

HOW DO I KNOW THAT I'M
DELIVERING
ENOUGH VALUE
IN MY MEMBERSHIP?



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Mike Morrison:

What's up gang? Welcome to episode 189 of The Membership Guys podcast. I'm your host, Mike Morrison, one half of the aforementioned Membership Guys, and this is the number one site for membership site owners to grow and take their membership to the next level. Today we're talking all about value, more specifically how do you as a membership site owner know that you're delivering enough value in your membership for the price that you're charging?

This is something I think every membership site owner worries about, some more than others without question, and a lot of that concern, a lot of that little niggler, the little voice in the back of your head that makes you wonder whether your membership is doing enough, offering enough, good enough for what you're charging, and whether it's meeting the needs of your members and living up to its promises, and all of that sort of stuff, I think a lot of that comes from imposter syndrome that probably more people than would admit it actually suffer from. We always get that comparisonitis, we're always looking at what other people are doing, and thinking about how we stack up in comparison. And a lot of people do have that anxiety and that worry that they're not good enough, their membership isn't good enough, what they're offering isn't good enough. And they're not delivering enough value.

So, how do you process that? How do you actually determine whether or not you're delivering enough value in your membership? Honestly, it's tricky, because value is an abstract concept. It is so open to interpretation, it's so subjective. So, what is value? Value in business, value in marketing is effective customer perceived value, that's what we're talking about. It's customer perception. The difference between a customer's evaluation, their opinion, their assessment on the benefits that they're receiving from a product, compared to the costs of that product. And, by comparison, to other products, to other solutions.

So, you'll see there's so much subjectivity there, value is all about the customer's perception. It's about what they are actually getting out of something versus what they're putting in, and whether they think that that balance, that exchange in your product is better than it would be in another, or is better in a product that they've used in the past. So, it's so, so subjective. And it's almost subjective to a point that it's ridiculous to even worry about it, because what is exceptionally valuable to one person will not be taking the boxes of another. And if you're trying to satisfy and to please every single person, every use case, every scenario, you will drive yourself and your members absolutely bonkers.

So, I do think that the first step to really figuring out the answer to that question of whether you're delivering enough value in your membership is to accept and to understand that value and perception of value is a moving target. It's different for everybody, it's completely subjective, and therefore there's no way of getting a definitive answer. And I think because of that, I think because value is such an abstract thing, so many people get it mixed up, they get it wrong, they confuse value with content.

So, they think that delivering value as a membership site owner is all about how much





content you put out there. And so they get into this strange sort of content arms race, where they think that to be the best and to beat their competitors, they just need to put out more stuff than other people are. But, no one joins a membership because it has the most stuff. If you can actually solve the biggest problem that your member has in five minutes with one single five minute video, that's going to be of higher value than giving them a 20 lesson course that only just scratches the surface of what they joined your membership to achieve. Content does not equate to value. So, that's the first mistake that I certainly see a lot of membership owners making when it comes to assessing their value proposition.

Another big mistake is thinking that it's a like for like comparison, that assessing value is all about, as I said before, having more stuff than somebody else. Or, you know, if you offer the same as someone else, that means you're offering the same value, you can charge the same amount. So, they're offering 20 things, and one Q&A. I'm offering 30 things and two Q&As. They're charging \$50 a month, so I can charge \$75, because I'm offering more value. Or, I can charge the same amount of money as they are, and people will think mine is better value for money than theirs is, because I'm offering more stuff.

It kind of always makes me think, I'm sure most of you listening have seen the movie *Something About Mary*. And there's a particular scene, not the one you're thinking of with the hair moose, the hitchhiker scene where there's a crazy hitchhiker being picked up, and there's a whole dialogue about something called seven minute abs, which from what I understand was a regular product that was offered on the infomercial circuit in the States during the 90s. And so this crazy hitchhiker is absolutely convinced that the way he's going to find his fortune is bringing out an alternative to seven minute abs called six minute abs.

And it's obviously played for laughs, we're supposed to find that ludicrous. The notion that just shaving one minute off the alternative product is going to make him rich, a millionaire, right? But that's essentially what so many membership site owners do. Okay, theirs is the 30 course membership, mine's going to be the 35 course membership. And when you put it like that, it's ridiculous, because of course that is not what customer perception of value is all about.

