

HACK THE SYSTEM

WITH MANEESH SETHI

The MIXERGY Guide To Building A Recurring
Revenue Business From Scratch

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This is a guide on how to build an online audience, sell them the exact product they want and generate recurring revenue for years to come.

It's over 7500 words and took me nearly 30 hours to write. It will take you about 20 minutes to read.

The guide originally appeared as a blog post on Hack the System. The content is based on Mixergy interviews with successful entrepreneurs. These experts continue to use these strategies to earn six and seven figure incomes.

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Ready? Let's get started.

Grow Your Audience By Creating Fame

So I launched this blog. And I wrote it for a long time with virtually no traffic because I knew I had a message that needed to be heard.

– Ramit Sethi, on persistence

In this section I explain in detail a strategy for building an audience online: creating fame.

Many of the key points are from [Andrew Warner's Mixergy interview with Laura Roeder](#).

If you are satisfied with your existing audience, you can [skip to product creation](#).

Expert: Laura Roeder

Laura is the creator of an online program called [Creating Fame](#). She teaches entrepreneurs and business owners to become the number one person in their field. She's done that herself by becoming a go-to expert for social media marketing for small businesses (and building a million dollar per year business around it).

So, Laura, how do we go about creating fame?

Make Your Website Perfect. Yeah, Perfect.

Your site is all you have in marketing. People are going by your site and your Google results.

– Laura Roeder, on the first step to creating fame

Laura says there are two types of people online, the optimizers and the wait-listers. Optimizers obsess over the details of their site, continuously A-B test to notch up their conversions and would never let a typo go unchanged.

Wait-listers stay busy by compiling lists of things they *should* change on their sites.

Be an optimizer.

Making your site perfect creates trust and increases conversions. Our goal is to create a paid subscription product. If visitors have to search out your about page, spot typos in

your header, click on broken links, or your CSS is out of whack in their old-school Internet Explorer – then how are you going to create the trust for them to buy from you?

Here's the fix. Take that list you've got and start working on it. Laura says the first item will probably only take five minutes, then you get in a groove to fixing more. Another way is to hire a developer/designer for an hour. An hour is long enough for a good techie to make a lot of improvements for you and should only cost about \$50.

Another part of making your website perfect is building a brand that targets your market. Here's a [video interview about website branding](#). In it, Pamela Wilson of [Big Brand System](#) talks about the broad concepts of what matters for a brand and the specifics of how to build a good one.

Add Many Faces

People want to know who they are doing business with. Small businesses have a huge opportunity to be better than competitors just by being more real and being more personal.

– Laura Roeder, on why you should include a photo of yourself on your site

Your website should have a picture of your face on it.

You've heard this advice before.

However, I click through to a lot of sites from the comments. So, I've noticed a lot of you shy away from a personal introduction on your site.

I like to see a face to go with the words, and I like to see a name, and I like to see “welcome, this is what my site is all about”. I'm not alone – people build connections with people, not with websites.

And the press? If they are writing a story they need a person to latch onto. So why not make it easy for them?

WordPress users can put a photo in the sidebar by creating a text widget and writing this:

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The URL will look something like this:

<http://www.yourblog.com/wpcontent/uploads/2011/12/headshot.png>

Another good place to put your picture is your site's about page. This tip is just as important for businesses as it is for bloggers. Laura recommends taking the personalization a step further by putting up pictures of all team members. She says, "people love it, and they feel like they have a relationship with everyone on the team".

Here's a fun example: [TeamBuy team page](#)

Once your website is ready, you are ready for promotion outside of your domain.

Join the Conversation

He had one about Paris Hilton's shoes, and how they were hurting her feet... he wasn't afraid to go there.

– Laura Roeder, on how one podiatrist joined mainstream conversation

It turns out you don't have to feel guilty about your Britney Spears gossip. No, instead you harness it as a marketing tool for your business.

