Introduction

Starting your own paid membership site is a great way to generate full-time or part-time income. You can earn twice or three times more than you'd earn working full-time at a typical office job. Wouldn't it be great to have the income of a company president without all the hassle and strain? Well, it's possible when you build a successful paid membership site.

You're probably shaking your head in disbelief, thinking "How can I make that much money online? I'm signed with loads of affiliate programs, and I'm also an eBay seller. I make a few dollars here and there, but not enough to earn a part-time or full-time income." Rest assured you'll have a different point of view when you finish reading this book.

Owning a paid membership site is nothing like being an affiliate marketer or eBay seller. You have total control over the financial aspects of your site. It's basically up to you to determine how much money you make per month or year.

Consider this example: A membership site with 100 members and a \$25 monthly fee would generate \$2500 per month. That same site could also offer a special yearly subscription rate of \$240. Let's say 100 additional members joined at the yearly rate. One-hundred members at \$240 per member is \$24,000 per year. We're talking real money here, not spare change.

The example above is just one possible scenario. You can charge as much as you want, allow as many members as you want, and build as many sites as you want. This is why paid membership sites are not only lucrative, but are a powerful way to build an online business.

This book answers the following questions:

- 1. What exactly is a paid membership site?
- 2. How can creating a paid membership site help me?
- 3. What do members receive for joining my site?
- 4. What type of software should I use to setup and maintain my site?

- 5. How do I attract and keep subscribers?
- 6. Should I consider creating a free membership site?

Fix yourself a cool drink or warm cup of tea and get ready to learn about paid membership sites. Well, on to the first section.

1. What is a Paid Membership Site?

If you're new to the idea of making money online, you may not fully understand the concept of a paid membership site. Let's take a moment to discuss this concept in more detail.

A paid membership site is any site that charges a membership fee to its subscribers. It doesn't matter if you call it a subscription site, a "members only" site, or whatever label you want to stick on it. If you have to pay to join, then it's a paid membership site.

The dating and adult industries were among the first to use the paid membership site model. Someone figured out they could make hundreds or thousands of dollars per month by getting people to pay for information.

Sex and dating are hot topics on and off the internet. So it's not surprising that the paid membership site idea first gained popularity in the adult market. But just like with any good idea, the concept soon spread to other industries.

Now there's a paid membership site for just about every industry in existence. The publishing industry has <u>Publisher's Marketplace</u>, which charges its members \$20 per month to access the latest publishing industry information. <u>Hoover's</u> charges various membership fees for access to a wealth of business information not easily obtained elsewhere.

It's worth mentioning that Hoover's also offers access to free information, but only enough to whet your appetite for the good stuff – which isn't free. This is a common tactic (which we'll discuss later) used to give people an idea of what they can expect with a paid membership.

The paid membership model works because people are always looking for information. They want information that will improve their lives, take away their problems, or lead to some sort of pleasure. People will gladly pay to make their lives better, but only if the information is worth paying for.

The catch with a paid membership site is that the information must not be readily available anywhere else on the internet. Or, it must be information that would take people a long time to find on their own. Otherwise, they'd have absolutely no reason to join the site.

Now is a great time for you to create a paid membership site. They are more popular and acceptable than they were a few years ago. People realize that a paid membership site can offer valuable information. It can offer more information than they could find easily and quickly on their own.

At this point, you're probably still undecided about starting a paid membership site. Go ahead and read the next section. It outlines some of the benefits of starting a paid membership site.

2. The Benefits of Starting a Paid Membership Site

After you read this paragraph, close your eyes and visualize engaging in your favorite hobby or activity. Then see yourself providing others the information they need to perform the same tasks. Now let's take this a step further.

Imagine sharing your expertise with hundreds of people who are willing to pay whatever price you set. Can you see it? Doesn't it feel great? Starting your own paid membership site can make this vision a reality.

The dream of earning passive or residual income is an old one. It existed long before anyone ever thought of the internet. But because of the internet, it's now easier than ever to earn large sums of money without a large investment or mind-numbing work.

Starting your own paid membership site allows you to earn money from something that you enjoy or are knowledgeable about. It's a darn good

alternative to working a job you hate and making barely enough to survive. And best of all, you set your own price and act as your own boss.

