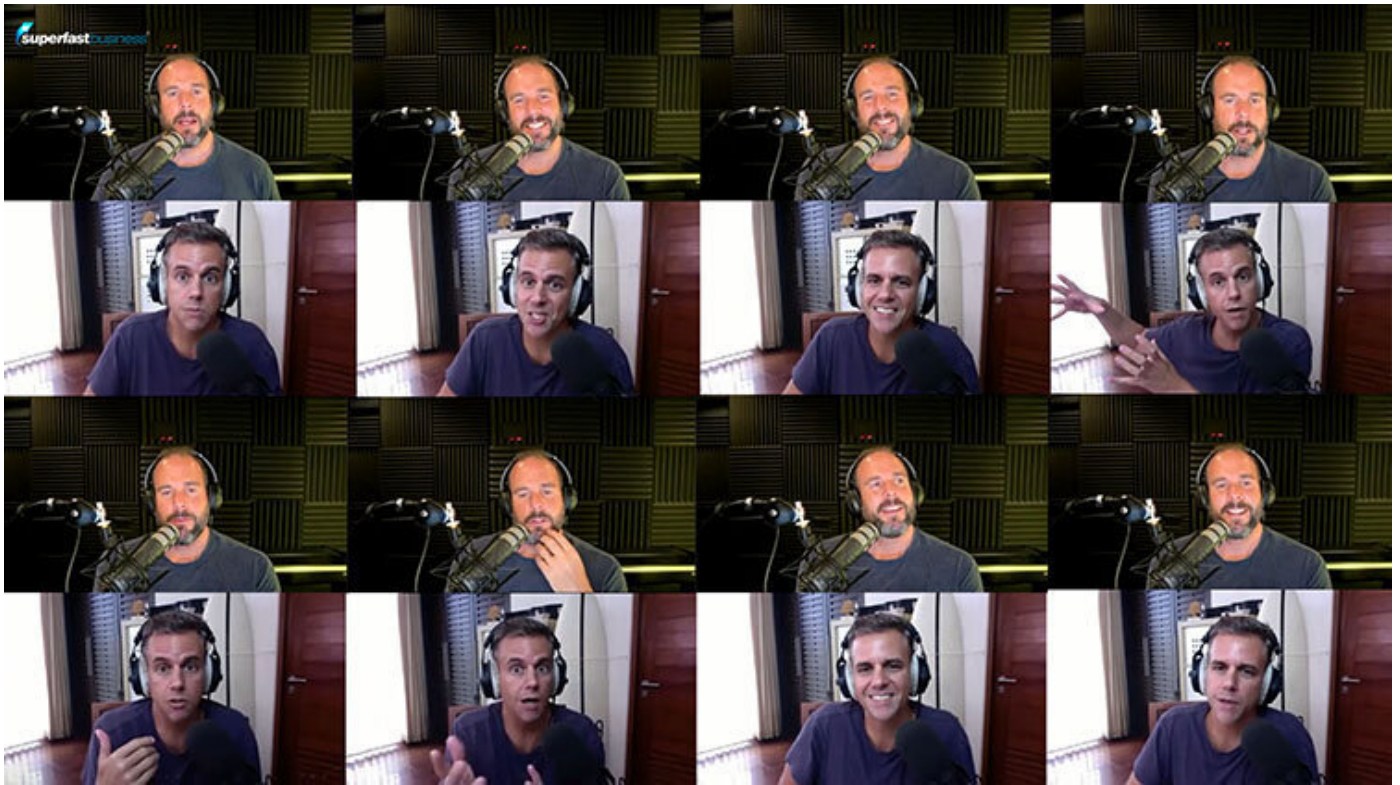




How to Price Your Membership - The Membership Series



Finding the proper price point for your membership can be a challenge. How do you ensure good value for the customer and profit for yourself?



James Schramko and John Lint

James: James Schramko here. Welcome back to SuperFastBusiness.com. I've got my friend [John Lint](#) here. Welcome, John.

John: Hello, hello, how are you?

James: I'm great, thanks. We're continuing on our [discussions around memberships](#), which is what you and I are known for now. You, of course, are the founder of [10XPRO.io](#), my preferred membership platform solution. We've been working together to help people come online and set up their memberships.

And of course, one of the key components to that, if you've done all the other steps we've talked about, and we've linked all of these together in a series, which we'll put in the show notes at SuperFastBusiness for Episode 849, is, how do we price our product? This is a huge question. It's something that causes a lot of lost sleep and concern.

And in some cases, it can even prevent someone from actually releasing their membership. They're so paralyzed by price. So today, we're just going to, I'll use your word, John, we're going to destroy all of the price objections. We're going to provide some useful tools and ways to think about price. At this point, too, I want to say, if you're interested in this topic, and you want to go deeper, there's a few ways you can explore this further.

One, get 10XPRO.io. You can take a trial. The reason I say that is it comes with plenty of training included that will help you through all these steps. The other way you can do this is you can go across to SuperFastResults.com, and you can have a look at my [Profitable Membership course](#). I think it's \$99, and it will give you some bite-sized modules.

You'll see what a 10XPRO website looks like. And you'll be also made an offer to join SuperFastBusiness if you purchase that. So pricing your membership, it's a difficult one. Where should we start? I think, probably, we should have a discussion around price versus value. John, what are your thoughts around this?