Laura told the story of a podiatrist from the Houston suburbs who did just that. When Paris Hilton's shoes hurt her feet, he wrote about that. When Britney Spears went barefoot to the bathroom, he wrote about that.

Instead of trying to start a new conversation, join an existing one so you get in the prospects head. **The key is to bring people in, and then tie it into your own topic.**

Another benefit of talking about current events is being quoted. When something is going on, people in the media are looking for quotes, and your writing about it means they can reference your work.

Be Omnipresent [or at least as close to it as you can get on Google]

Start looking through Mixergy and a lot of these startups have like, a way to post your video, or a way to post your slides, or a way to post your documents. If you do 10 of those sites... all of that stuff comes up when people search for you, and it looks very impressive.

– Laura Roeder, on dominating Google search results

Alright, so your domain is www.how-to-cross-stitch-superheroes.com, and you are ranking for those keywords – sweet. Now, what really happens when someone searches for your terms is that your site comes up with about nine other results. These include videos, images and other media.

You can dominate that first page of results (and push your competitors out) by becoming omnipresent.

Join video sites like YouTube or Blip and title your videos with your keywords. Join sites that allow you to make slideshows. Join picture sites. Join any site that lets you express your message through media – and then upload relevant content.

When you search for *Creating Fame* on Google, the results include Laura's site, YouTube videos she produced and interviews on other websites.

Using this strategy you will take more of the top spots. And, as Laura points out in the interview: who would you choose to do business with? The person who is published all over the web, or the person who just runs their own site?

So, become omnipresent. It increases your credibility and conversions.

Get Featured on Media

Honestly, getting interviewed anywhere is better than getting featured nowhere. Even if just because of the Google factor.

– Laura Roeder, on going out and getting interviewed

Do you know the number one tactic for getting interviewed?

Pitch yourself.

Laura was interviewed on Mixergy (a top 10,000 Alexa site) because she pitched her story. It's easy. Just send the interviewer a quick email saying "Hey, I love your show. I think your audience would be interested in this story/tip I have to share".

The key is to align your site with the producer's work and introduce how you can offer value to their audience.

Laura got onto FOX News by hiring a publicist, but she recommends doing the legwork yourself. Find 10 places: interview shows, podcasts, blogtalk radio, iTunes podcasts and pitch them your story.

If possible, find sources that your own market is tuned into, but Laura says it is even okay to do an interview no-one watches. Remember becoming omnipresent? Even an unwatched interview will show up on Google.

Another example is when Laura had a panel at South By Southwest. She remembers people kept coming up to her and saying, "wow, it's my dream to be on a panel here". You know what Laura asked them? Did you submit a proposal? You know what they hadn't done?

So put your fear of becoming an expert aside and pitch a story.

Show Off Your Logos [hint: you don't have to be featured in the WSJ]

*People have an instant recognition thing where we see logos and we go, “oh, logos!”...
– Laura Roeder, on including logos on your site*

Including logos on your site builds credibility via association, and you don’t have to wait for super-fame to get started. Just the presence of logos is enough.

So, you can use logos from local press or websites that you’ve been featured on. If nobody is writing or linking to you yet, then seek out the opportunities. If you shied away from pitching stories in the Get Featured On Media section, then guest post on other blogs and include their logos on your site.

Additional Resources For Creating Fame

- ▯ Don’t consider yourself an expert? [Master a niche in less than 24 hours.](#)
- ▯ Want a top rated blog like Ana Hoffman’s [Traffic Generation Cafe](#)? [Become an authority blogger in 6 simple steps.](#)
- ▯ Want to be Chris Guillebeau famous? [See how he did it.](#)
- ▯ Ready for more media exposure? [Do it the Tim Ferriss way.](#)
- ▯ No media connections? [Try Derek Halpern’s Drafting Technique.](#)
- ▯ Building an email list? [Decrease your unsubscribe rate now.](#)

Not Interested in Creating Fame?

By interviewing our world’s top bloggers, I’ve learned there are countless ways to build a following online.