Even if you enjoy your office job, starting a paid membership site is still a good idea. Very few people would turn down the chance to make a bit of extra money. That is, extra money in addition to their regular income. For a few hours of your time per week, you can establish a steady flow of income totally separate from your regular check.

The extra money can send you to Hawaii, buy a new car instead of a used one, or send your children to the best school in town. Maybe none of these things appeal to you. If not, that's fine. There are other options.

If you can't think of a way to spend a few extra hundred dollars, then stash it away for a rainy day or invest it. How does early retirement sound? Or what about leaving a nice nest egg for your kids? It's a winning situation no matter how you look at it.

Still not convinced that a paid membership site is a good idea? Consider this:

You get paid regularly.

Monthly subscribers pay a set fee up until they unsubscribe or your site ceases to operate. Because most payments occur automatically, you can count on receiving a certain amount of money each month. As long as you have even one subscriber, you know you're going to get that subscription fee.

After you've set the price for your membership fee, figure out exactly how much you'd like to earn from the site per month. Then after you've set the fee, simply figure out the minimum amount of subscribers you need.

For example, let's say you want to earn \$4,000 per month from your golfing paid membership site. The golfing crowd tends to be more affluent than those in some other sports, so you've decided to offer a monthly membership fee of \$40 and a yearly fee of \$384 (which is a 20 percent discount off of the monthly subscription fee).

To earn \$4,000 per month, you'd need to attract and keep at least 100 monthly subscribers. That shouldn't be too hard with good marketing, and some darn good information within the site. These numbers translate into \$48,000 per-year for providing useful information. And don't forget you can also offer your subscribers a yearly membership option.

If your monthly subscription fee is \$40, a yearly subscription fee of \$384 would provide a 20 percent discount off the monthly fee. This would provide an incentive for your members to choose the yearly option, and it would also provide a nice chunk of change for your bank account.

And remember, you can charge as much for membership as you think the market will bear. You may have information that people will pay \$50 to \$60 per month or more to obtain. If people are perfectly willing to pay it, then there's no reason you shouldn't set your membership fee accordingly.

Another thing to remember is that you can have as many sites as you want. There are no laws or rules that say you can have only one paid membership site. You can have as many paid membership sites as you can handle, as long as you provide useful content for members.

Happy members bring more business – and money.

If you keep your members happy, they'll surely spread the word about your site. And what does that mean? It means even more members and even more money in your pocket. Member endorsements are like hundreds of free advertisements. They can help make your paid membership site a great success.

Word travels fast on the internet. How do you think Google became the top search engine in the world? Sure, they spent money on advertising, but word of mouth played a big part in their popularity. The same is true for Amazon and eBay. People used the sites, loved what they saw, and spread the word to their friends on and off the internet. And, as the saying goes, the rest is history.

You become an expert on your topic and gain loyal followers.

Wouldn't you like to be recognized as an expert in your field? Imagine, being known as an expert without having to spend thousands of dollars, or four years or longer, earning a college degree. It certainly is possible.

If your site proves to be a reliable source of good, solid information, it can gain popularity as "the place" to find information just on whatever your topic happens to be.

There's no telling where your expert status will lead. You may be asked to write a book or get invited to speak at a seminar. Reporters may consider you a valuable source for their articles. Or you may end-up with your own popular internet radio show or syndicated column. It's amazing, but all of this really can result from talking about something you love.

It's plain as day that the benefits of starting a paid membership site outweigh the bad. In fact, there's not that much bad involved. The worse thing that could happen is that you lose members, fail to attract any members at all, or have some kind of website or script meltdown.

I'm not going to pretend it will be easy. There are risks involved in any business undertaking, but in this case, the rewards outweigh the risks.

Are your ready to start? Do you have a topic? Don't worry if you don't. We'll discuss finding a topic in the next section.

3. Finding a Topic for Your Paid Membership Site

Choosing a topic for your paid membership site is an important decision. It's probably *the most important* decision you'll make regarding the site. The success or failure of your site depends heavily on the topic you choose.

