

# Passive Cash Profits 2.0

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Hi and welcome to Passive Membership Profits 2.0.

The 1.0 version of Passive Membership Profits I revealed a good little system for creating and running a profitable membership site but with this 2.0 version I have lots of brand new strategies methods and techniques to show that are way more powerful.

I have been working very hard behind the scenes testing new methods and strategies which makes building and running membership sites much more profitable and this is what I'm going to be revealing in this report.

Firstly just so that you know that what I share in this report is not just theory and I'm not just blowing smoke up your butt I have my own membership site <http://PaulNichollsMembership.com> that I have been running for over 2 years and it's extremely profitable.

It makes a nice steady amount of money each and every month on complete auto-pilot anywhere from \$1000+ per month and I can honestly say that this income model is without a doubt that once set up it's the easiest money that I make online.

With all of that out the way lets dive in.

## **1. The Membership Site Model**

As I have already said, the membership site model can be very profitable if done right but the problem is most people that try to tell you to build a membership site don't have one themselves and have no idea what they are really doing.

It's a case of the blind leading the blind which unfortunately happens a lot in Internet marketing.

Never the less, if you follow the correct type of information then you can quickly be on your way to building your very own profitable membership site.

The reason why I like the membership business model is because it's a great way to generate some nice extra income while not spending too much time involved in it. Sounds a bit crazy I know but once you see how I do things and my exact system and formula I use you will understand things much more.

## **2. The script**

When you build and create a membership site one of the most important decisions you make is what membership script you should choose. The membership script is basically the actual software that you use to run your membership site. There are lots of different ones out there and it can be very difficult to know which one you should buy.

I changed over membership scripts at around January 2014 because there were certain features and information that I wanted to get from the membership script but very few of them actually offer this type of information.

The membership script that I now use is called member mouse.

Now...I'm going to let you into a little secret as to the main reason why I chose member mouse as my new script.

You see, building more members into your site is of course how you are going to make more money but when it comes down to it there are only really two important factors that you need to worry about when building a membership site. If you know these two numbers then you have the ability to build your site as big and as profitable as you want.

These two things are:

1. Life time customer value or each member that join.
2. Retention (basically the average amount of time someone sticks around)

Once you know these two numbers you now have a very powerful business model capable of generating thousands of dollars per month.

This is mainly the reason I switched over to member mouse because you have the option of getting this information from within the admin panel and up till recently very few membership scripts actually offered you this data.

They do of course have lots of other useful features and the admin panel is generally good too but when I found out that member mouse had features in their script so you could get the lifetime customer value and retention rate I soon started to look at changing over to them.

When I was last looking around at all the other membership scripts I couldn't find any other script that gave you the option of getting the lifetime customer value and retention rate stats.

I have no idea if any other membership script have still even integrated this into their scripts. Not only that but I find the member mouse script to be easy to use anyway and a very user friendly admin panel so I guess it's a win win.

### **3. Platform**

Once you choose your membership script you also need to think about what platform you are going to use to build the structure of your membership site. I have been using optimize press 2.0 ever since I built my membership site in August 2012 and it has always worked very well and works fine with member mouse too.

So.. your membership script handles all of your security, drip feeding of content/content distribution

and payments etc while something like Optimize press 2.0 handles the main structure of your membership site. Things like creating the pages, your nav menus, layouts of your pages, fonts, colours, settings etc.

This is the exact combination that I have been using since January 2014 and it has been working very well.

## **4. What niche should you build your membership site around?**

This is probably one of the most popular questions when it comes to building membership sites.

The truth is the membership model can work in just about any niche but if you want to make sure you stand the best possible chance of making as much money as you can and also making the most use of your time then you need to think about a few things first before making this decision.

- \* Are there already membership sites out there in your niche?
- \* Would you be able to create enough content in your membership site so that you can drip feed content over a 6 – 12 month time frame?
- \* Are there a lot of buyers in the niche/ or are people already buying and spending money on getting this information?