Ramit Sethi’s [I Will Teach You To Be Rich](#) was built on persistence, strategic guest posts, and major media coverage.

[Neil Patel](#) builds relationships by helping everybody. More at [ProBlogger](#).

Danny Iny of Firepole Marketing wrote [80+ quality guest posts](#) in less than a year.

David Cain of Raptitude writes viral content, like [this list post](#) which has earned over a million views.

Lori Deschene tweeted one inspirational quote a day and built a following of 40,000 before launching the [tiny buddha blog](#).

Derek Halpern saw how SEO reviews draw a crowd at a conference, so used them to draw a crowd to [Social Triggers](#).

All of these strategies (combined with persistence) can work for you.

End of Creating Fame Section

Have you tried creating fame? What happened? Scroll down and leave a comment. Otherwise, let's talk about making money.

Co-create a Product

Basically, he co-created a product with his list of clients, at least his market, they weren't current clients yet. He sold a \$50,000 refrigeration unit, commercial refrigeration unit, to them. He brought in \$110,000 in profits, not revenue, but profits. This was two months in advance of the product being available.

– Clay Collins, on the kind of results possible when you co-create a product

This section is about how to get your audience to tell you the exact product they want you to create and then pay you before you create it.

The real magic if you don't have money to fund a business, you can use this strategy to earn the revenue needed to ship your product.

An appliance dealer used this strategy to fund a commercial refrigeration unit that cost

\$50,000, and net him a profit of \$110,000 two months before shipment.

A sleep therapist with a prospect list of 750 co-created a training program that netted \$71,000 in profit.

The corresponding Mixergy interview is [here](#).

Expert: Clay Collins

Clay is the creator of an online program called [The Interactive Offer](#). Several thousand words and a couple videos about him [here](#). Clay teaches entrepreneurs a step by step process of working with their audience to create the exact product they will buy.

Let's look at how he does it.

Phase One: Generate Interaction

What most people do when they create a product is it's nothing, nothing, nothing, nothing, they hear nothing from the company. Then they go in for a kiss and the customer's like, "Why are you all the sudden hammering me with all this stuff?"
– Clay Collins, on why you need to flirt with your prospects

Want your market to participate in product creation?

Then you need to build a relationship with them.

Clay recommends to start small and build momentum overtime.

Here's how that might look:

1. email subscribers receive a welcome email inviting them to reply
2. you or your team reply to every email personally
3. write blog posts and respond to comments

4. tell readers your story and encourage their stories
5. surveys

Doing audience engagement justice isn't my intention with this guide, see Danny Iny's [Engagement From Scratch](#) instead.

Here's the high level overview:

You're slowly raising the bar for interaction and getting people comfortable with and used to interacting with you and being responded to after they interact with you.

Do that and the rest will take care of itself.

Hook Them With Your Welcome Email

Your welcome email to new email subscribers is a powerful chance to engage your audience.

There are three elements: introduce yourself, set their expectations, and solicit feedback.

Introduce yourself to personify the email.

Set their expectations to reduce unsubscribes.

Solicit feedback to get that critical first interaction.

Here's the exact welcome email Clay's Interactive Offer subscribers receive. He welcomes you to adapt it for your own use.

Subject: WELCOME to the family (please read)

Body:

First of all, you're in. Welcome to the family 😊.

Anyway, there are three or four websites that you could have found me on . . .

. . . but my main site is located here: Clay Collins (click this to confirm your email and check it out). That's probably my least ugly website, and most useful one as well, so if

you have a chance, click to confirm your email and to head over to the site:

Click this to check it out

Anyway, since we've found each other, I'll be hooking you up with all sorts of cool stuff in the days, weeks, and months ahead.

In fact, watch your inbox because TOMORROW I'll be sending you something amazing:

WHAT I'M SENDING YOU TOMORROW

Tomorrow I'll be sending you the "Internet Business Toolkit."