When you're looking for a site topic, or theme, choose something that you care about. You'll be spending lots of time keeping your site updated, and researching information to share with your members. It's much easier to maintain enthusiasm about something that genuinely interests you.

Narrowing your focus can also help you attract more members. For example, if you start a membership site about dolls, that's way too general. But narrowing your theme down to antique doll collecting will target a specific audience. So keep this in mind when thinking of a topic for your site.

As mentioned earlier, it's relatively easy to find a paid membership site for just about any industry, hobby, or activity. Notice I said "just about any", and not "every".

Some topics don't garner enough interest to justify building a membership site. How many people do you think would pay to learn about lint collecting? You'd be lucky to attract even one person to that site.

Any successful paid membership site must offer something of value. There are membership sites that teach members how to play instruments via streaming video. Private label rights (PLR) membership sites provide original articles, ebooks, and reports. The best way to decide on a topic for your site is to pick a subject you care about.

Sit down and make a list of your hobbies, interests, life experiences, training, and so on. Examine your list carefully. When you're done, pick the items you want to learn more about or already know enough about to educate someone else.

Narrow your list down to one item, and build your membership site around that topic. If you're passionate about the topic, chances are there are many more people who share your passion. Well, that is unless your passion is something totally weird like lint collecting.

You can always start another site to explore other, less marketable, items on your list. However, it's not a good idea to take on too much at once. So for now focus on one site at a time.

After you've decided on a topic, go online and do a bit of research. Answer the following questions:

1. How many paid membership sites already exist for the topic?

- 2. How many free sites or forums are dedicated to the topic?
- 3. Are there any online magazines that focus on the topic?
- 4. Is the information you plan to offer already freely and easily available?

The reason for this research is to get an idea of the marketability of your topic. A little competition isn't bad, but you need to know what you'll be up against. The internet could already be oversaturated with paid membership sites dedicated to your subject. Some topics have been done to death.

Any new paid membership site dealing with sex will have an extreme amount of competition. It's possible to find a paid membership site for just about any type of sexual situation known to humankind.

Keep in mind, having a lot of competition doesn't mean your site wouldn't succeed. It just means you'd have a more difficult time attracting subscribers, and setting yourself apart from the crowd. Sure, it'll be difficult, but it's far from impossible.

But, and this is a *major* but, just because something has been done before doesn't mean you can't do it again – and do it much better. What if the creators of Google had said, "This is a waste of time, we'll never be able to compete with other search engines"? They would've missed out on one of the biggest money making ventures of their lives. Take a cue from Google.

If you think your paid membership site has something to offer, no matter how many others exist on your topic, don't hesitate to put yours out there. It would be a shame to deprive yourself of a lucrative business opportunity. And it would also be a shame to cheat the public of information that could help them build better businesses, live better lives, or make more money.

You will need to:

- Have faith in yourself
- Be ready to compete against "the big dogs"
- Dare to put your own twist on an old idea

• Create goals and a business plan to help you remain focused

Another reason to research your topic is to get a feel for the market. If there are less than a handful of forums, free websites, or online magazines dedicated to your subject, you may not have a strong enough market to support a paid membership site.

Billions of people use the internet on a daily basis. But there are still some topics that don't raise an eyebrow. Well, at least not enough to justify starting a paid membership site.

Consider the following:

A Google search for "lint collecting" returns fewer than 400,000 results. And of those results, the first two pages consist of technical talk about dryers, lint traps, and obscure research. An Overture keyword search reveals that "lint collecting" was used to search the web only 47 times last month (May). There's clearly very little interest in the topic.

The point of this is to realize that some topics provide an abundance of competition, while others are practically useless. This is a situation in which you have to use your own judgment. If you feel good about your ability to attract a sizeable audience, feel free to tackle the topic of your choice.

Once you've decided on your topic, the next step is to decide how to create and maintain the site. Your goal in this step is to make things easy on yourself, but to also maximize your profits and keep your members satisfied. Sounds like a lot doesn't it? Well, it is. But it's not impossible. We'll discuss this important step in the next section.