How much is your product worth?

John: Yeah, well, value is the most important thing, right? So that's what we need to do. We need to try to come up with the best product possible, try to create something that's going to be extremely valuable to someone. And in our industry, which is again, we are coaches, we are helping people solve a specific problem, and that can happen in any niche.

So if you're in the golfing, it's about helping people be a better golfer. You, James, better entrepreneur. That's what we do. So in this case, what is value? Well, it's something that is going to solve problems, because then I have those problems, I want them solved, I'm going to pay for that. And then depending on the market that you're in, it's going to be a specific price.

So value is the heart of everything that we do, anyway, and value is about solving problems and providing the solution to their problems so that they can get the result that they want. So going back to the golfer, he wants to be able to drive the ball at the beginning, so he can shoot it very far. And I don't know anything about golfing, I'm just talking like that.

But you know, shoot it very far. I get close to the green. Once I'm in the green, I don't panic. I can go into the green, and I can put it into the hole. I want to be a better golfer, I don't want my friends to laugh at me. I don't want to embarrass myself, I don't want to always be stuck with those low scores, or whatever it is. These are my problems. I want to be a better golfer.

So how do I do that? Well, I need to find an expert, a coach, who is going to help me speed up that process, right? And get that shortest path to that desired result. And we can talk about this. But obviously, one of the most valuable thing is that it's something that is going to allow you to get the results you want in the shortest amount of time. Right?

If I tell you, you need to study for 10 years to be a good golfer, to be able to drive the ball, versus someone else that probably gives you a pill, and now all of a sudden, you're Tiger Woods, which probably is more valuable? Of course, that magical pill, which doesn't exist, it's just an example to show you the difference.

So these are a couple of things to keep in mind. Value is at the center of everything, and based on that value, based on what we deliver, then we can come up with a price that our market will be more than happy to pay. Why? Because they're exchanging those dollars into something that for them is extremely valuable, because it's going to solve, maybe the kid is crying all night and they are not getting enough sleep, and you know all about that, James. So that's what value is all about in my mind when it comes to pricing.

James: Yeah, I'm very glad my kid doesn't cry all night. Sleep is so important.

Okay, so the thing is, it's not a completely fixed thing. I know there'll be people listening to this who just want to know, what is the price, what is the black and white formula that I can apply now that is 100 percent guaranteed?

Here's a stunning fact, I have products for sale on my websites that are either \$10 per month or in some cases around \$10,000 per month. That is outstanding, really. When you think about it, I'm the same person, I'm operating in more or less the same market, and people want different things. So the price can be very, very elastic.

I want to say this to give some encouragement and say, it doesn't really matter. You've just got to start at some point, but we want to get it within a range. And one of the things that's different about my \$10 price point through to \$10,000 price point, is around the value proposition. And I've got a very simple definition of selling and it's this, people will buy to be better off.



So the main thing is, whatever you charge, you want to make sure you help people be better off more than the amount they pay. That's it. If you can't help people be better off, then no price is really going to be effective. If you can help people be way better off than what they pay, they'll stick around, which is important for membership.

We've talked about this before, and I think we're going to cover it in the future - retention, retention, retention. If you get it wrong with the value proposition, people might try it once. The worst thing that could happen is they want a refund, or they do a chargeback. Beyond that, they might just stick around for a very short period and then leave, and you're back on the marketing hamster wheel to get another customer.

The best situation is they feel like they're ripping you off, they're paying so little for the amount of value they get, and they stay forever. And I literally have people, especially the people at the \$3,000 price point, saying, I am never leaving this program. And that means that the price value proposition is about right. It's designed for a sustainable membership.

Do what your customer might do

So, looking at my notes here, one thing we can do is we can do what the customer might do. When the customer is in the market to buy something, they generally have a look around. They might start googling, they might ask for referrals, they might be a member of groups where five people are mentioned within the same thread, and they go off and have a look.

And what are they going to do? They're going to have a look and start benchmarking and making a mental note or even a spreadsheet. What do I get? How much does it cost? So one thing we can do to insulate against this is be aware of the market as if we're a buyer.

So I suggest we go out there, and I'm not saying we're going to just find our position within that. I'm just saying we should know what they see, because that's what we're up against. And we want someone to be in a position where after they've done all that research, our proposition still looks very attractive.

John: Yeah. And it's important to highlight this, it's not about being the cheapest, or anything like that. It's about giving you an idea, right? So that's something that we talked about in the previous weeks, whenever you're entering a market or you're trying to build your business in a market, the first thing you need to do is to get market intelligence. And that's what every successful person does.

I mean, you can't just come up with things on your own and just make things up. You need to see, okay, well, what are people ready to pay right now? What are they actually spending their money on? What are the different prices out there? That doesn't mean that you need to do the same. You can absolutely be more expensive. You could be cheaper if you wanted to. But it's about giving you an idea.

So now let's go into that golfing market. Again, I don't know anything about the golfing market, but I can start seeing that, okay, well, there are courses, maybe at 97, membership sites at 197 per month, maybe 27. I don't know. And maybe there are obviously personal stuff, like you said, at \$4,000 or 1,000. Doesn't matter. I have no idea.