This thing contains every website, software, service, platform, etc. (i.e., EVERYTHING) I use to run my online businesses (I hold nothing back).

It's a virtual encyclopedia of the tools you need to run every aspect of your online business. And, in the right hands, it's worth at least \$300.

I hope you enjoy it.

If You Can Do Just ONE Thing For Me Today

If you can do just one thing for me today, I'd REALLY REALLY appreciate it if you'd just hit reply to this message and drop a quick note to say "hi." If you have a moment, I'd love for you to quickly tell me where you're from (AND . . . if you've got an extra 30 seconds, I'd also like to know what ideal outcome you'd like me to help bring into your life).

Anyway, since we've found each other, I'll be hooking you up with all sorts of cool stuff in the days, weeks, and months ahead.

Take Care,

Clay Collins

<http://TheMarketingProgram.com>

It's kind of a long email right?

If that's not your style, Derek Halpern uses a simpler model over at [Social Triggers](#).

In Clay's email, notice the second last paragraph where he a. asks the subscriber to hit reply, and b. tells them how to reply. This encourages the type of feedback you want.

Clay says "the most important thing is just that they hit respond. I don't care if they only tell me where they're from. That's enough. I just want them to get used to doing this. It's a very low barrier to entry. Literally hit reply, tell me where you're from. That's all we need to start this off".

When you are first getting started you can handle the feedback yourself – but make sure

to reply to every single one. If it's taking too much of your time then hire someone. It's worth the investment.

On the other hand, if you have plenty of time then consider customizing a welcome email for every new subscriber. Here's how Ana Hoffman [customizes her welcome emails in fifteen minutes a day](#).

Then what do you do when they respond?

What To Do When Subscribers Respond To Your Welcome Email

Here's a hypothetical response.

Hi, I'm Joe. I'm from North Carolina. I create software and I would really like to double the number of people who buy my product in the upcoming year.

The first step is to log the response.

A good place to keep track of the information is Google Docs since you can access them from anywhere and share them with your team as it grows.

Next, respond to Joe and find a way to connect. If you have a connection with North Carolina, mention it. Otherwise even a reference to the weather can suffice.

In response to Joe's problem, that he wants to double sales, you might send him some helpful links to your content or that of others. Clay usually sends links to a program he produces called the Marketing Show.

Finally, if Joe has a website, visit it and leave a few comments. Clay says, "yeah, this is an investment but it's also something that we believe in very strongly".

Now that you have the relationships in place, go on to co-create a free product.

Phase Two: Co-Create a Free Product

I like this quote.

People support what they create. When you do this properly, they actually feel like your product was their idea. You need to put all ego aside because that's really what it's about. It's about them, and it's about them feeling so good about their product that they buy from you.

– Clay Collins, summing up the idea of co-creation

This subsection is about how to co-create a free product. The purpose of doing so is to gather information about what your audience wants and show them the quality you produce.

But first some tips.

Dos and Do Nots For Co-Creating Products

DO NOT read this section and say “I could just throw up a survey, ask people what they want, then sell it to them and make some income” – that can be a dangerous business move. You can prematurely kill all interest or momentum that you would otherwise get for your product.

DO involve your audience and make them part of the story about how your product came to be. That way they will be much more emotionally involved and likely to buy.

DO NOT try and fool people into thinking you already have a product.

DO be super upfront about the fact that you are going to make a product, and that it does not exist. You'll maximize conversions.

AND DO create a digital product – that way you avoid costly shipping fees.

Use Surveys To Find Out What Your Market Wants

Don't just send your subscribers a survey out of the blue.

Instead embed it in a narrative. Clay has three emails that lead up the one where he sends the survey. You want to talk about why you are doing it, and how you are in a position to do something at a higher level.

Then, you can use [Survey Monkey](#) or Google Docs to survey your audience.

Here are the three questions to ask:

1. What free information product would you love for me to create for you?
2. What's your biggest fear and frustration?
3. What's your ideal, perfect outcome?

