

Membership Website Strategy

9 Deadly Membership
Website Mistakes & How to
Avoid Them

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Introduction

Over past 15 years, Don Nicholas has guided the launch of dozens of membership websites.

A membership website, like a subscription website, is an online information product. It is a gated, content-based site that requires registration and sometimes payment in order to view the content (or most of the content) that has been placed behind a firewall. Similar to subscriber-supported print magazines or newsletters, membership sites are considered user-supported—although some carry advertising. Membership websites compare to a book, an encyclopedia, or a library, but one that is online, frequently updated, and available 24/7.

Membership websites are relatively expensive to build compared to other website models. Once set up with a good content management system, however, they can become an excellent revenue opportunity for a competent online publisher. The best ones include thousands of pages of valuable content, along with forums that foster a dedicated and committed community of members—a place where like-minded people come together online to find out what's new, do research, and communicate with each other, whenever they wish, on topics of mutual interest.

Building a membership website associated with a magazine, newsletter, or book series always requires a great deal of forethought and evaluation, because the model doesn't work for every publisher. Success involves much more than simply having an existing archive of issues and articles.

We have uncovered nine "deadly" mistakes that have become all too familiar when we evaluate less-than-successful membership websites. We call them "deadly" mistakes, because any one of them can cause a membership website to flounder. By taking note of these common mistakes, publishers can determine—before investing valuable time and money on the project—whether a membership website should be part of their online publishing strategy.

Membership Website Content Models

Before discovering the nine membership website mistakes, it's important to realize that there are nine content models – six premium and three affinity – that will be mentioned throughout this report. Premium membership website content models require registration and payment to access all of the content. Affinity membership website content models require only registration to access all the content. These content models include:

Premium Content Models

- Newsletter – The newsletter model is used to build subscriptions for a related print or digital newsletter and to provide access to issues of the newsletter.
- Club – The club model provides content and a place for interaction to their core audience members.
- Magazine – The magazine model is set up to build subscriptions for a related print or digital magazine and to provide access to issues of the magazine.
- Periodical – The periodical model offers regularly updated news content, which is expectedly consumed online, primarily in HTML, rather than downloaded.
- Application – The software application model allows access to specialized online software (also known as “apps”) that allows users to input information, use calculators and/or search a proprietary database, and access results.
- Reference – The reference model allows paid subscribers continued access to a library of content that is updated constantly with new information.

Affinity Content Models

- Blog – The blog model blends publisher and user-generated content that is updated frequently and consistently with articles posted by one or more authors and corresponding reader comments.

- Portal – The portal model aggregates content from outside sources. Portals are intended to build and feed an audience; they are specifically designed for SEO, email marketing, list building, and lead generation.
- Social Network – A social network is a powerful networking tool that relies primarily on user-generated content.



Membership Website Mistake #1 - Choosing the Wrong Format

Choosing the wrong format for your membership website involves mislabeling your membership website and deciding to build it based off customer relationships instead of making it content-based.

The sheer number of content model choices – which totals nine through six premium models and three affinity models – dramatically increases the chances of choosing the wrong model for your membership website.

The ability to choose the right content models should be based off three questions:

- What kind of compelling information need are you trying to meet?
- How are users interacting with your website?
- Do users need to keep absolutely current on the latest information available?

If you answered yes, you could go down the list of the nine content models and eliminate most. If urgency were important to you, the blog format would be compatible. A portal would also be compatible, due to its inherent ability to present the most current information in a timely manner.

A forum would not be compatible because the information is not coming from an authoritative source. However, a forum may be an ancillary content model to present a location for audience members to join the in discussion and ask further, related questions.

You could eliminate the club model, application model and magazine model because they have longer lead time in terms of production. Reference would also not be applicable due to its propensity to include evergreen content – not updated news content.

All these eliminated content models bring you to the periodical or the newsletter membership websites content models.