But now I'm going to get a sense, okay, so that's the range. Okay, looks like memberships are around that price, maybe individual courses that are that quality, that provide that value going back to that value word. Those types of courses are priced at that much, coaching, that much. So now you get a sense.

So then it's up to you to decide, well, where do I want to fit in? And also by respecting your time, right? Because maybe you think, hey, okay, I want to do some coaching. But for me to be worth my time, I need to at least price it that much. So how far off from the market are you? If it's just a few \$100 or maybe 1,000, well, maybe, you deserve it, because you provide so much more value compared to the others.

So then you go for it and you pick one price, you test it out, and that's the thing as well you mentioned, you never set one price and forget it. Nobody does that. You pick a price, and you don't want to be paralyzed by the decision. So look at what's around, you pick a price. That doesn't mean you cannot increase it in your future or decrease it in your future.

It's really up to you to decide, based on your sales, right? If people come and nobody buys, well, maybe it had to do with price or maybe it had to do with your offer. Maybe it had to do with the fact that you didn't do the steps that we talked about before, which is, you're not clarifying the solution that they're going to get when they buy your access, right?

So different elements and price is not always the main reason people are not going to buy. It might be, but you can always test these things out and then change the price based on the feedback and based on, you select the price, ideally, you want a price that makes you happy, and also makes the customer happy, right?

The customer feels that they got a great deal. And you feel, you know what, that's a fair price. I'm happy with that price. I'm making a profit. Everybody's happy, people are staying. That's usually the best price. So yeah, a couple of ideas there.

How to make it all about the result

James: Yeah. So once you've done your analysis, and you can see what people are charging, what they're offering, one really simple thing to do is just think about, what kind of result can I deliver that no one else is talking about? And kind of make the price not even a relevant situation. It's like, they want to deal with you no matter what.

And I'll give you a tip in a minute, on how to help them make that decision. But it comes down to a differentiation. It's like, what is special about you that no one else can supply? What result can you promise? And then what price can you charge, as John said, that makes you happy and makes them happy? And if you can find that sweet spot.

And John, you spoke about changing the price. I've changed my prices a lot in many, many years. In membership terms, I've had memberships before there were Facebook groups. There's a lot more memberships now, there's a lot more Facebook groups now than when I started. But my membership is still in its prime, it's still going very strong. And we've had to adapt and adjust.

And one of the things I've noticed now is for SuperFastBusiness, there's two price tiers. There's a \$99 per month tier and a \$599 per month tier. And the question I get is, what's the difference between 599 or 99? And the difference is access. For the extra \$500, members get a private coaching thread with me, back and forth text discussion or Loom videos. And they can come to a weekly live call every single week. So that's the difference.

And that is a value proposition. For the right person, that makes a huge difference. If they have momentum, if they've got a challenge that I know how to fix, it can be invaluable. I just had a call this morning with somebody, and my answer for them has solved a huge problem, where they'd basically come to the end of the line with an arrangement they had with a supplier.

The deal was finished. It was done, and we've reconfigured the deal, made it very attractive, and now the client wants to commit to future situations that are going to put multiple six figures into this business owner's life. So that's worth \$500 for somebody, like that advice. So can you give someone advice that's far more valuable than what they pay?

How access can affect your pricing

In terms of access or distance, we've sort of hinted on this before, a lot of membership owners are doing whatever they possibly can to be as far away from the customer as possible. And it is possible to set this up. But it's not easy, and it could be affecting the price too. I've become aware recently of someone in the marketplace who has a fairly high-ticket offer, but has a very low access, like customers of this person have never had access to this person in any other arrangement other than a large group, and normally they deal with sub coaches.

And what's happening is they're churning, they leave, because they want access. If you're going to charge a lot, you might want to offer more access. If you're more distant, that could be an indicator on price. Now, again, it's not black and white, but these are just trends that I want to point out.

So decide, if you are prepared to get closer to the customer, often you can charge a lot more. And that's why as you pay more with me, my access goes up and up and up. And what I'm prepared to do or able to do for a client as they pay more is significant. I mean, I've got distribution available for the right people. And I'm thinking about their business on an ongoing basis.

And they're basically getting high-level access in a smaller amount of competition for my attention. And I'm just one guy. So I have to set up these leverage points. I've found the sweet spot now in my pricing tiers that work for the long haul. Now, your pricing and your value proposition will be dynamic.

When you have to change the price

Whatever you start with is super unlikely to be what you're offering a year or two from now, especially in five years from now. In fact, five to 10 years from now, you might be in a completely different business. So just start, adjust. And I had to do a lot of wiggling around with the price to get it right.

And in terms of putting the price up or down, you have to be very careful how you communicate that. If I put the price down, then I will rebate people the difference. I don't like to do that. It's much easier to put a price up than put it down. If you put it up too high, and you know you've got it wrong, call it early. Adjust it down, let the people who paid more know, and give them a rebate.

If you're putting it up, then consider letting people stay on the old rate as a lock-in, a loyalty lock-in, I call this, and they might stay for a very, very long time. And I've got people on what I call legacy rates or foundation rates.

I've got a member in [SilverCircle](#), who's been there for more than 10 years. And he's on the early rate, like he's on the 10 year ago rate. Lucky for him. I mean, he's been with me for 10 years. So it's a great loyalty bonus. And the thing is, other people don't mind that because they weren't there 10 years ago, they were doing something else. So spending their money on something else.