Collect free-form answers not drop-down, it will require qualitative analysis but provide much deeper insight.

What To Do After The Survey

A heads up about the survey responses: people will tell you what frustrates them, they will seldom tell you the solution you need to provide.

It's your job to come up with that.

1. This is not easy. **Print out the responses and spend a week highlighting them.** Clay warns that "trends don't usually emerge on the first read". What you need to do is read between the lines and find one or two main frustrations then identify a need that comes with them.
2. Also, **pay special attention to the language** responders use to

describe their problem – it might be different than your own. You'll use this later in your sales copy and within the product itself.

3. After you've collected the survey responses, **go back and confirm what they are looking for**. Say “we think we understand what you want, but we're not sure and we don't want to create this unless we know this is what you want”. Then ask people to respond in the comments.
4. The next contact with your audience is to **confirm demand**. Say, “okay, we're going to make it, but we're only going to make it if this many people sign up on the list to receive it when it comes out, because I'm not going to spend all this time making it and then nobody wants it”.

Delivering Your Free Product

Though later on you are going to build a subscription program, start with a one-off info product like an ebook. This must be a viable product that stands on its own. That way you will build trust with your audience, and they will be grateful and share it, increasing exposure for the next product you create.

Collect all the feedback in a Google Doc and use it to inform your future product creation.

Bonus tip: only release your free product for a few days. A time limitation creates urgency and increases the perceived value of your product.

Then go and co-create the paid product.

Phase Three: Co-Create the Premium Product

And usually people are like, “hell yeah”. People love being involved at a deeper level. People love Beta testing software. People love being one of these ground level people who saw it from the very beginning.

– *Clay Collins, on the genuine excitement for your product*

Now that you've tested the market with your free product, it's time to sell one.

This can be either a brand new product based on the survey feedback, or the repositioning of an existing one based on the language responders used.

Then go back to your audience and tell them:

1. there has been a tonne of interest in the free report
2. people are asking for a lot of things that I'm not able to deliver in this free report
3. I'm thinking about creating a premium course
4. I have no idea how much it's going to be
5. I'm thinking about letting an initial group of people in at some kind of discount, but I want your feedback

Then run a contest.

Run a Contest to Gauge Interest And Increase Conversions

One pre-sale tactic Clay recommends is running a contest. Ask people to tell you why the course you are coming out with is the perfect one for them. If they win, give them a membership for free.

This contest does several things:

- ▯ generates social proof, so people can see all the others that want to join
- ▯ gives you language to use in your sales letter
- ▯ creates consistency and commitment

That third one is pretty neat. Basically, if someone needs to write this type of comment, they also need to go through the logic and think about why your product is good for them. Then they are more likely to buy it.

They sold themselves.

At this point, it's up to you to build the product your audience asked for. Our goal is to create a recurring revenue product, so keep that in mind when considering format. A popular membership system for WordPress is [WishList Member](#).

Additional Resources For Co-Creating a Product

Eric Reis says to start with a [minimum viable product](#) then improve it. The way you know you have a minimum viable product is “you are very uncomfortable putting your name on it and putting it out there”.

Here's how [Ramit Sethi develops products he sells for more than 10x the price of the competition](#).

And here's Ramit's guide on [how to write a \\$100,000 survey](#).

End of Co-Creating Product Section

Have a question about how co-creation can work for your market? Let us know in the comments.

Maximize Recurring Revenue Through Customer Retention

I'm interested in talking to people who are running membership sites or people that are thinking about running membership sites. What I want to show them is that you can keep your members long enough to do things like pay off your mortgage, pay cash for cars, live a really good life and run a really great business and I was able to do that. I was able to pay off my mortgage by running one single membership site.

– Noah Fleming, on the results possible when you lock in recurring revenue

This section is the final key for profiting from your efforts. It's about how to increase your subscriber retention so you can earn recurring revenue for months and years to

come.

It's based on premium Mixergy content that costs hundreds per year. Available here for free.

