Mike, that comes to mind is how do you know how much to charge?

Mike Morrison: This is a great question because when you think about it, there is no logic whatsoever when it comes to pricing. And that applies universally. The very little of the decision making around pricing has any basis in anything that you can just calculate. Most of the time, people don't come up with prices just based on the cost of raw materials. A lot of the times, it's just what do we think people will pay for it. It's hard to quantify that because you also can't go and ask people what will you pay for it because, of course, they'll tell you the lowest possible price.

Mike Morrison: Much of it is a combination of gut feel, researching what else is on the market, understanding your audience, and having a general idea of their affordability. If you are helping one man band businesses, you're probably not going to have a membership that charges hundreds of dollars per month because they're probably not going to have to budget for it. You need to know your audience and what they're likely to be able to afford, how they'll assess the money they're paying you compared to what else they might be paying for.

Mike Morrison: All of these things get mixed up in a pot and you almost just have to decide on a price that you feel comfortable and confident in promoting and talking about. Now, that's a frustrating answer to give. If you're already confused, it doesn't get you any closer. Here's as much of a ballpark as can be given. For typical memberships in the business to business space, you're going to be able to charge a bit more because businesses look at it as an investment, an expense rather than a cost compared to hobbyists in the B to C arena. So B to B memberships typically price point is around about 30 to about 50, \$60 a month range. That's the general common sweet spot for B to B memberships.

Mike Morrison: B to C is definitely lower in most cases. With B to C, you're typically looking at between about 15 to \$30 per month. There's exceptions in each direction, but broadly speaking, if in doubt, that's the general ballpark that you're looking at. There's one caveat on the B to C side of things. If you are in a market where there is a financial barrier to entry, and by that I mean if someone needs to spend quite a bit of money just to engage with a particular topic, if they're a photographer, if they play musical instruments,



they're already spending money on the equipment, and so they have a greater appreciation of the value of investing in this hobby. They have a greater motivation to spend money in order to improve their skill set or to improve their experience or progress within their subject. In those B to C markets, usually you can't charge a little bit more than in for the B to C areas.

Susan Friedmann: Mike, I know that our listeners love learning about mistakes. What's one of the biggest mistakes you see people make when it comes to setting up or running a membership site?

Mike Morrison: I think one of the biggest mistakes is rushing into it and not validating the idea, not building a following, not researching, and not determining is setting up a membership right for me? Is the time right, and my audience need it? So we've already talked about those and I would absolutely urge just that little bit of extra patience. And for anyone who's thinking, yes, this is something I want to do because the last thing you want is to pour all of your time, energy, blood, sweat, and tears and money into building this phenomenal membership site, and then you launch it, and nobody joins because nobody needed it, and you didn't take that little bit of time at the beginning to ascertain that. Definitely that is a common mistake I see a lot of people making.

Mike Morrison: But the other big one I see people, particularly with memberships, where I see people who've been successful in selling other types of products online, is failing to recognize that with memberships, retention is as important, if not more important than acquisition. Online memberships are a retention driven business model. It's not about getting as many people as possible through the front door because if they're all just immediately disappearing out the back door, you don't have a solid, stable business.

Mike Morrison: The beauty of an online membership is the recurring revenue. Every sale you get, every member you attract is someone who could be potentially paying you for 10 months, 12 months, years, over and over and over again every single month. And that repeating recurring revenue is a bit of a game changer in a business sense because it stops you from having to start from zero every month. You're not relying on just sales. If you can deliver, if you can retain those members, you have a level of stability, predictability, reliability within your revenue that's unprecedented.

Mike Morrison: But if you're not focused on retention, if you're not taking care of the members that you're bringing in and you're very tunnel-visioned on the



sales process more so than retention, then that's where problems can happen because, as we talked about, price points for a membership, \$30, \$40 a month, if all you're doing is attracting people who only stay for one month because you're not taking care of them after the sale, you're not retaining them, you need whole a high volume of those low value sales in order to survive and grow that business.

Mike Morrison: But if you're hanging on to every member you attract for nine months, 10 months minimum, then that's a completely different kettle of fish, and that's really where the beauty of an online membership works. So pay as much if not more attention to what happens after that initial sale because once you get that initial sale, the work isn't done. The work is just beginning.

Susan Friedmann: I love that because, yes, you're absolutely right. Retention, it's all about retention because if you don't have retention, you don't have a site. Mike, because you're offering such dynamite information, I know our listeners are chomping at the bit to learn more about your services. How can they find out more about you and what you offer?

Mike Morrison: Best place to start is the start with our free content, and you can find all of that and a bunch of free resources at themembershipguys.com. We've got a podcast, blog, and a bunch of free stuff you can download that will help you to, A, figure out whether this is a world you want to get into and take some of those first steps, and B, determine whether myself and my partner, Callie Willows, as the Membership Guys are people you would want to help you along on this journey. And if we are, then we have a membership site about membership sites because we like to keep it meta over our membershipacademy.com.

Susan Friedmann: Listeners, I highly recommend that you go to that website. It's just a treasure trove of information that you could find highly beneficial. Mike, if you were to leave our listeners with a golden nugget, what would that be?

Mike Morrison: I think, again, it's remembering that member retention starts day one, minute one. We talked about how important it is to retain your members. That's not something you do a few months down the line. The second someone joins your membership site, the clock is ticking. So if you are going into this business, you need to make sure that the membership you build is a [inaudible 00:00:27:17], gets people off to the right start immediately and build in the sort of habits that'll keep people subscribed long term. Retention needs to be part of that whole strategy from the get-go.

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Susan Friedmann:

Mike, you've been amazing. Thank you, thank you, thank you for being so generous to share your wisdom, and thank you all for taking time out of your precious day to listen to this interview. I sincerely hope that it sparks some ideas you can use to sell more books. Here's wishing you much book marketing success.