All right. So your thoughts on that before we move on to the different market types.

John: Yeah, absolutely, always better and easier to just go higher, if you can. And that actually makes everybody happy. Again, your current members are going to be very happy about that. Test things out, don't be afraid of testing out. The most important thing, pick one, get started and then see what happens.

And then it's all about, like you said, like I talked about, destroying the price, making an offer that the price becomes irrelevant, because they're getting so much more value. And in terms of the access, price it based on, is it worth your time, right? So you spend a lot of time with your higher level coaching clients, and that's why that price is worth your time, and it's actually a great deal. Because once you go to those levels, those higher levels, the people who join that, exclusively joined because of the access.

They just want to be able to say, you know, I have this question, I'm not sure what to do. What do you think, James? And that's all they want. They don't want more courses, they don't want more stuff. They're already busy doing their stuff. And at that level, once you go higher and higher, usually, people want a sounding board, they want maybe a second opinion. Because that's the most important thing, because it becomes extremely valuable. And it's worth your time, it's worth their time.

The thing people should not do

What people should not do, which is what I see all the time, is those guys who are pricing very expensive membership sites with the disguise that, yeah, you're going to get access to me. And once you are in, the only access you have is some type of forum where the guy is never there, right? That person that you joined for is never there.

So there's a disconnect between the sale page and what you're actually getting, which is the worst thing that can happen, because it leaves a bad taste in your mouth. You don't trust that person anymore. And at the end of the day, you're going to cancel, which is fine. And these people are just going to get churn and churn and churn.

And that's why you see those people just launching and launching and launching all the time their stuff, because they just need to get back the members that they lost because their product is not up to par and they're just not doing the basic things, which is delivering on the promise. And if you say you're going to show up, and you're going to be there, and you're going to be the personal coach, or you're going to help personally, then just do that, you know, just do that.

And if you feel like, hey, because maybe that's what they feel that, hey, I'm not going to do that for that amount, then just don't offer that, you know, just don't offer that out, or raise your prices and make it worth your time and make it super valuable to other people. So then they think it's a no-brainer as well. And I think you've done that very, very well, James.

James: Thank you. Yeah, I mean, the thing I noticed that people who invest more in themselves for the coaching often bring bigger opportunities or bigger challenges for us to work on. I had a client recently who wanted to buy something, some land, but it had a business owner, and he didn't want the business and the people selling the land wanted to charge a lot for the business. But I showed him a way that he could actually achieve that and get an immediate win and a long-term win from it that he wasn't seeing.



So having that outside perspective, again, the value in that is, if someone you're dealing with has knowledge in an area that you are completely blind to, and they lift your blinkers off, that is a big solution. So figure out what is it or who could you serve that you can deliver the biggest aha moments to with ease, that would just blow them away. And that's sort of a good source.

How traffic channels impact pricing

Now, I want to talk about different traffic channels, because there's different pricing situations that happen with them. One of them is business to business. So you might have a commercial product and you're dealing with a commercial buyer. Another one is a business to consumer. You might have a situation where you're just selling to end users, and it may not necessarily be a business application.

So let's just talk about that, because with business to business, often you have a longer sales cycle, a more of a process to make sales, more decision makers. Quite often, you can charge a lot more, and you may not get paid upfront, you may have invoicing. I know you're probably getting conniptions like I am, thinking about my old enterprise days.

John: Yes, yes, yes.

James: But I remember one guy who really helped me a little bit in the beginning. When I still had a job, he used to run the website for us in our dealership. We had two websites, we had one from the manufacturer, and we had one of our own, an independent one. And he was selling to large companies like air conditioning companies, Japanese air conditioning companies, I won't name the brand. But I remember he told me how much they paid for a website. And it was tens of thousands.

John: Yeah, I was charging that. I was charging that back in the day.

James: And I said, Oh, my God, that is outrageous. And he just looked at me, and he winked. And he said, Thank God for corporates.

John: Exactly.

James: But there is pain involved in dealing with them. You've got to charge more for the amount of hassle. You're going to get some butt-covering, you know, jobholder...

John: Politics involved.

James: ...making it very difficult for you, and all the rest, they go and shaft you because they want to go and deal with their cousin or their brother's sister's uncle, or they get a bribe pack in the mail or whatever. So anyway, there's that.

Then there's the business to consumer. When you're dealing with the consumer, you've often got a silent partner, and that is the partner of the person you're dealing with. This is very important. You're not just in business with the end user in this case, you're often in business with the end user's partner - wife, husband, spouse, lover, someone who you can't see is there.

So you've got to cover off all your bases. You've got to give them the sales armory to go and sell this silent partner who may not necessarily be there at the time. Have you ever heard a story about a husband or wife going home, told someone about a purchase they've made and then get in a lot of trouble?

I see some of these parental Facebook groups. And honestly, reading those comments is like, fascinating, what conversations go on. But often people are out there making decisions, and then they're not supported by that silent partner. So make your offer suit the silent partner as well, if you can.

Any thoughts on that? Because next, we're going to sort of talk about the high-ticket, low-ticket sort of threshold.

John: Yeah, I mean, as a little quick recap, or a summary, basically, the B2B is very much relationship-based, like who do you know, who knows you, you get introduced, you get access to that corporate environment. They become a bit political inside that company.