So, those are definitely the two big mistakes I think people make when thinking about their value proposition for their membership. I want to just run through some things you can ask yourself, things you can consider in making that assessment yourself. And again, please do keep in mind that this isn't a scientific process, because we're dealing with an abstract concept of customer perceived value. But there's certainly questions you can ask yourself in order to get an idea of am I in the right kind of ballpark here? Am I in the right zone? Is this the right approach?

Essentially what we're talking about is what are you offering, and what have you priced it at? The first thing to look at in assessing whether or not you've got that balance right is what problem are you solving? It's remembering, we hammer this home all the time, people join memberships because they have a problem to solve, a transformation they want to undergo, a goal they want to reach, an endpoint they want to get to. And they





join your membership because they've decided that what you are offering will help them to get there.

Maybe they're not expecting you to get them all the way there, but maybe they see it as okay, based on what you're offering, based on your sales page, your marketing, and your messaging, maybe you're going to help me get from step one to step three, before I then need to get additional assistance to go the rest of the way. But ultimately, you are in the business of solving problems. So, you should know what the problem is that you solve. If you can't figure that out, that's perhaps a warning sign that you're not fully tuned in to what your members need, what they want, and what the purpose of your membership is. And if that's the case, then maybe you're not going to be fully aligned in your thinking to your customer's thinking.

That usually leads to a disconnect when it comes to customer perceived value, because they're thinking of value in a very, very different way to how you're thinking about value. It doesn't matter how much stuff is in the membership, what matter is the change that your membership brings about.

So, think about what is the problem you're solving? What are the results that you are delivering? Again, this is all tied in to what people are expecting in exchange for their money. Remember, that value proposition is a balance between how much someone's putting in, versus how much someone's getting out. And the getting out is all about results. But again, it's not just a quantity thing, it's not just racking up the wins. It's thinking of that bigger picture, thinking of the problem that you're solving. If your membership teaches people how to master origami, then for an origami enthusiast, obviously that's going to tick a lot of boxes. But you teaching someone how to make an origami swan versus teaching someone how to get out from a mountain of debt, there's a very big difference in terms of the worth of those results in the big picture.

You know, someone who's an origami enthusiast, but who is also under a mountain of debt from buying all of that specialist origami paper, to them it doesn't matter how great your origami content is, they would perceive something that helps them escape that debt as being much higher worth, much higher value in terms of results that they're getting. So, again, your origami site could be phenomenal, the best in the world, the most origami tutorials in the world, but that doesn't automatically mean that you would charge a premium for it.

So, you do have to really take into consideration how much the results that you're promising are actually worth to someone's life. What difference they make, what level of impact, how deep it is, and all that sort of stuff. Something else you need to consider is how long it's actually going to take your members to get to where they want to go. If you can help someone solve the biggest problems in their lives in under a month, you can charge a premium for how quickly you are delivering on that goal.

The value there is not just in the result that you're delivering, but also the speed that you are delivering that result. So, that absolutely can be reflected in the price that you're charging for your membership or your course.





Another factor that really does play into value perception is access. The more access that someone has to you in the membership, the higher the value perception is going to be, particularly if you are a known entity in your field. If they've joined your membership in order to be around you, because you're their favorite, you're their trusted expert, then actually giving them access to you, either in a one to many, or in small groups, or one to one, these are the sorts of things that are going to affect how much you could charge for your membership, and how much value your membership will be deemed to have.

A membership that has a lot of one on one access to you is going to be viewed as more valuable than one in which you turn up for 30 minutes per week, but otherwise you're nowhere to be seen. So, again, access is a big, big part of that value equation. You know, we always advocate for founders of membership to have a presence in their community, again because so many memberships are centered around an expert, a figurehead, a leader. And so there's almost that expectation that you will be in the community. But again, that's something to consider, are you even going to have a community? If you're having a community, is it going to be one where you're hands off? Is it just a Facebook group where people can hang out and chat, or is it somewhere where it's a bit more involved, where maybe you're doing private member challenges? Maybe you're stalking conversations, maybe you're giving text support and stuff like that.