The [course on recurring revenue](#) was led by Noah Fleming.

Expert: Noah Fleming

Noah is a [strategic marketing consultant](#) specializing in client loyalty and retention strategies. He's worked with over 500 online marketers, and built several online businesses of his own, including [The Brewers Market](#), a business that has received extensive national coverage.

Alright Noah, let's get to it.

Get In The Mindset

So here's the thing, they say that most people who sign up for a membership site will stick for about three months. So for me the big thing when I got these people was there was no way I was letting them go. I became literally militant about keeping them.
– Noah Fleming, on grim determination

As with much of the “make money online” world, subscription programs are surrounded by myths. The biggest one? That you can build a site, forget about it, and have a pile of money coming in while you drink mojitos on the beach.

Since you read Passive Panda, I know you'll be able to relate to what actually works: working hard and doing everything you can to serve your customers. As Noah says, “literally caring for these people, being there for them, connecting with them, engaging with them”.

Another myth is that if you deliver a certain amount of material people will stick around.

Don't get caught in the mindset that "if I give X amount of material every month there's no way they are going to leave". **If you overwhelm people they will leave.**

Instead focus on producing incredible quality content that your members can't get anywhere else. While the rest of this article covers best practices and retention strategies, unique quality content is the best way to ensure your members stick around.

The point is that instead of acting re-actively, you need to be proactive about member retention. From the very first day be thinking about how you can keep people for the long term.

Now let's look at some strategies.

The Three C's of Retention

I believe they come for the content but they stay for the character, they come for the content but they stay for the community and they come for the content and they stay for the content and sometimes they come for the character but they end up staying for the community.

– Noah Fleming, on how your character, content and community work together

The three C's of retention: character, community and content ARE NOT a step by step system. They are meta strategies that if implemented will make a big difference in the way you run your business and maximize retention.

So don't get overwhelmed. This is not an all or nothing approach. Start implementing and gradually work towards your goal.

C1: Character

Everyone's a kid that noone cares about – that's why you gotta keep screaming 'til they hear you out.

– Tinie Tempah, lyrics from *Written In The Stars*

The most important element of your business is of course you.

But it's not your charm, talent and good looks that will determine success.

It's your character – your story, your values and how people can relate to you.

Character helps sell Chris Guillebeau's [Travel Hacking Cartel](#). Who better to show you how to save thousands traveling than someone who's visited almost every country in the world?

Character is part of the Hack the System community. Maneesh and his obsession with unusual tests helps you relate to him, right?

And character is why if Eminem had a course on rap, every aspiring rapper would sign up.

Chris, James and the Real Slim Shady didn't start out as strong characters. Their stories evolved over time. Yours can too.

If you followed the Creating Fame section of this article, you are likely all set. Otherwise, let's get started.

The Framework For Bringing Character Out

Like I said, I don't want to be creating characters. I want us to be who we really are. But we've got to have a story, because we need to give our customers something to connect to.

– Noah Fleming, on the importance of character

You don't create a character, you discover it within yourself.

But we aren't going to leave this to spirit quests and inward reflection.

Instead, there's a framework that will get you 90% of the way there.

There are four steps to the framework:

1. Develop your backstory – your reason for doing what you're doing
2. What did you learn along the way? What are the stories, parables, lessons that helped create your story?
3. What did you overcome?
4. What do you stand for?

Now let's look at great examples of each.

Develop your backstory – your reason for doing what you're doing

You can read one of my favourite examples of backstory at [Steve Kamb's Nerd Fitness](#).

Basically when Steve didn't make the high school basketball team, he started working out. For six years he didn't make much progress. Then he moved to California and in just 30 days started to see significant gains. Nerd Fitness is a way for him to help people skip the six years of mistakes and get started leveling up their life.

Another example is Robert King of lean definition, who [overcame a World of Warcraft addiction and built a beach body](#). Now he's on a mission of inspiring others to change their lives too.