That's why you have actually a higher price, because usually those companies work based on budgets, and they have a marketing budget that they need to spend, if they don't spend the budget then that budget is not renewed, they get a smaller budget. So that's why usually prices fluctuate greatly for a specific type of product. So that's the good and bad thing about B2B.

B2C is much more personal, right? Much more personal. That's why understanding how to sell your offer is very important, how to connect with people, how to understand them is very important. Because you might not be able to be face to face on it, obviously, online, where everything we do is online. But you need to do a few things, right?

You need them to get to know you, like you, trust you. How do you do that? Based on your content. How do you do that? Based on delivering valuable content. What is valuable content? It's content that talks specifically to them. And in our line of work, it's about the content that solves a problem, helps them get specific results.

So they get to know you, like you, trust you. They get some cool stuff from you. And after that, it's about making your offer extremely clear so that if they need to go and talk to someone else, then they have all of the data, right? They go, Well, this guy is great, I've seen him on YouTube or on Facebook, he has this cool stuff. They can maybe share some stuff with their significant other person, and then it helps them as well do that same sale with that other person.

But to be able to do that, you need to do that work of really understanding, what is it that they want, and really positioning your offer as the solution or as the thing that's going to help them get that result. And when you do it, then you are able to maximize your sales and get those B2C offers working.

James: Yeah, and you know, things like publishing a book will really help your positioning.

John: Yeah, absolutely.

James: If you have a book, it's going to mean you could probably increase your prices. With the corporates, the other thing that happens with budget cycles is sometimes they're not in a buying window. They might have to wait until that. That's a very common objection, Oh, we're out of budget now for this year.

John: Tax reporting, that's where they actually want to spend, you know?

James: Yep. Just before tax time, they're looking to load up on the tax expenses. Another thing is, you might find that you have a request for people to have multiple users. I've got a few clients in this situation and I've been there myself, where they want to load in a dozen people from their organization into that membership, and they want one billing, you can do that.

In [10XPRO](#), I asked for a feature where we can see the activity of the users, which is really helpful, so that we can report back to the person paying for that, because I've sold a B2B membership, and it's a different sales process. Often, you sell it face to face or through channels, like you talked about, John.

And when you do get the deals, one of the great things about slow-moving, difficult decision-making companies is often when they make a decision, then they'll just keep paying forever, because it's too hard for them to go and deal with someone else.

John: Yeah, and it makes them look bad. If they have to switch two months later, Oh, actually, I changed my mind. I'm going to pick out another supplier. It doesn't look good on them. So it's all about those politics involved, those people who are finding someone so they can keep their job. If you're in that field, you know how to play that a little bit. And, yeah, obviously, completely different compared to a B2C sale.

James: That's true. You have to help them make sure that it looks good to the board of directors or the shareholders, and they don't end up with egg on their face. So you've got to make them the hero in the transaction.

Low-ticket and high-ticket pricing

Let's talk about pricing. I would say sub \$100 is low-ticket and anything over 1000, we might call high-ticket, depending on the market. I mean, I've got clients who sell things that are \$65,000. And I've got clients who give stuff away as much as they can. And I give away a lot of stuff.

I give away [podcasts](#), I give away my [book](#), I give away a [challenge](#). So with that in mind, you just want to think about some of the psychological barriers, I think it's probably easier. I just signed up actually, to an Apple subscription here, it's \$11 a month to have every single song ever made by man in a monthly subscription.

I don't question a small expense like that. So the lower ticket you have, the easier it is to have retention as long as you're doing a reasonable job with the solution. And it's not a big decision for someone to re-up. So that could be a good forever program. The thing you've got to consider though is you need massive volume, you need a lot of volume for that to work.

John: And it's not just volume on the sale, because people don't think about that. It's volume at every single step of the conversion cycle. Massive sales that you need. Let's say you are pricing something at \$10. Well, how are you going to make \$10,000? Well, you need 1,000 members. Alright, how are you going to get 1,000 buyers? Right?

Well, your conversion rate on the sales page might be one percent or three percent. Let's say three percent will be great. Well, that means that you need, let's say it's one percent, to keep it simple in the math right now, that means that you need 100,000 people to visit that sales page, right?

James: And to get them, if you got them from email with a two percent click-through rate or a podcast, I don't know, it's probably single-digit percentage people go from a podcast to the website. You need a lot of volume.

John: Right.

James: That's a good point. And then there are other factors. Like, I do have a [\\$10 monthly subscription](#), and I do not have 1,000 members in there. God knows why. I really think that they should, because it's a bargain.

John: You've probably been quiet about promoting it, that's all.

James: I don't promote it that much. But the thing is, those members are often buying something else. They're either buying 10XPRO, or they buy single products on SuperFastResults. So the average customer value is hundreds of dollars, it's much higher.

If you've got byproducts or other products in what I call the chocolate wheel, but other people might call an ascension model or whatever, if you've got other products or services people can consume, and it's a part of the solution, and it keeps them there, and I think of that \$10 customer list as a paid VIP prospect list for my other products and services. It's as simple as that.

And often they're asking for things and then they end up buying other things or upgrading to SuperFastBusiness. And that works that way. If it was the only thing I had, then as John said, I would need 1000 members, actually even 1000 members, that's a really crappy business. To be a fantastic business for me at \$10 a month, I would really need 10,000 members for that to be a great business model. And it does not scale to that level.