Here are some niches that would work really well for a membership site:

**Internet marketing/Make money**

**Gambling, things like Poker**

**Forex (stock trading)**

**Weight loss/muscle building (basically most things to do with fitness)**

**Dating and realationships**

These are some of the best niches and markets because people have painful problems which they need a solution for. It may not always be physical pain but when you are losing money on stock trading then people will do what ever it takes to stop losing money.

The same goes for gambling and Internet marketing. If people want a desired result and they are not getting it then they will do what ever it takes to get the results or to learn what they need to learn in order to stop the pain of losing money.

These are some of the “safe” niches or markets to go into which you will never have any problems making money in but there are also other niches that you can try which could end up really taking off but are a little more risky. These are known as “hobbie niches” but you can still do very well with them if you approach things right and build your site effectively.

**How to play Instruments**

**Video gaming**

## **Home DIY Martial Arts**

These types of hobby niches can still do very well, the main thing to think about is how much stuff can you teach your customer. How much information is out there on the particular topic?

As a rule of thumb I have always said that if you can't create a years worth of content for your niche/idea then it's not worth doing. By that I mean you would need to create content that gets drip fed over a month to month basis. We will go into more about drip feeding later in the report.

## **5. How to generate content for your membership site?**

Generally there are 7 different types of content that you can use for your membership site. They are all explained below:

**Products** – If you create any type of product which is relevant to the information in your membership site then you can include the product as part of your content. This is exactly what I do and it works very well. The more products you have the more content you can drip feed over a number of months even years which will in turn help to increase your customer retention which in turn increases your profits.

**Videos** – You can create videos to increase content in your membership site. These days most people love learning by watching videos and not only that but videos have a much higher perceived value. Learn how to create videos as soon as you can if you don't already because it's really going to help with building your membership site.

They don't have to be anything special, a simple screen capture video works very well. You don't need to be an expert at computer graphics and slide shows etc in order to be able to create effective videos so make sure you start using them.

**PDF's** – This report you are reading here is a PDF. It's only a case of creating the content in something like a word document or open office and then save as a PDF file, zip it up then upload the file to your server then put the link in your membership site and you are ready to go. You can even create products using nothing else than PDF's.

**Interviews** – These are great ways to generate lots more content and value in your members area. The best thing is, this works in any niche. You just have to ask people if you can interview them and if they agree you are ready to go. Most people love to do interviews because you are giving them more exposure within your industry for free in exchange for a simple interview. In return you get to upload more good quality content to your membership site so it's a win for both of you.

**PLR** – This is another great way to build your membership a lot faster. If you can get your hands on some PLR material then you can use that content to add to your members area which saves you a lot of time doing it all yourself and certainly gives you a head start.

[\*\*I recently put together a giant PLR package where you get access to x21 of my best Internet marketing products which you can easily use yourself for your own membership site. You can\*\*](#)

[get the full package here I'm sure it will really help you.](#)[get the full package here I'm sure it will really help you.](#)

**Webinars** – Webinars are a great way to not only educate your subscribers and customers but they are also great for content in places like membership sites. If you end up selling something within your webinar it's going to be even more effective and powerful because not only are you generating lots more content within your members area which will potentially make you more money but you also have the added benefit of people being able to buy the product that you recommend in your webinar too.

**Audio recordings** – Sometimes videos or webinars may seem like a bit too much work or a bit too time consuming so creating an audio recording is the next best thing. You can record yourself talking so you could go over any type of content that you want. Audio recordings are very effective because you can just kick back with your headphones and not have to watch the screen.

Audio recordings are also great for listening when you are on the move like, driving, on the train, buses etc. Your customers will find them really useful so they are certainly something to consider including in your membership site.

## 6. The leverage model

The leverage model is something that I have been using since day 1 and it works very well and saves you a tonne of time and at the same time makes you a lot more money.

The way this works is you create and release brand new training and information products to your subscribers and customers and then ever time you bring out something new you add it into your membership site shortly after.

This may seem quite basic but very few people actually do it.