This leads you to some further questions: what is your business model – is your business sponsor-driven, commerce-driven, or a hybrid of the two? Is the urgency need one your trying to meet to build your audience? Or is the urgency need important enough that you can gate content and charge for it?

Membership Website Mistake #2: Having Too Much Content

Having too much content typically means you're utilizing too many content models in one interface.

The club model is the most prone to this problem. The blog, portal, forum, magazine, reference or periodical model do not have the problem of too much content as long as the site architecture allows the user to navigate and find content.

The software model could also have too much information within it. The most successful type of software model incorporates a single, highly desirable app opposed to a collection of apps. This main app should be freestanding. If you make the mistake of burying it, then you're forced to sell the club subscription and a collection of tools. This makes the user much less focused and may lead to confusion.

The danger in the club model comes with bundling tools with too much information. You do not want consumers to think they are paying for a bunch of things that they don't want or need. In this instance, the price won't matter; if the user is given a bunch of things they don't want or need, they will assume the price they are paying is too much.

If you are presenting a valuable proposition with a great freestanding app, don't make the mistake of obscuring the deal with too much unnecessary content and a higher price tag.

Membership Website Mistake #3: Lacking Content

Providing too little content to your audience is a major issue, especially if you purport to have a comprehensive collection of informative content.

For instance, if you're looking to launch a reference model, and you do not have enough content, it's a deadly sin. A reference website – which is often organized in an encyclopedia-like fashion – is suppose to answer questions on a specific topic and implies that you can answer any question your audience has on the topic.

If you cannot adequately provide the answers your audience seeks, users will decide any price they paid is too much. At its launch, a membership website should have thousands of pages of content, which can be built upon through time.

Examples of great reference websites include Trip Advisor and WebMD.

The image is a screenshot of the TripAdvisor website homepage. At the top, there is a navigation bar with links for "Sign in with Facebook", "Sign in", "Register Now!", "FREE Mobile App", and a language selector. Below this is the TripAdvisor logo and a search bar with the placeholder text "City, hotel name, etc." and a "SEARCH" button. A green navigation menu contains links for "Home", "Hotels", "Flights", "Vacation Rentals", "Restaurants", "Best of 2011", "More", and "Write a Review". The main content area features a large banner for "TRAVELERS' CHOICE" with the tagline "As awarded by millions of real travelers". To the right of the banner is a "Dream big." advertisement for "Anastasis Apartments Imerovigli, Greece" sponsored by "CHASE SAPHIRE PREFERRED". Below the banner is a "Travelers' top 25" section with links for "Best hotels", "Best family vacations", "Best beaches", "Best destinations", and "Best food & wine destinations". Below that is an "Our editors' picks" section with links for "Guides to over 9,000 destinations" and "Find your ideal destination". At the bottom, there is a footer with the TripAdvisor logo, copyright information for 2011, and links to "Terms of Use" and "Privacy Policy".

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- ACL Injuries
- Acne
- Acoustic Neuroma
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- Acute Myeloid Leukemia
- Acute Renal Failure
- ADD/ADHD
- Addiction and Substance Abuse, Adult
- Addiction and Substance Abuse, Teen
- Adenoiditis
- Age-Related Macular Degeneration
- Aging
- AIDS
- Alcohol Abuse
- Alcohol Detox Programs
- Alcohol Interaction With Medication
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- Allergy Triggers Slideshow
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Membership Website Mistake #5: Charging Too Little

People often overestimate their market. They do this by looking at the number of nuclear engines, bakers or weekend woodworkers and assume they can get a higher penetration than they've seen.