So thankfully, I've got products at different price points. For my \$599 clients, I could serve 100 of those and have a reasonable business, and that's totally within my bounds. Now for my \$10,000 clients, I could just have 10 of them and have a great business. If I just looked after 10 people, if my entire existence in the world was to look after 10 people very well, then I could still surf every day, I can focus on things I'm really interested in, I've got enough variety to keep me interested, and I could get them helping each other.

Now, if you stack these on top of each other, now you're cooking. A little bit of that, a little bit of that, a little bit of this. It'd be wrong to think that a \$10 client will graduate to a \$10,000 client, it just won't. Some people are just going to be straight out of the gates a \$10,000 client. Other people will only ever be a \$10 client.

It's like my podcast. Let's say there's 60,000 people a month listening to this podcast. I'm not making 60,000 sales. I might make 60 sales or six 100 sales, but not 60,000. So not everyone you come into contact with is going to end up buying, or not yet. If you are listening to this podcast, feel free to head over to any of my websites and buy something, prove me wrong.

I'd love to get 60,000 sales. And with prices starting from just \$9 at SuperFastResults.com for some of my products, then I don't know why we're not selling more. So there you go. I will mention it. But I do think it's important to think about, what is your price point. Pull out a spreadsheet, and populate it. Put in the number that you want to charge for, and put in the number of customers you need for that to work, and then factor in churn.

Factoring in the churn

Now if you're in SuperFastBusiness, I've got a membership calculator. You can plug in the numbers, and you can check out the churn, which is people leaving. This is the thing people forget when they want to do their, you know, pretend internet marketing math. They say, Oh, look, you only need X number of customers at X amount to have X per year.

Well, that doesn't take into account that half the people won't be there by the end of the year. If you do a reasonable job, five to 10 percent of the people will leave each month. So you've got to keep topping up. If you do a crappy job, more than 10 percent leave each month, which means by the end of the year, every single person and some have left.

And that's why other people have closed their membership, because churn killed them. Churn is the secret to having a great membership. And so think about a price point that you think is about the right price point for two to three years from now. Don't set the price for today, set it for a few years down the track.

And for many, many, many years, my price point was \$79. And I set that price, and I think I stuck with it for seven or eight years. It was a sweet spot price point, because I set it and built my value proposition around that. And I always had products above it that I could float people to if they were ready for the next level. And that works well.

The things you want to work out on paper

So think about a price point for a few years from now. Think about how many members you need and what the cost of running your business will be. You've got to factor in the software cost. You might have to factor in marketing costs. You may need some other team members to help you with this or that.

Factor it in and see if it looks good on paper before you go and quit your job committing to this membership. Because sometimes when I do this exercise, when I'm coaching someone, I say, Well, how many members do you need? And how much is that going to cost? And can you deliver? And they go, Oh, actually no. This business model sucks. I'm Like, Yeah, well, we got there within five minutes. Thank God, you didn't spend the next five months building it.

John: Exactly. And also the impact on your lifestyle is extremely important. I know this is extremely important to me and to you as well. But I'd rather have much less members that are paying me more than a lot of members that are paying little, because if you have a ton of members in a low-ticket item, well, that means that if you don't want to go crazy, you probably need to have a bigger and bigger and bigger team, which is fine.

But that's going to take resources to manage and all that. And if you have a lot of members, and let's say you did say that as part of their access, they will have access to you, well now, you have 10,000 members that actually have access to you. And that can take a lot of your time and is going to suck up a lot of your energy.

So yeah, I mean, you can make it work. Or you can have a different kind of business where maybe you're helping less people that are paying more, so the money is pretty much the same. But in exchange, you probably have more time to spend with your family, more time to enjoy what you want to do - surfing, golfing, tennis, whatever you want. And in my book, you have more freedom, which to me is the most important thing in the world.

So you need to think about that as well, what kind of business you want to build. And then based on that, then you can decide on the price point that will help you decide on the price point among the other things that you talked about. And also very important, what you just said is, you can have all the tiers. That's very important. Some people don't think about it.



They just think about one thing, okay? I see people doing \$10 Patreon thing, I'm going to do \$10. Okay, that's fine. But ideally, you want to have all the tiers, so they have more and more access. And you can easily do that by having more personal access to you. And that can be your high-level coaching program that you could charge x thousands per month or x hundreds per month.

And then you have the other guys. And now you have different levels that you can use to maximize your profits in your business. And some people who are not ready for the high plan, they probably will go with the lower plan saying, Okay, I can't afford it yet. But I definitely want to see what James is doing, and I want to be on the inside.

So then they join that lower-ticket item. In your case, you have multiple levels. So that's usually the decision-making. And as they want more, then they increase the plan whenever they're ready. So that's a beautiful thing as well to keep in mind and to do as part of your business.

Considering the different tiers of your membership

James: Yeah, and you can really dial it up. So in SuperFastResults, the two main levels, the \$99 level or the 599 level. I have limits on how much I can scale the 599 level before I have to start adding group calls. But the 99 level, I could have an extra 1,000 members, and it won't really change much for me.

So I've found a value proposition that allows scale. And that's been the thrust of the growth of that membership. And more members is actually better for the members in that level. And for the people who need a bit of help, I've given them the option to do a public progress journal. So they can still get my attention and the attention of other members by making a them-specific post within the membership.