4. Creating a Paid Membership Site.

The easiest steps are behind you, and now its time to get your hands dirty. Creating a paid membership site is a tough job. If you think it's as easy as building a regular, free website, well, you seriously need to think again. Every decision you make in the beginning stages will have a long-term effect on how the site operates.

Honestly, at this stage of your progress, it's a good idea to spy on the competition. Creating your own paid membership site is a complicated process. And it's even more difficult if you have no experience building or maintaining websites.

By joining a paid membership site about your topic, you can gain first hand knowledge of how things operate. If there is no paid membership site in your topic (which is unlikely but possible), find something similar. You can even subscribe to more than one at time. The primary goal at this point is to study how things work.

As a member, you will be able to see things from a subscriber point of view. You can also use various forums to find out what people like or dislike about paid membership sites. Feel free to ask questions and take note of what you learn.

This is an important step that can help you avoid certain mistakes, as well as repeat things that work. No doubt about it, these steps will serve you well when you start working on your site.

Things to take note of when evaluating a paid membership site:

- Why is the paid membership site successful? Did it appear high in search rankings? Did you notice ads or other marketing tactics?
- What are the best features of the website? What are the worse features?
- What do you like best about the website design? What do you dislike?
- Is the site easy to navigate? Are there lots of graphics?
- How is the copywriting? Is it compelling? What words are used to entice visitors into becoming subscribers?
- What do members get for their money? Are there free incentives for joining? Look for offers such as free ebooks, reports, or instructional videos.
- How is the subscription process? Is it quick or time-consuming?
 What payment methods are accepted?

- Is there a free membership offer? How many levels of membership are there?
- After becoming a member, do you receive a welcome email or a gift?

This information will help you in the long run. Keep your answers handy when you start planning your own site. This will give you an idea about which features are useful, and which ones are unnecessary.

The planning stages

Based on your research, you should already have a strong idea of how your site will operate. Most successful paid membership sites automate every step in the sign-up process. Very few steps, if any, are done manually. If you want your site automated, you'll have to set-up:

- Automated registration subscribers will automatically be admitted once they complete the registration process. There's no waiting to be approved by a moderator.
- Opt-In (optional) if you require subscribers to "opt-in", they will still be given access to the member's area after confirming their registration.
- Auto-responders new subscribers will receive a welcome message without you having to do it manually for each person. You can also send messages to everyone subscribed to your site.
- Credit card processing this step is important because you most definitely want to get paid. Not only do you want to get paid, but as soon as possible. Make things easy and set-up a system that accepts credit or debit cards.
- Password protection the only way to keep non-members away from your information is to password protect the member's area. Any information that's only for members must only be accessible with a password and/or username.

Automated cancellations – you hope no one cancels, but it does happen.
 Make the process as easy as possible.

The Good Stuff

So you've decided on the basic operation of your site. Now it's time to decide on what you'll put on it. Or in other words, what do you plan to offer your members? Imagine that you are the member, and then think about what you would want from your membership site. Your offerings depend on the type of site you plan to create.

You may think it's cool to include video tutorials on your article writing site. But do members really need to see you writing an article? No, probably not. A much better choice would be to use a series of downloadable lessons or plain HTML text.

However, a guitar tutorial site could make great use video tutorials. Lots of people would pay to learn guitar in the comfort of their own homes. In this case, video tutorials would be a big hit. Learning an instrument is a hands-on activity anyway. And it's much easier to learn *Mary had a Little Lamb* when someone else demonstrates the correct hand positions.

Here's a list of things you can offer site members (depending on what type of site you're creating, of course):

- Video tutorials
- Downloadable lessons or tip sheets
- A supply of original ebooks, articles, or reports
- A supply of original website graphics and/or templates
- A supply of royalty-free images to use on ebook and report covers and software boxes
- An ezine with valuable job or marketing leads
- A monthly conference call
- Mentoring

- Forums
- Interviews with professionals related to your topic (example: golfing site, golfing professional)

I'm sure you'll think of even more goodies to offer. This list is just to get your creative juices flowing.

Remember earlier we discussed how paid membership sites should offer unique, hard to find, information. If it's something they can find anywhere online (for free), they'll have no reason to pay for it. In fact, the features you offer play a large part in setting your membership fee.