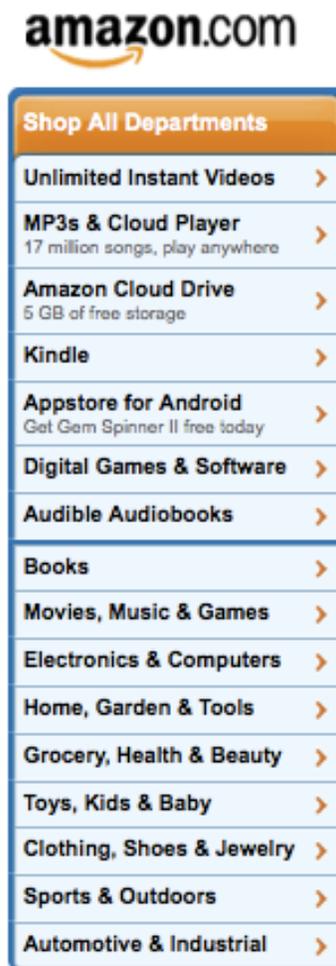
Look at the market, profession or hobby and pay close attention to the penetration levels of mature products in the two-five year range.

If you are thinking that a much larger customer base will be paying you, you often price lower than it should be. In order to succeed however, you have to get the price just right. If it's too high, you cut out a lot of the market share you can achieve. At the same time, by charging too price you'll find yourself in position where you have market share to possess, but the price point makes your business not viable.

Membership Website Mistake #6: Lack of Market Access

Niche businesses need additional channels to acquire large enough market share to succeed.

Beyond building an audience through search and website traffic, it's important to generate retail partners like Amazon and Barnes & Noble. Partnerships are how online businesses are able to open new channels to build upon the market share they need to grow.



Many online business operators do not explore retail channels right away. In most instances, it's not that they didn't have market access, they just hadn't contacted the potential partners, nor did they have the horsepower to develop those business models.

Additional channels can be anything from online retailers, banner advertisements or syndicated content to portals. Most publishers rely on five to ten different channels; few can succeed relying on only one. And even if they could stay afloat with only one, they would probably be under-reaching their market – unless you're in the big five: investing, food, travel, health or news.

Our webinar [29 Ways to Increase Website Traffic](#) contains actionable methods for developing new content channels.

Member Website Mistake #7: Ignoring Legacy Business Model

Legacy magazine publishers are not paying close attention to whether their business is sponsor-driven or commerce driven. They are then going online with a completely different model.

In doing so, publishers disregard the historical print business model. If a publisher monetized his magazine assets in the past by selling advertising, it's highly likely that the economics favor an ad-driven online publishing strategy. Or, if a publisher operates where circulation is the primary source of revenue, a membership website is a good option.

In terms of a content model, most magazine publishers over the past five-ten years launched periodical websites. In doing so, the publisher spent 800 hours per year to reformat magazine content into HTML.

Something about the magazine format on desktop hasn't been a grand experience. This however didn't come as a surprise to magazine publishers. Everybody assumed magazines wouldn't format well for desktops, and didn't present the desired experience. This has changed now, with the advent of the tablet.

Some magazines were successful in doing a great job of delivering and expanding audience with magazine style content even before the tablet. *LEDs Magazine* is one such example.

The tablet is a game changer though, as it affords the potential to deliver magazine content in a magazine format through the tablet, in addition to desktops and laptops.

Legacy publishers should take advantage of today's technology by disaggregating all the magazine content by putting it into a periodical or reference website. This allows legacy publishers to monetize in a whole different way.

For instance, magazines are typically consumed in a per-issue basis where the audience is expected to digest all the content in a month or two. This paradigm is starting to change as back issues can be easily put online. Legacy publishers can take their archived content and publish it in digital formats, put it behind a subscription paywall and sell it as a separate subscription since it has a different value due to its reissue subject base. Subsequently, advertising could be sold on that format forever going forward. People want access to back issue content, and this is a revenue generating method for legacy publishers to provide back issue content to their audience.

Legacy publishers need to be aware of expanding business models while going forward in the digital age.

Membership Website Mistake #8: Ignoring Organic Marketing

Publishers need to embrace organic marketing methods for audience development purposes. Utilizing only premium models is a mistake that isolates the single biggest channels for adding new subscribers to your database like search engine optimization and social media marketing.