Again, are you going to have a community? What type of community is it going to be? And how does that affect the value proposition? Now of course we said that the volume of content isn't the basis for value. However, it does still factor in. It certainly factors in, because a lot of people do make that initial assessment of your membership and the value that it holds, purely based on quantity of stuff. Someone who comes into a library and sees two things, even if they're two of the best things in the world, they don't know that they're the best things in the world, the best videos, the best courses, the best tutorials. They don't know that until they've actually consumed it, so their surface level assessment of the value they've received is going to be much lower than if they see a vast library of varied content.

So, absolutely the quantity of stuff does factor into the perception of value. But, again, if you think about the order in which we're discussing these things, it is lower down on the totem pole than I think a lot of membership site owners place it. And too many people think that just putting out lots of stuff is all they need to do in order to deliver that type of ongoing value that keeps people engaged, keeps people subscribed. And certainly more content doesn't mean higher prices.

And actually that feeds into the next thing to think about, and that is how long will it actually take someone to consume everything that you have in your membership? So, we've talked about how long would it take someone to get to their desired goal, or to get a win, and that's something that is completely different from how long would it take for someone to actually consume everything. If you've got a program, if you've got a





course, if you've got a multi-step system, how long would it actually take someone if they just went step by step to get through that?

You know, if the star attraction of your website is a course built around your signature system, but three weeks in they're done, they're finished, if that is the main drawing attraction of your site, then people are going to kind of think well, was that it? It's like they've lined up for this amazing, epic rollercoaster, and they get on it, and then 20 seconds later it's done. It could've been the most thrilling, most incredible rollercoaster in the world, but you're probably still going to feel a little short changed if you waited for an hour and then 20 seconds later your experience is over.

So, again, that factors into it. How long are people going to be engaged? How long are they going to be using it? How long is it going to be valuable to them? And then something that we kind of hinted towards before, when we mentioned about the fact that for many people joining a membership, it's not just about the content, it's not just about the results, it's about hanging out with and having access to someone who they deem as their chosen expert. The person they look up to, the person they deem credible, that they want to learn from, that they want to spend time with. That is something, again, which is really going to play into perception of value, to how much you can realistically and justifiably charge for your membership site.

So, how much do you actually fit the bill of being the go to person in your space? Are you the person who is at the top of your game? Are you an in demand expert? Maybe you're not there yet, and so I don't want to go down the route of saying only people who've been around for ages, who have huge audiences, can charge a premium, because that is absolutely not true. But you have to be aware, again, when we're dealing with perception, and that's all value is, value is subjective perception, then logic kind of goes out the window. And being the best isn't always the thing that matters.

You only need to look at the music charts around the world to see that the cream doesn't automatically rise to the top. And I realize that I'm very much painting myself into grumpy old man, it was so much better, music was so much better in my day kind of territory, by picking on the music industry. But, you know, we had rubbish music in the 90s and in the 80s as well. The best artists were not always the most commercially successful. The most competent, credible experts are not always the people who become the go to people in their space. But unfortunately, many people out there attach value, they attach premium to those industry celebrities. To someone who is perceived as being at the top of their space. And this is absolutely something that will affect your value proposition.

If you have a membership that is very, very heavily based around access to your expertise, but people do not know, or do not value who you are, then they will not deem having access to that expertise as being something that is valuable, certainly by comparison to having access to the person they do view as a go to person in the space. Hopefully that makes sense, and hopefully it's not getting confused as me saying that only the big names should start memberships. What I'm saying is you just need to be





aware that this is the harsh reality of online business. And you need to account for that in your value proposition.

And so again, this comes back to what I was saying before, is that it's not a like for like comparison. It's not a case of okay, well this person over here, he's offering a monthly coaching call with every member, and he's got 10 courses. And he's charging \$100. So, if I offer a monthly coaching call and 20 courses, I can charge more than he can, because our value proposition is bigger. That is just not how it works.

So, certainly something to keep in mind. Again, it's not logical, and you may think it's unfair, but it's the reality of how things are. And again, these are the sort of things we need to deal with, to think about, to account for when talking about something that is as abstract, subjective, and open ended as value perception.

Something else, of course, to take into consideration when thinking about do we actually offer enough value for what we're charging, is what are people telling you? What are all the signs showing you? Are you getting a lot of traffic to your sales page, and then they're just disappearing, none of them are converting? And perhaps the price point is to blame. Maybe people are clicking through to your checkout, and then that's where they see the price, and they change their mind. Again, these are indicators that there might be a little problem with how you're actually communicating the value that your membership offers.

