



The Membership Economy: Find Your Super Users, Master the Forever Transaction, and Build Recurring Revenue

Robbie Kellman Baxter

[Download now](#)

[Read Online](#) 

The Membership Economy: Find Your Super Users, Master the Forever Transaction, and Build Recurring Revenue

Robbie Kellman Baxter

The Membership Economy: Find Your Super Users, Master the Forever Transaction, and Build Recurring Revenue Robbie Kellman Baxter

The "membership" business models of Netflix, Weight Watchers, and other industry giants revealed—and how you can use them to lead your company to the top of the food chain

For decades, consumers and businesses have joined clubs, bought products and accessed services using a subscription model. But it has only been in recent years that the model has been transformed and perfected through massive changes in technology.

The Membership Economy shows how nimble companies that focus on ongoing, formal relationships over one-time transactions are thriving. By renting, lending, or offering access instead of just "ownership," organizations can leapfrog industry leaders. In terms of strategic business models, this is one that allows for breakthrough growth. With great case studies from American Express, LinkedIn, CrossFit, Salesforce.com, SurveyMonkey, and more, this book will show you how to radically rethink how your organization can build loyalty, viral growth, and recurring revenue.

The Membership Economy: Find Your Super Users, Master the Forever Transaction, and Build Recurring Revenue Details

Date : Published March 20th 2015 by McGraw-Hill Education (first published February 27th 2015)

ISBN :

Author : Robbie Kellman Baxter

Format : Kindle Edition 273 pages

Genre : Business, Nonfiction, Entrepreneurship

 [Download The Membership Economy: Find Your Super Users, Master t ...pdf](#)

 [Read Online The Membership Economy: Find Your Super Users, Master ...pdf](#)

Download and Read Free Online The Membership Economy: Find Your Super Users, Master the Forever Transaction, and Build Recurring Revenue Robbie Kellman Baxter

From Reader Review **The Membership Economy: Find Your Super Users, Master the Forever Transaction, and Build Recurring Revenue for online ebook**

Thi Thumasathit says

This book is an important read to anyone who has customers. The key to getting more business from repeat customers is to STOP treating them like customers and START treating them like members.

The Membership Economy is not a book about some esoteric trend in Silicon Valley. It's a practical manual for how any organization can shift from being customer-centric to being member-centric. Anyone who treats their customers like ongoing members and delivers benefits to those members on an ongoing basis (and continually innovates around membership benefits) is sure to win.

This book is a quick read. It's well written and full of tons of practical advice and real-life case studies. Whether you are VP Marketing in a large company, a sole proprietor of a local business, or the head of a non-profit or association, this book is a must read.

Chad Warner says

A well-researched look at how membership organizations have succeeded, and how to replicate that success. There are plenty of examples, and good summaries make it easy to digest. It's clear that Baxter has a lot of experience working with membership organizations. I felt I needed to work too hard to glean the lessons from the fairly long examples; they could've been distilled to save the reader time.

Baxter defines membership as being formally engaged with an organization or group on an ongoing basis. In a membership, the organization builds relationships with members. Memberships may involve subscriptions, community, and communication, but those things alone don't make a membership.

I read this because I'm overhauling the WordPress website care plans (maintenance plans) offered by my web agency, OptimWise, and I'm learning about improving subscription services. I much preferred *The Automatic Customer* to this book, but maybe that's because that book is specifically about building a subscription business, and this one has the broader scope of membership organizations.

What You Need to Know About the Membership Economy

A subscription is a financial arrangement; a membership is a sense of belonging to a community, and having the organization tailor its offerings to your preferences.

Benefits to organizations

1. Creates recurring revenue and removes lumpiness.
2. Builds a more direct relationship that strengthens the brand, by putting customer at center.
3. Generates data that can be used to improve services.

Ideally, members engage with each other so all benefit from the thoughts, experiences, opinions of others.

Membership Economy Strategies and Tactics

Replace customer support with customer success. Empower frontline staff to take good care of members. Be more consultative to build loyalty. Be personal, build relationships. Goal is to maximize loyalty, not just minimize anger.

Onboarding

- Welcome: make sure they know what they signed up for. Thank them for joining.
- Engage immediately. Provide initial value. Use gamification to encourage behaviors. Connect with other community members.
- Ask for feedback. Contact within first week.
- Give feedback. Tell how they compare to other members. Point out new customer's unique strengths.
- Ask for referrals. Encourage to invite friends in the first 30 days.
- Transition to nurturing. Give info to help optimize experience and connect. Communicate consistently.

Pricing

Most organizations have 3 pricing options, based on research that most people prefer to have options, and majority choose middle option.