Rebecca Tracey over at The Uncaged Life was a nutritionist until she realized [kale & quinoa won't save the world](#).

Everyone has a story.

What did you learn along the way? What are the stories, parables, lessons that helped create your story?

Two words: Gary Vaynerchuk

Here's an excerpt, and you can [read his full story here](#).

At 8 years old he was operating 7 lemonade stands in his neighborhood and by 10 he had moved onto selling baseball cards at local malls.

Heard of Derek Sivers? Ever since [Steve Jobs dissed him in a keynote](#), Derek says, “I never again promised a customer that I could do something beyond my full control”.

What did you overcome?

Is this article the first time you heard of Mixergy? Many of Andrew's viewers know that building one of the most popular interview shows online took [massive failure](#) (to the tune of hundreds of thousands of dollars).

Marcus Sheridan, “The Sales Lion”, overcame the down economy and propelled his pool company to be one of the largest of its kind in the world [using inbound marketing](#).

What do you stand for?

Awhile back I found [The Nate Green Experience](#), and I've never forgotten how he summarized his values.

Be honest. Stand for something. Have integrity. Do things that scare you. Keep your mind sharp. Nourish your body. Pay it forward. Do your best work every time, no matter what that work is. Set goals. Nurture relationships. Enjoy every day. Listen. Don't take shit from anyone. Be passionate about something. Master your emotions. Speak with purpose.

Oh, and drink bourbon.

– Nate Green, on his values

Noah says the character important for his membership program was that, “I'm standing

for these ethical, honest, internet marketers that want an environment where we can learn to do this stuff without this idea of being bullied or, any question being too beginner-ish, so to speak”.

Once you’ve worked through the character framework, go on and let the world know.

Two Ways To Build Character

“Calvin, go do something you hate! Being miserable builds character!”

– Calvin (& Hobbes) Dad, on building character

The first way to be a character is to show an extreme version of yourself. This doesn’t mean making up characteristics or being someone you are not. Instead focus on amplifying characteristics you have.

Jim Cramer of The Street is the perfect example, watch this [YouTube video of Jim getting angry](#) (starting at 2:10 it gets really good).

Another part of being an extreme character is to have legends, stories and parables that people can tell about you. Encourage this by telling your own stories over and over and over.

Here’s some examples.

Scott Dinsmore regularly reminds Live Your Legend readers that he [swam from Alcatraz to San Francisco](#).

James Altucher seems to have an endless number of unbelievable stories, like the time he [screwed Yasser Arafat out of \\$2 million](#).

Lewis Howes was a super-jock until he crushed his wrist playing football. Then he went from [sleeping on his sister’s couch to building a million-dollar business](#) in just four years.

Ramit Sethi tells the story of [how he systematized scholarship applications](#) to pay for his entire Stanford education.

Now that you have a character people can relate to, you've got 1/3 of retention covered. Next is community.

C2: Community

It's a group of people that have a shared interest, we want to connect together, we want to be able to share our knowledge together and so this is an important part of intentions, having these different community aspects in your site.

– Noah Fleming, on the importance of community

If you've read [Seth Godin's Tribes](#) you know all about the power of community. Let's look at some specific tactics for building one.

▢ **Spotlight members.** Have an area of your website (preferably public) where you show off member accomplishments. This makes your members feel very special, and shows to others that your content gets results.

▢ **Welcome new members.** Noah shared the example of [WishList Insider](#), where at the beginning of weekly videos they welcome new members.

▢ **Provide a forum.** Nobody wants to join an empty forum. Steve Kamb (Nerd Fitness) overcame that by inviting a small group to join the beta for 30 days and seed the forum with content.

▢ **Group projects.** Noah separated members into groups of five to seven people and organized them in [Basecamp projects](#). The groups were completing tasks and taking action together. For internet marketing, one person might write sales copy while another sets up site design. What is important is they are getting results and working together. Noah would also jump into the projects and offer tips to the individual groups.

▢ **Reward participation.** Stars, badges and fancy titles. Your members will love it and participate to earn recognition.