Many paid membership sites also offer a free option. Free members have limited access to the services or features of your choice. For example, if you include articles on your site, you can give free members access to certain articles. And remind them that a paid membership would allow them to access even more goodies.

Paid members usually have access to everything on the site. That is unless you decide to offer different levels of paid membership. Some sites offer what amounts to basic, premium, gold, or platinum memberships. They might not be called that exactly, but the idea is the same. The membership fee depends on what's offered at each level.

Let's use Elance for an example:

Elance is an outsourcing site that allows writers, graphic designers, and programmers to bid on jobs. Membership is required before you can bid on any jobs. And then your membership level determines which jobs you can access.

There are currently four levels of membership available:

1. Courtesy Listing. This membership is free, and as basic as it gets. You can't bid on any jobs, but you can have a portfolio and listing on the site. You can also be invited by buyers to bid on their invitation only jobs.

- 2. Limited. This membership is slightly better than the free one. It adds everything included in the free listing, plus you can bid on 8 jobs per month. Fees for this membership range from \$14 to \$29 per month.
- 3. Professional. At this level you get everything included in the previous levels, plus a little extra. And your bid allotment is 80 bids per month. Fees for this membership range from \$29 to \$89 per month.
- 4. Select. This is the cream of the crop. It includes everything from the previous levels, plus access to select only projects that usually have sealed bidding. You also receive prioritized listing on the site, and 180 bids per month.

As a select member, you can also access any job on the site – no matter what level. On the other hand, anyone without a select membership can't bid on select jobs. Fees for this membership range from \$69 to \$199 per month.

Based on the example, Elance can charge more for various memberships because as the prices go higher, so do the features. This is a great tactic for encouraging subscription upgrades.

Depending on the type of site you plan to start, this type of level based membership may be a great idea. But keep in mind the more complicated things are, the more work you'll have to do. Paid membership sites demand a lot of time and attention.

You will have to regularly update your site. This is the only way to keep the attention of your members. If the site gets boring or doesn't provide enough useful information, the cancellation notices will begin flooding your mailbox.

There are many options when it comes to managing a paid membership site. When you read the next section, you will learn more about the nuts and bolts of running a membership site.

Software, scripts, huh?

After you've decided how the site will operate, you need to get it working. This is more complicated than it sounds. Now, there are three solutions to this problem. Let's look at them all (you should take notes!).

Solution 1

Hire someone to do the heavy lifting. If you select a hosted membership site management service, most of the work will be done for you. This is by far the easiest, but most expensive, method. The internet is full of services that will handle the hard parts, and leave the specifics to you.

If you use a service that provides hosting, your site will be hosted on a server run by a company specializing in creating and maintaining membership sites. This option usually requires no programming, software installation, or headaches (or at least very few). Some of the features you should look for include:

- Terrific security to keep non-members out of members only areas
- Templates to make building your website much easier
- Automatic administrative functions so you don't have to do everything manually
- The ability to easily edit, delete, and add new content
- The ability to have search engines crawl the site without needing access
- The option to setup different membership levels
- RSS syndication abilities
- Automatic email lists so you can keep track of subscribers, purchases, etc...

Solution 1 would certainly give you more time to focus on site content. And actually, you could even hire someone to handle that for you. It's probably not a good idea to take a complete hands-off approach, but you sure could get close to it. But then you'd have to keep watch over your employees.

An example of a hosted membership site management service:

<u>VisionGate</u> – This service handles many of the tasks involved with starting a paid membership site. You don't have to build anything from scratch. VisionGate will host your site, so you don't have to download or install any scripts.

There's also no need to worry about glitches caused by using products that are incompatible with the server. The current price for VisionGate is \$97 per month.

Solution 2

Purchase an easy to use membership and subscription management script. This has the possibility of being a really complicated process.

If you're not comfortable installing scripts on your server, this option is probably not for you. But keep in mind that free installation is sometimes included with your purchase. Also, this solution is cheaper than the first solution.

Scripts designed specifically for membership site creation are great if the learning curve isn't too steep. So it's important to read reviews of anything you plan on buying. And it's even better if a free trial period is offered.