It works so well because you are generally going to make some nice money by releasing and launching a new training/info product into the market place. You then leverage that same product to increase your content in your membership site that will then in turn make you more money there too because you have more content meaning your customers will stick around longer, increasing your lifetime customer value making you more money.

If there is one thing that you need to master with an Internet business and that is you need to stretch every bit of content that you create as far as it will possibly go. This way you are maximising the profitability of your time.

This is exactly how I have built the content up for my membership site and at the time of writing this report I have over 200+ video tutorials which get drip fed over almost a year.

Knowing this does not mean that all you need to do is create new products and then put them in your members area. By all means you could do this and you would do absolutely fine. The way I did it was a combination of both. I created some videos which were just for the members area and the rest came from actual products that I released into the market place.

Don't forget this works the same for free reports, free videos or any other type of free training that you create online. Include it all in your membership site it's all extra content and a lot of your customers will prefer having everything in one place anyway.

## 7. How to build your membership site

Now you know what tools to use you now need to think about how to actually build your membership site.

I will be honest this is where most people really fall down and end up giving up but after you see how I build mine in combination with some of the other powerful strategies I use you will see that it's not actually very difficult at all to build a profitable membership site.

**Affiliate program** – Some of the best affiliates that you will ever get will be your actual customers so make sure you have some type of affiliate program in place. This is also something that can build over time. Most membership scripts have an internal affiliate program built in otherwise you can set one up using platforms like jvzoo, warriorplus, clickbank or digiresults.

**Sales funnel** – If you are not promoting your membership site in any part of your sales funnel then you are losing out on a lot of money so listen up. One of the best ways I have found to sell a membership type subscription offer is as a \$1 downsell. This basically means you present this offer after someone has already purchased one of your products for say \$9.95 or they have turned down one of your offers. This is why the \$1 membership downsell works so well.

I have added literally hundreds of new membership subscribers using this one tactic so make sure you take advantage of it. It certainly works.

**Email follow ups** – A great way to build your membership site is to create some type of a free offer and then sell your membership subscription as your main offer. You can then follow up with your subscribers over a number of days and weeks promoting your membership site subscription via email marketing further until they purchase. This is a great way to squeeze out even more profits and increase your ROI.

**Solo Ads** – Solo ads are something fairly new that I have been using to build my membership site but they work really well and can be extremely profitable. The way this works is you create a free offer as usual and build your list and then sell your membership subscription as your OTO or I prefer to call my front end product.

The thing about solo ad traffic is that they certainly do buy but the price points can't be too high. The system I have used is offer a \$1 seven day trial. This way it's almost zero risk for the customer but you also build your membership site for pennies on the dollar.

We will cover more about solo ads and how to make big profits back when using them later in the report.

**Water marks** – This is something that I started doing about 8 months ago and it does certainly work really well. This is what you can call a long term traffic method and something that you need to have patients with. All you do is at the end of every single new product that you create you include a water mark to your membership site website. Then the more training and products you create online the more traffic you will get to your membership sales page. This will all be type in traffic where someone actually types your website in their browser. This tactic works great and over

time it just snowballs giving you more and more type in traffic.

**Branding** – This is something that will continue to grow over time. As your site gets more and more popular and you generate more and more traffic it will start to generate some viral traffic. This only happens once you start to brand your site and this does take some time. This isn't a traffic method that you can actively push but it will automatically grow over time.

**8. Retention** – This is the average time your customers stick around for. It could be 3 days it could be 3 years. Of course the longer the time the more profitable your membership site will be.

Over the the 3 years that I have been running my membership site I have found that to make people stay for longer you need to have a system that makes them want to stay for longer. One of the popular ways is to create some type of forum so that people can ask questions and be part of a community. As much as that does help it wasn't something I was prepared to do because it does suck up a lot of your time just hanging around in the forum answering questions.

Instead what I focused on was to give them access to more and more products and content the longer they stayed. This is known as “drip feeding content” This really helps with increasing your retention so make sure what ever membership script you use and choose it has this feature otherwise you are going to really struggle. We will cover more about drip feeding below.