▢ **Run contests.** A very simple contest to increase participation might be something like, “leave a comment here and you could win a one hour phone consultation with me”.

Run these tactics on a regular basis and you will be well on the way to building a community.

Now let's talk about content.

C3: Content

We've got this idea that value is more and more and more. It's how much stuff we can give them. When really value is the quality of the content you can give them. It's the way that your content makes people feel.

– Noah Fleming, on the importance of content

Recently, Caleb Wojcik asked Think Traffic readers: [What's the most tired advice online?](#) Not surprisingly, many people are tired of hearing things like “write great content”, or “content is king”.

I don't want to waste your time regurgitating the same old stuff, so let's talk about maximizing retention by optimizing what's going on AROUND your epic content.

Write Stick Letters

Once a member has paid, the very first content they should receive (by email or when they login) is a stick letter. You can also use a stick video, or stick audio recording. The principles are the same. You are doing this to overcome buyers remorse – the attrition that comes from people who regret a purchase right after making it.

In the stick letter:

1. Congratulate them for taking action
2. Thank them for signing up
3. Tell them why the system is going to work
4. Set expectations for how and when content will be received
5. Restate all the benefits that sold them in the first place
6. Give them some first actions to do

Bonus tip: send another stick letter just before the first billing period is over. Remind members of the value they are getting. Neil Patel once gave me the tip to include in this letter something like, “I have some really special content coming for you in a few days, It’s going to help you do x”. This entices members to stay past the money back guarantee period.

A few more details on the stick letter.

For taking action, you can ask members to do things like upload a profile picture and introduce themselves. This has the added bonus of creating commitment of consistency. Since the member took the time to introduce themselves, they are now a little more committed to staying.

Build a Ladder of Ascension

A ladder of ascension is different membership levels: bronze, silver, gold, whatever. Each with access to different material.

Bronze might be written content only.

Silver might include recorded video interviews.

Gold might include live interactive webinars.

Noah says, “ladders of ascension are important to give people somewhere to go because if there’s only one spot for them there’s nowhere for them to go. They’ll stay put or it’s out the door”.

Build in Pain of Disconnect

If you’ve seen any of the SAW movies, you know that a common element is the killer makes it very painful for participants to leave.

You want to give your members reasons not to leave too.

A web host locks in customers by making it easier to just keep paying \$15 per month then transferring all your websites somewhere else.

An online photo album doesn't usually have a way to mass download all your photos.

Weight loss sites use tools like diet and fitness trackers to keep members from leaving.

An analytics package is hard to leave because all of your old data is in there.

A loyalty card program has the contact information for all your members and there is no way to export it.

How can you build pain of disconnect into your business?

Follow Up With Cancellations

There are many reasons people don't renew their subscription. Perhaps their credit card expired. Or maybe they just forgot. Or your renewal emails got buried in their inbox.

So follow up.

When a member doesn't renew their membership, send them a short email saying: "Hey, I noticed your membership was cancelled today. I just wanted to see if this was an error, or it was intentional, why?". Then give them a link where they can go and restart their membership.

C4: Care Your Face Off

"If you care your face off and work real hard to show them that, they're going to stick around."

– Noah Fleming, on the importance of caring your face off

Additional Resources On Customer Retention

Here's a Social Triggers article about [increasing customer loyalty online](#).

Chris Brogan on the [difference between audience and community](#).

Noah's blog covers [customer retention and other useful topics](#).

End of Customer Retention Section

Was there anything in this section that surprised you? Let us know in the comments.

Summing It All Up

Wow. 7500+ words later you are probably a little tired, right?

Writing all those words was pretty tiring too :-)

Here's what will make it all worth it.

Right now. This minute. Take action on exactly one tip from this article.

Focus for 10 minutes on getting it done.

It will make all the difference.

Then leave a comment sharing the most important insight you got from this article. Be specific—tell us a story, please.

We'll respond to every one.