One of the first things to consider is the reliability of the script and its developers. Does the product have a money-back guarantee? Does the company provide adequate tech support? You should be able to find this information by doing a quick Google search. If the product or company has a bad reputation, you'll surely find someone talking about it online.

It's also important to know how long the script has been around. Think of it the same way as a piece of software. Very few people buy any new software as soon as it gets released. Do you know why? It's because new software is likely to have bugs.

Even the latest edition of Windows has flaws. And if a million dollar company experiences glitches, then you know the small fries can have problems as well. The same rule that applies to software applies to scripts.

When possible, pick a script that's been around the block a few times. Building your paid membership site with an untested script is a huge gamble. You need something that has been used to build sites like the one you're creating. Let the developers do their jobs and find the glitches.

A smart move is to find out which sites, if any, use the script you're considering. It doesn't have to be every site on the developer's client list. Five or ten sites should do the trick. Check each site and contact each owner. This is an excellent way to see the product in action.

Ask the site owners about ease of use and reliability. Find out how many members each site has, and if there's been any problems at all. Some membership site scripts experience problems when a certain number of members are added. A script may work perfectly for a site with fewer than 100 members, but become unstable if more members are added.

Avoid developers who aren't willing or able to provide a client list. They may tell you it's an issue of privacy, but don't believe it. Failing to provide a client list can mean the script isn't in use, or that it has many unsatisfied users.

It's also important to evaluate the features. Not all membership site scripts are the same. The developers should display all the features prominently on the website. If they don't, then move on to someone who does. You could write and ask but you shouldn't have to.

The next big concern is making sure the script is compatible with your web hosting account. Unlike solution 1, solution 2 requires you to manually install the script on whatever server you're using (unless free installation is included with your purchase).

The bad news is that the script may or may not work with your server. If it doesn't, you'll have to ask for a refund, change web hosts, or buy a new script that works with your setup. Currently, most membership site scripts require PHP. So if you're using an ASP server, PHP dependant scripts won't work for you.

Choosing the best script for your membership site is extremely important. Think of it like building the foundation for your family home. If the foundation isn't strong, the house will eventually crumble. Do you want your loved ones trapped in a falling house? I certainly hope you don't.

But if the foundation is as strong as possible, the house will last much longer. In other words, build your paid membership site on a strong foundation and it won't suffer performance issues further down the line. Unless you're on a tight budget, price should be the least of your concerns.

It's true that you get what you pay for – at least most of the time. There's nothing wrong with saving a few bucks, but sometimes the cheapest product is far from the best. Your main concern should be getting the best product your money can buy – not the cheapest.

When it comes to scripts, a cheap price can mean the product isn't stable or has little to offer by way of features. This isn't to say that cheap is *always* bad. There are some relatively inexpensive scripts that are highly rated. The products in the \$3000 to \$4000 range may offer more features, but everyone can't afford that.

Membership Site Management Products

The following is a list of popular membership site scripts.

Amember Professional. This is currently a highly rated membership site PHP script. The regular price is \$159.95, and there are features galore. A great bonus is that free installation is included with each purchase. You can also view an online demonstration of the product or download it for a free trial period.

Amember has a great reputation. The learning curve isn't too steep, and tech support is fast and reliable. But as always, make sure to research any product you plan to purchase.

MemberGate – This is one of the most expensive and extensive membership site management scripts available. Large corporations such as General Motors use this product. It includes free installation, setup, testing, site design, and one year of support. However, all of this comes with a hefty price.

A license for the startup edition of Membergate costs \$3,995 and allows up to 1000 members and 2500 content pages. An upgrade is required when you want to add more members or pages. There are various upgrade options, with the top option being the global edition. It allows up to 15,000 subscribers and 30,000 content pages for \$14,995.

MemberGate may be a tad expensive for most people. However, if you are interested in this product, payment plans are available. Each edition also includes online support, training tutorials, and notification of upgrades and enhancements.

Solution 3

This solution is the cheapest, but least popular, of them all. If you plan on running a small paid membership site, and don't want anything fancy, then you can forgo using any scripts or services at all. That's right. You can do *everything* on your own.