What are people telling you? Are you actually soliciting feedback from people who maybe are on your email list, but they don't join your membership? Are you actually surveying them to say, "We know you've been on our mailing list, you've been consuming our content, our free stuff, and we appreciate that. But we just wanted to know, we've told you a few times that we've got this membership, and we think it's great. We're just curious as to whether there's anything holding you back from joining?" You're always going to get people who say that's too expensive, that doesn't mean you're too expensive.

But if everybody says you're too expensive, that might be a hint, especially if when you think about all the other stuff we've talked about, you're already leaning towards maybe the value proposition is a little unbalanced. If everybody's saying, yeah dude, you're delusional, you're charging triple what everyone else in this industry is charging. Or, you're charging quadruple what your nearest competitor, who actually is the top dog, they're charging a fraction of what you're charging. Listen to what people are telling you. Don't put stock in a handful of people telling you you're too expensive, because you're always going to have that problem, and you certainly don't want to get into a point where you're trying to please everybody with your pricing. So, this is more about are you getting a dispirit or an unusual amount of people telling you that you're too expensive, or that they don't think it's good value for money?

So, ask people who are on your list, who are in your funnel, but don't join. Look at how your sales pages, your checkout process is performing. If people cancel their membership, ask them why they canceled. Again, you're always going to get people saying that, that's just par for the course. But if everybody's telling you that, then that's





a warning sign too.

And then I think the final thing you need to take into consideration is your own gut. If you're obsessing over this, if your stomach is in knots because you think you're charging too much and you can hardly bring yourself to tell people how much it costs, you're uncomfortable talking about your price point, you're just completely lacking in certainty and confidence and you have to really convince yourself that you're offering enough value. Again, that is certainly something you should listen to. You definitely have to do gut check. It doesn't mean that you're not offering enough value, again we talked about how so many people suffer from this imposter syndrome, and a lot of people just by default don't think that what they're putting out has value, when actually it does. But again, in combination with all the other things we've been talking about, you can't ignore your gut sometimes.

So, don't go on gut alone, but combine that gut feeling with questioning, with some real objective analysis of the sort of things that we talked about during this episode. And that will certainly help give you a better idea of whether or not your value proposition is off.

So, hopefully this has been useful to you. If you've found yourself questioning that, or if you're in the planning stages of your membership and you're trying to figure out what should I be offering, what should I be charging? Maybe you've recently had someone tell you, "Your membership is so expensive." Just one person saying that can really throw you for a loop. So, if you have been worrying about it, hopefully if you work through some of the stuff that we talked about, that's going to help you to either refine what you're doing, or just to put your mind at ease in trying to figure out if you're offering enough value for what you're charging.

But, if nothing else, hopefully this has helped to change your perspective on what value truly means in the context of a membership website. Hope you have enjoyed this episode, I'd be interested to hear your thoughts. As always, you can reach me on social media. If you're on Twitter you can find me @MembershipGuys. Send me a Tweet, let me know what you found useful about this episode, what your top take away is. If you're on Instagram, I'm on there, @MembershipGuy. Just Guy, singular, Callie is not with me on Instagram. Let me know on there. If you're listening to this, take a little screenshot of your phone or your computer, or whatever you're listening to this on, and then hit me in on Instagram. Tag me, let me know you're listening. I love it when that happens.

And of course, if you're inside our free Facebook group, then let me know your thoughts on that episode. And if you're not in the group, get yourself in the group, there's around 11,000 membership site owners in there. You can find it by searching for Membership Mastermind inside the Facebook App. Or if you're at your desk, type in talkmemberships.com. That will magically redirect you to our group, and you can come and join the conversation in there.





Or of course, this is a never ending list, if you are part of Membership Site Academy, we have a nice in depth discussion about all the episodes we release each and every week, so you can jump in and chat to me and Callie about the whole concept, the whole topic of value proposition for your membership, and how to get that right, how to get your pricing right and all that good stuff. That's it from me for this week, I truly do hope you found today's episode useful, interesting, and informative. And a whole range of other positive words. I'll be back again next week with another installment of the Membership Guys podcast, bye for now.