What they can't get is the private one that no one else can see, for the extra. So people choose the level. And as you mentioned, John, you sort of alluded to this, people do switch from one level to the other. It could be up, it could be down. But if you create a sweet spot product suite of tiers, you'll find you get close to the mark.

I would suggest people try two tiers at the most to start with. At various stages along my journey in the last 10 years, if you said to me, Okay, you can only keep one of your businesses, it would have been a different answer. At no point would it ever have been my website business, I just want to point that out, because that one sucked.

And the SEO business might have been the one for a while there. At one point, it had the highest effective hourly rate. It was the most income, most profit, least amount of my work. It could have been SilverCircle at one point, it could have been SuperFastBusiness at one point, it could be the [revenue share](#) component at one point.

So they do switch around. And this is about sort of dialing the mix to find your sweet spot of what do you want to put into the business, how you can extract it out with leverage. And that's what we're all about. The beauty is, I've seen it work so many different ways now that I'm constantly tinkering and making sure that the value mix is there, with an eye always on retention and feedback.

And I do believe this, this is what I think is true: at this stage, I believe I'm delivering the best results I've ever delivered. And I'm getting so much clearer on how to help people, and it's a work in progress. So just start. That's my message.

John: Absolutely.

Do you offer monthly, or annual?

James: Let's touch on monthly versus annual. A lot of questions. I've tried it all, done everything. I've even done quarterly. Pros and cons. The easiest way to sell is just monthly. Okay? With no contract. If you can do that, then you've got a good product. Okay, people don't stay if you're not delivering a result. So the risk is on you. It's easy to sell because there's less risk for the customer. If you want to get started, just sell monthly. People stay, they get a result.

If there are economic bad times, if there is a pandemic, you will notice more drop-off than if you had annual customers. Sometimes the annual customer, they can't leave because they've committed for a year and paid for it. A lot of coaches, they commit people into a year or two of contract at high ticket. That's putting a lot of risk on the customer, and a lot of them aren't afraid to chase the debt collector if people stop paying. I've seen this happen a lot.

Not the way I want to do business, but it's a good way to bring in lots of money. But I do think it's a crutch. It's probably a crutch for a business. It's not the long-term future. Annual payments are good. Some people want to pay up front a lot because it holds their feet to the fire and it might give them taxation benefits in that financial year.

They don't want to think about it for another year. But you will have to put more effort into reselling it, and you absolutely must remind people that a billing is about to come, because it is a larger amount. You're far more likely to trigger a refund or a chargeback if you surprise people. Don't surprise people with annual payments. That's a tweetable there.

Also you get really good customers if you charge annual, and people agree to annual. You get pretty good customers. I do have an annual option. When people go to my site, I don't dazzle them with too much choice, because I've already got two tiers. I don't say, Well, here's the monthly, here's the annual, here's the monthly, here's the annual for my two different tiers.

I'm just like, this is tier one or tier two. Once they make a decision on which level, then I offer them the choice. When they click on the button, they can save thousands over years, if they take an annual option. And I do get great customers, they do make a little saving. And they also get an extra feature, if they take the annual option on the higher ticket level, which is effectively giving them what I used to do for SilverCircle, like 10 years ago, for probably half to two thirds of the price. So it's really, really good value now.

So there's that. I don't know if you've got anything else on monthly or annual, but just keep it simple. Don't try and confuse the customer or have too many tricky options for them.

John: Yeah, just keep it simple. And there's a few things to remember as well. Actually, a better customer is a monthly member who never cancels, right. So if you can deliver something that's awesome that they love but they stay on the monthly plan, then from a business perspective, you're going to make more money on the monthly plan. So that's something to keep in mind.

The yearly is great as a way to lock in a higher amount upfront. That's good. And that's why actually, I don't like so much to offer that yearly, and I never push the yearly offer at the beginning, because you know, they don't even know what's inside. I don't want someone to buy something that's like \$1,000. And then a few days later, let's say they want to cancel or refund, that's a bigger...

James: Stress.

John: Yeah, it's a larger amount, it doesn't really look good with the banks and all that stuff. So I don't like that, right? I'd rather someone who is already a monthly member, he loves the platform, he loves the product. And he's like, Hey, is there a way I can save maybe a bit more? And in exchange for that saving, and that loyalty, I can reward them with obviously a discount on the yearly.

So yearly, usually, most people what they do is that you calculate the monthly price times 10. So they get two months free. That's usually the traditional one. You can set it up in any way you want. But most of the time it's like that, two months free, as part of a yearly discount. I like to do it after they are a monthly member, because then you can use the yearly as your specials.

You can now mail your members. And you could have those, let's say four times a year, you could have a yearly special, where they can now join the yearly plan and whatever, get some extra stuff, right? But I'd rather they know about the product, now they're happy, they are using it. But now they just want maybe a slightly better deal by joining the yearly plan. So these are a few things that will add to that.

James: It's a very good point. And when it comes to the calculation, what I found is as a consumer, like I'm a member of some software services or whatever, I'll often take the monthly option, even if I pay a little more, because I don't know if they're still going to be around in a year, or I don't know if I'm still going to be using their service in a year.