**9. Drip feeding** – You now understand the importance of retention and how drip feeding can drastically help to improve it.

The actual drip feeding feature is super powerful if used right. Instead of telling you what to do and what not to do I will explain what I do on my site.

At the time of writing this report I have over 200 step by step video tutorials and lots of mind maps and pdf's as well.

To help increase my retention I give new members access to around 105 videos as soon as they join which they pay just \$1 for a 7 day trial. Around 80 videos of those are from actual products that I still sell online and the remaining 25+ videos are other videos that I have created just for the members area covering some other topics.

This may sound like a lot of content that I give away for just \$1 and yes it is however there is so much information to go through that most people end up staying after the 7 days is up and paying the first monthly subscription of \$17 or \$27.

So, over 100+ videos are available from day 1 and then day 2 another couple of products are unlocked. For the first month they have access to over 120 videos.

Then what happens is I unlock new products each and every month. Usually between 2 – 4 new products per month over the next 6 – 9 months.

The incentive is if they stay they will continue to get new products month after month.

This is the way I have been doing things and it works really well.



**10. Monthly fee** — The price that you charge per month is very important because if it's too high no one is going to join but if it's too low you could be wasting your time and end up de-valuing the content within your site so it's a thin line.

The price often depends on how much content you have in your site so you need to price it accordingly. A good price to start with is \$9 per month as long as you have a half decent amount of content and it can't be consumed very quickly. It may not sound like much but as you build your members up and as you add more and more content and products you can then re-evaluate your position in maybe 3 months time and increase your prices.

I personally started at \$9 per month when I had a few dozen videos in the site then I increased it to \$17 per month when I got to over 100 videos.

Once I hit over 200+ videos and around 20+ products I increased the price to \$27 per month but often do special deals where I still offer \$17 per month.

The bottom line is charge WHAT YOU WANT and test different price points to see what works best for you. All niches are slightly different and different niches and markets will react differently to different price points based on the pricing that they have already been conditioned to paying in their particular niche already.

You also need to think about that if you had say a target of \$3000 per month from a membership site then that is 300 active members paying \$10 per month. Or it could be 100 members paying you around \$27 per month or just 45 members paying you \$47 per month.

It really is a numbers game so test things and see what works for you.

The numbers I give you hear are a great bench mark to start things from and then you can tweak things as you go.

**11. 7 day Trial for \$1** — From day one I have been building my membership site using a \$1 trial. However the first strategy I used was I made the trial last for just 24 hours. This was quite effective at first and worked well but after doing a lot of testing I felt like people needed more time to really see the value that I had in my site.

Early part of last year (2014) I decided to change the trial from 24 hours to 7 days. The retention slightly increased and made my site more profitable so this is where I am at right now.

So..doing a \$1 trial for 7 days certainly works well but ONLY if you have a fair bit of information in your site because otherwise your customers will just end paying \$1 and get access to most of your content and then un-subscribe again before they get billed the \$17 etc after the trial is up.

Also another thing to remember is never give them access to all of your content within the trial period. You MUST keep some of your premium content back for those that decide to stay and pay their first subscription payment.

If you give away too much content on the trial period then people will have no reason to stay longer than the 7 days. This is why you need to price everything and structure everything according to how

much content you have to give away on your site. Every membership site is slightly different so just always be aware of everything that I have said above.

**12. \$1 downsell** — This is by far the most effective way to build new members into your membership site or at least this is what I have found anyway. The way this works is you have a page where you send people to where they can join your membership site. [I use a simple page which I create using optimize press. It has a simple video with a buy button underneath and that is pretty much it.](#)

Once you have your \$1 downsell page created you can then plug it into any type of campaign that you want and because the cost is only \$1 the risk is very low so conversions are often quite good.

**13. Product launches** — This brings us onto using product launches to build your membership site even bigger. This is the ideal time to use your \$1 downsell. Every time you release some new training or a new information product online you can plug in your \$1 downsell sales page as a downsell. I have been using this strategy for over 18 months and it works like gangbusters.