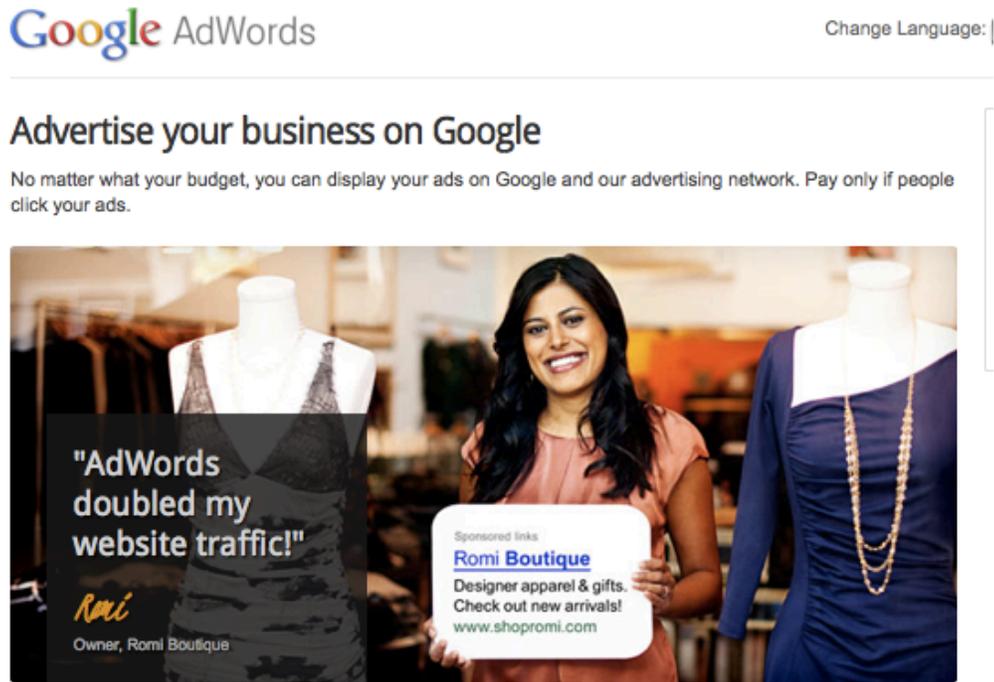
It's important to understand that in a content-driven world you need at least one of two different types of subscription websites: the portal and the blog. Both of these content models are Google-friendly options, which makes it easier for your content to get noticed, crawled by the Google bots and ranked within search engine results pages.

A lighter version of your content offered for free through your own blog or portal will increase website traffic and converted users. You can use this list of audience members to market aligned products that incorporate more content.

In order to start upon this process of developing a successful blog or portal, begin by taking advantage of the products you already have. At the same time, you can build out what you don't have. Launching an affinity site as a blog or portal allows you to open the organic marketing channel to a much wider audience.

Membership Website Mistake #9: Lack of Cost-Effective Paid Marketing

If you are not utilizing some form of paid marketing, you are limiting the size of your online business. Google Adwords pay-per-click campaigns, affiliate marketing partnerships, retailer partnerships and banner campaigns all help to sell your products for a percentage of the revenue.



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Costs and payment	Your ads appear on Google When people search on Google using one of your keywords, your ad may appear next to the search results. Now you're advertising to an audience that's already interested in you.
For local businesses	

When building a business plan, you should be thinking about how to use paid marketing programs to scale up additional channels. Although organic and email together can easily account for 50-60 percent of your revenue generation, paid marketing options broaden your reach. For instance, retail partners with companies like Apple or Amazon can tap into new audiences who already have relationships with these companies. And since these are major retailers with strong reputations, your content is available to new, massive groups of consumers.

Conclusion

Membership websites utilizing paid and affinity content models will help you attract more website traffic, build a larger community of core audience members and help you generate more revenue through multiple marketing channels.

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