And I'll tell you, the company that stung me the most on this was Dropbox. When I had my SEO business, I had 65 people in the business. I paid for a commercial license, it was many thousands per year. And I renewed for the year. And when I sold my business, I think I had nine months left. There was no option for any prorated rebate or any sort of credit or whatever. It was like, too bad, you've paid and you're done.

And so it was like, okay, that's fine. I'll take that as a consumer. I'm not going to do a chargeback or whinge about it in a big way. But I'm definitely talking about it here. It really annoyed me. Whereas companies like Slack or whatever, if you drop off the team, and then they pro rata the rate back to the number of users that you've got. I think even if you pay on a longer term basis. And they also offer credits for referrals, which is great. I don't think I've paid for Slack for ages, because we refer more people than we actually use.

But it does impact that, and I think what you're saying, great, if you're offering it to people who've already been a member, then they've got enough trust now where the risk is lower, and they're ready to go annual. I do get a lot of people switch from monthly to annual. Because just to your reference, it is super common people offer like 10 times the monthly as the annual. I just don't think that's enough.

For me, I think I'm offering more like 40 percent off. It's got to be so much more to be a no-brainer decision. What you're really buying is loyalty and retention. And as we've alluded to, retention being the single most determinant to the survival of your membership.

If you do have an annual member, you've just got 12 months' retention, and you're already four times more than what the internet marketing gurus say is a good retention of three months. Let me tell you, if your retention is three months, you don't have a membership business. You've been sold down the river by someone.

Where looks do count

Let's talk about the design and the appearance of your membership, I found this to be a big factor. If you put more time and effort into design, you make your membership look nicer, and go that extra level with the professional stock images, or even better, you get a pro photographer to come and take real pictures of you, and you spend more time with the design and make your site look nicer, you can definitely charge more.

And I really brought this from Mercedes-Benz. This was no surprise. People will pay more for Mercedes-Benz than a Toyota, for example. I like Toyota, by the way, I own a Toyota and a Subaru. I don't mind the Japanese manufacturers.

John: I don't mind it.

James: And a Mazda, and a Honda. So I'm like, I'm fully Japanese at the moment. But the thing is, you can charge a premium for really good-looking websites and designs. And I know this wasn't always true. It's great to have that quick and dirty sales offer up there, and that should be the focus. But down the track as your site matures, this is where you can get a win.

I've invested time and energy briefing talented guys like [Greg Merrilees](#) to come up with beautiful designs. And we updated our sites, we updated the words on our site, the sales copy is a massive, massive return on investment. And you will be able to charge more. I was able to charge more and deliver a better result, because the expectation and the perception on the way in is of a higher quality.

And so we've gone from Mercedes-Benz to AMG. And if you can deliver an AMG or better result, you'll blow people away. And you've separated yourself from the sea of sameness out there. So by all means, and this is important, by all means, start with a campaign, with a template, and just get your offer working.

But then down the track, reinvest some of your profits into professional-level design, and professional-level copy. It doesn't have to be done before you launch a thing. I just want to stress this.



John: This is very important. It's very important because yes, design work matters. All of that matters. But I don't want people to listen to this and think, Okay, I'm going to wait a year before I have my whole membership site ready. You should not do that. Get started, do the best you can, and change things as you go. Okay, that's what we all do.

We change things little by little. Maybe you improve that page, improve that design, improve the logo, but you do not need to have everything ready before you launch or when you start. You need to get started and do the best you can and just keep on improving.

Last tip: consider your currency

James: Okay, just to finish up, final tip, Episode 849 on pricing and membership with John Lint here from 10XPRO.io and myself. Standardize your currency if you can. If you can operate from a .com and a US dollar currency, that is like the gold standard for a global business, if you're selling information or a membership.

If you're not in a geographic-specific area, if you're not working on a geographic-specific domain and a geographic-specific currency, and there may be reasons you do that. So for example, if you were serving pet groomers for a particular suburb of Sydney, and you're working for .com.au, you're probably going to have to have Australian dollars, and that's a very small micro niche.

If you're going for a global audience, and you want a global membership, just think about .com and US dollars. And if you're not sure about that, ask me about it inside one of my memberships. And that's a good starting point. And it's a huge upgrade for a lot of people I speak to who for some reason, are starting in a micro geographic location when they didn't actually need to, like for example, golf.

A golf player in any country is still going to want to drive the ball further and sink the ball with less strokes. I don't know much about golf, either. But I'm pretty sure that it's probably true. And so you could go for a .com market there, no matter where you live. And sell in US dollars, a globally recognized currency at this time. And make it easy for yourself, and then that's a win for you.

John: Very cool. Yeah, absolutely.

James: All right. Well, I think that rounds out this episode. In our next episode about membership sites, John, we're going to be talking about how to set up your membership. And I'm going to lean heavily on you in that one, because that's really what 10XPRO.io does.

John: Yeah, that's what we do.

James: Yeah, that's what you do. In the meantime, thanks so much for listening to this. If you want to get deeper into the course or the program, go and check out SuperFastResults.com and check out the [Profitable Membership course](#). If you're a member of SuperFastBusiness, of course, you already have that training inside the membership. And if you're a member of 10XPRO, you've got oodles of training inside the Academy, which you get standard when you take your trial subscription. Check it out. Thanks so much, John. I'll catch you on a future episode.

John: Thank you.



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