**14. Email follow ups** — Another great way to build your membership site is to build an email list and then promote your \$1 trial within your email sequence. Set up a squeeze page giving away a free gift as normal and then send them to a basic sales page for your membership site after they have opted in. If they buy then great if they don't then you follow up with them over the next few weeks promoting your \$1 trial.

The risk is very low so again, conversions will generally be pretty good even though it is a monthly subscription.

**15. Lifetime membership** — This is something that is a complete no-brainer. All you do is set up a lifetime membership page on your site. It's very simple to do and some of your customers will pay it. I always get a few people a month buy it so make sure you have this option. You do need to price it accordingly though. I roughly work it out so the lifetime membership one off payment equals to around 12 months worth of monthly payments in your membership site. [Here is my lifetime membership page so you can get some ideas for yourself.](#)

**16. Lifetime customer value** — If there was just one thing that you could take away from this report it would have to be what I'm now going to tell you about lifetime customer value.

This is by far the most powerful data you will ever have access to when it comes to your membership site. After all everything comes down to profits and in order to be able to gauge how much money you can make or are making you need the right data available to you. This is where lifetime customer value comes in.

When somebody joins your membership site you need a way to track how much money they spend and how long they stay for and the lifetime customer value is by far the most powerful feature at your disposal.

Once you know the lifetime customer value of your average customer you can then plan out your

marketing and traffic campaigns accordingly. If you know that each customer you generate into your membership site is going to spend on average \$10 then you know that every new person you get into your site needs to cost you less than \$10 otherwise you are going to go out of business.

If you can get a new customer at just \$3 then for every customer you generate you are going to make \$7 per customer in pure profit. It doesn't sound like a lot but when you scale these numbers up it soon makes a difference.

On my site my lifetime customer value is around \$18 - \$19 at the moment and my retention rate is around 46 days.

So I know that every single person that joins my membership site for just \$1 I'm going to make \$18 - \$19 back from them over the course of their stay.

Knowing this if I went out and generated 10 new customers per day into my membership site I would be making  $\$18 \times 10 = \$180$  per day.

I then need to make sure that what it costs me to generate those 10 customers per day costs a lot less than \$180. This is where it gets interesting.

**17. Solo ads** — This is one of the traffic methods that I have been testing and it's working out very well. I have purchased many \$40 - \$50 solo ads and ended up generating anywhere from 3 – 12 new members into my membership site. Sometimes I'm building my site for free other times I'm making a healthy profit by getting new customers and buyers.

This alone is super powerful and I seriously thought about not sharing the lifetime customer value section because it's something that no one else is really teaching or telling you about and the info really is pure gold.

There maybe more membership scripts now that have the lifetime customer value data available but at the same time there still maybe not anyone else doing it but what I do know is the script I use gives me excellent data and the admin panel is very user friendly too.

The bottom line is if you plan on building any type of membership site you need those metrics. You need to figure out what your average customer spends otherwise you are shooting in the dark.

Any one of these in itself will not be very effective but when you combine all of these tips with the strategies and methods that I reveal then that is a very powerful business model.

The best piece of advice I can give you is start small and build things up. It takes time to create and upload content so be patient. The more value and content you can provide in your membership site then the more you can charge and also generally your customers will stay around longer which means you make more money.

That is it for passive membership profits 2.0

I hope you have enjoyed everything that I have revealed here and what is working for me right now and how I am making some nice profits from my membership site with a very minimum amount of time and work.

Like I said, once you have those critical metrics above you can then scale things up as high as you

want.

Paul Nicholls

# Resources

====>> [Membership walk through so you can see what a \\$1000+ per month site looks like](#)

====>> [Get PLR rights to x21 of my best Internet marketing products and use them in your site](#)

====>> [Join my membership site for ust \\$1 and get access to over 200+ training videos](#)

====>> [How to start building a list](#)

====>> [My personal Blog](#)