All you need is a hosting account that allows you to password protect your directories. You can then place the member's area in a password protected directory on your website.

You will have to do *everything* manually. This includes sending out membership and password information, and collecting payments via the payment processor of your choice. One way to make things easier is to find scripts that work with your server.

There are free scripts available, but they usually don't do much. So if you want administrative features, you'll have to find a higher quality script. Some of the free scripts don't even allow you to sell products. Instead of looking for free, look for inexpensive instead.

These scripts aren't as extensive as those mentioned above. Instead, they are standalone scripts that usually perform only one or two functions. If you can't find what you need online, you can hire a programmer to make a script to your specifications.

This relatively free method will work, but only for sites with few members. Once the site grows to 50 or more members, the workload will become too much of a chore. So only consider doing it all yourself if you're sure membership will remain small. Cheap isn't a bargain if it's not to your advantage.

Another option is to use forum creation software. This type of software allows you to integrate payments into a forum on a website you own. One such software package is <u>vBulletin</u>. Technically, it isn't designed to run a paid membership site, but the latest version does have integrated payments for private or member only forums.

You could easily charge access to certain areas of your forum while keeping others free. Simply upload the software to your server, install it and go. vBulletin requires a server that uses PHP and MySQL.

An owned license from vBulletin costs \$160. This option allows you to use vBulletin software indefinitely. You also receive one year of free updates, and email and forum support. A leased license costs \$85, and allows you to use vBulletin software for one year. After the first year you must renew or remove the software from your site.

5. Should I Create a Free Membership Site?

Sure, if that's what you want to do. You wouldn't make a bundle on subscription or membership fees, but there are quite a few ways to monetize free sites.

1. If you have products to sell, a free membership site is a good place to do it. Provide great free content to your members, and mix it with marketing efforts to sell your products.

People are more likely to buy from people they know and trust. Use your

You may not distribute this report without prior written consent, see rights.txt for details

© 2007 - Karl Warren

free membership site to build a connection between you and your members. But don't offend your members by becoming a spammer.

Sending numerous marketing emails per week to your members will surely drive them away. We're talking three of four emails per day, five days a week. Warning! Most people are really turned off by constant emails asking them to buy something. Use this tactic with caution. If people get tired of your constant emails, your membership will dwindle to nothing.

2. A free membership site can include a paid upgrade. The free membership won't include all the goodies of a paid membership. You don't have to beat your members over the head, but remind them from time to time that the paid membership is a much better choice.

If free members think your site is worth it, they'll be more likely to upgrade to paid memberships. So make sure your free content is good enough to show the quality of your paid content. Be careful not to give away too much or no one will be enticed to pay.

The Cons of a Free Membership Site from a Member's View

Spend any amount of time discussing free membership sites online, and you'll discover that many people hate them. Some people expect too much for free. And those are the ones unlikely to become paid members anyway. But others have legitimate complaints that deserve your attention. Here's a list of some of the most common complaints about free membership sites:

- The content sucks and is downright horrible
- The pages are covered with AdSense ads and banners
- Crappy products for sale
- Three or more daily emails recommending even more products
- Too many "One Time Offer" pages
- Constant requests to upgrade to a paid membership
- No thought put into design or ease of use

• No updates to free content

Basically, if you're going to start a free membership site, it still has to offer something of value. This is even more important if you want people to upgrade to a paid membership. The goal is to offer content that makes people want to upgrade to paid status.

Make sure your free membership site is actually useful, and not just a bunch of sales pages with downloads and password protection. A good membership site should provide useful content, and provide a place for members to interact and learn. Frequent updates wouldn't hurt, and would also help the site become a place people visit again and again.

The main problem with a free membership site is the lack of upfront income. At the end of the day, you're working for no pay and hoping someone makes a purchase or upgrades to a paid membership. But that's not necessarily a bad thing.

Most marketing involves working for free until someone buys a product or service. However, most people start paid membership sites to make immediate income. So if your motivation is to make a steady income from your membership site, forget the free option.

6. How to Attract Subscribers

Are you good at promotion? How are you with marketing? If you excel in these areas, it shouldn't be too hard to get traffic to your paid membership site.

Word of mouth is the best advertising ever invented. The best way to promote on the internet is to let your fingers do the talking. You can do this by participating in forums and discussion groups related to your topic. If you're allowed to place personal links in your signature, then do it. Your site address will appear each time you post.

But please, don't post to a forum or discussion group just to raise your post count. People will spot that ploy from a mile away. It's an annoying tactic

that repels more people than it attracts. You want to show people that you're helpful and knowledgeable about your topic.

If you're a decent writer, you can also try article marketing. All you'd have to do is write a few 300 – 500 word articles on your chosen topic. At the end of the articles include a bio box encouraging readers to visit your membership site. Tell them what your site has to offer, and give them a reason to click the link – make it enticing.

When you're done writing, just submit your articles to two or three of the hundreds of article directories available. It's usually a good idea to write a unique article for each article directory. If that's too much, consider rewriting one or two of the articles so they are slightly different from the originals. Not everyone does this though, so use your own judgment.

If your articles are popular, they will be seen by many people. And hopefully all of them will visit your site. Your article could also receive a decent search engine ranking, which will result in more traffic.

The three most popular article directories are:

- EzineArticles
- GoArticles
- <u>SearchWarp</u>

Squidoo is another popular marketing tool. With Squidoo, you're able to create lenses (small one-page websites) on just about any topic. You can create as many as you want, and update them whenever you want. Starting a lens will provide a great boost to your marketing efforts – if the lens is useful. It shouldn't be a blatant invitation to join your paid membership site.

Most people on Squidoo prefer informative lenses. You'll attract favorable attention by providing useful information on your topic. Perhaps someone will mark your lens as a favorite or tell their friends to check it out.

Focus on adding value to the site instead of beating people over the head with sales copy. Sales copy has its place, but it's better to attract members to

your membership site by showing them your expertise. Link to your paid membership site can be placed throughout your lenses.

You can also consider advertising on sites such as Craigslist or US Free Ads. And if you're really ambitious, you can place small ads in ezines or your local newspaper.

7. Keeping Members Satisfied

After you get members to join your site you have to worry about keeping them. Well, you won't have to worry about it if you provide a steady flow of useful content or services. That's a huge part of holding off unsubscribe notices. Give your members what you promised, and they'll stick around for more than one or two months.

But no matter what you do, someone will eventually cancel their membership. Don't get discouraged. Instead of getting bent out of shape, take time to find out why they decided to unsubscribe. You can do this by making a questionnaire part of the unsubscribe process. The information can then be used to improve the site.

Another way to satisfy members is to make sure the site operates smoothly. Members shouldn't have a problem with downloads, payments, sign-ins, passwords, or anything else. Make things as easy for them as possible. And remember, a well-maintained site with good content is likely to become very popular (and put lots of money in your pocket).

Let's Wrap it Up

I hope you took notes while you were reading. We've discussed a lot in these few pages, and there's still more to learn. You can easily get overwhelmed when starting a large project like creating a paid membership site.

Remember, there are basically only two types of membership sites: paid sites and free sites. One thing they both have in common is that members join them in search of useful information. It doesn't matter if the site is free or paid, a badly run site with useless information will quickly lose members.

There's a lot to learn, and starting a membership site is a serious undertaking. You'll be dealing with people's money, credit card numbers, etc... So it's important to know what you doing. One misstep in the early stages could mean serious headaches down the line.

When the going gets tough, remember why you wanted a membership site in the first place. You'll see the pros heavily outweigh the cons. For a little help, use the checklist below when you start working on your site. It will help keep you on track and working steadily toward your goal.

Paid Membership Site Checklist

- Decide the topic of your paid membership site.
- Think about what you plan to offer your members.
- Join one or two paid membership sites and study how they operate.
- Set your membership fees and levels based on what you plan to offer and the type of site you want to create.
- Decide which features or products you want to offer.
- Decide if you will use a script or do everything manually.
- If you want a script, find one that provides all of the features you need.
- Check your server to see if it's compatible with the script you want.
- Start thinking about how you will attract members to your site.
- Promise to keep your site updated so members will remain interested.

Good Luck!

Karl Warren