Annual payment is best for many organizations because it locks in longer terms, but this changes customer's decision from impulse or low consideration to thoughtful, considered decision. Once they rethink purchase, they may cancel.

Offer a la carte services, but don't put out-of-the-ordinary one-time services into a higher-level ongoing tier, because customers may feel cheated for being forced into an ongoing commitment for a one-time need, or may game the system by upgrading for just one month.

When raising prices, grandfather current members, to avoid backlash and build stickiness. Add higher tiers with more benefits. If you must raise prices on current members, be transparent. You can also add and remove a la carte services.

Nearly every company benefits from offering options and different levels for different segments of members. Build options based on the objectives of segments.

Consider these levers in structuring tiers:

- Volume (content, users, account, time, interactions)
- Duration (longer access)
- Features (products, tools)
- Service (support, customization, implementation, removal of annoyances such as ads)

Discounting should only be done to get people to try product long enough to commit to a full price, or if alternative is losing customer.

Free

Don't offer a free trial that doesn't provide the full experience. This gives an inaccurate and negative impression. If you fear customer will fill their need with free trial and not pay for full, create a short-term paid membership option.

Don't offer premium option when there's no interaction between users (such as accounting or security apps) since there's no potential for viral marketing or network effects.

How to Retain Members

When members help others get up to speed, they become more loyal themselves (e.g., user groups).

To increase loyalty, increase engagement

- Periodically give something extra.
- Allow them to connect to you personally.
- Incorporate incremental setup to make switching cost seem high.
- Connect members to each other, to help each other.
- Invite members to create content for community.
- Use newsletters and messages to tell members how to get more value.
- Ask members for ideas and advice.

Members are more reluctant to cancel when they achieve status, have customized experience, build relationships, or have a grandfathered benefits or discounts.

Cancellation must be easy and clear, or they will complain to you and anyone who will listen. Also, people are more likely to sign up again if it's easy to cancel.

Let canceling members have a free subscription of some kind - something that lets them remain part of the family.

Membership Organizations Come in All Shapes and Sizes

When it decided to raise prices, SurveyMonkey kept annual subscription the same price (\$200) but raised monthly price by 20%, motivating best customers to switch to annual. It also added 2 higher-priced tiers at \$300 and \$800. Some customers upgraded, but majority of high tier users were new.

SaaS companies can share data (collected by systems or surveys) with customers, or offer advice on making better decisions in certain verticals.

Try to keep subscriptions at same price. Difficult to raise a subscription price without adding benefits.

Many subscription organizations have found annual payments have a net positive effect on retention and revenues.

When first starting a subscription business, start with a single offering because it's less confusing and leaves room for adjusting price.

Brandon says

Honestly, there is nothing new here. This book is about 5 years too late. It might be of value for someone who doesn't spend a bunch of time thinking about, and working in, tech space, or a person who is completely uninformed about how companies like Netflix have built their businesses. The content wasn't poorly written, it was just unoriginal and untimely.

Sergei Kotlov says

Good overview of how membership model works. Several well-known examples and hands-on advices for different kinds of organisations

Alex Devero says

To stay competitive in a membership-oriented business world, you need more than a basic company homepage; your whole organization needs to be built around the concept! If you fully commit to a membership model, put the right strategy in place to gain and retain members, appropriately price your product and track user behavior, your business will prosper.

Laura Reading says

A very thorough book about membership services and businesses.

I learned a lot while reading it that is useful to me both as a consumer and as a potential membership business sales rep.

Memberships have been around forever and give people a sense of belonging and comfort.

With advanced technology the membership concepts has changed. It is becoming more of a contract relationship.

Opportunities are opening up daily!

I would have preferred to read this book and discussed with members of my business team.

It is a lot to absorb alone. Because of that I will be referring back to it and rereading in smaller sections.

I did received a copy in exchange for my honest review.

Scott Wozniak says

Thorough Discussion of A Big Idea

The membership approach is huge and both very new--disrupting industry after industry--and very old (think churches and guilds).

If you aren't looking at this approach, probably one of your competitors is. And membership doesn't do well as a bolted on extra option. To work, the entire organization needs to be focused on real community and the members.

Very important topic. But I give four not five stars because this book is written like a textbook. It's wordy and dry and has a silly glossary and index at the end. But still a meaningful read with lots of examples.

Scott Wozniak says

The membership approach is huge and both very new--disrupting industry after industry--and very old (think churches and guilds).

If you aren't looking at this approach, probably one of your competitors is. And membership doesn't do well as a bolted on extra option. To work, the entire organization needs to be focused on real community and the members.

Very important topic. But I give four not five stars because this book is written like a textbook. It's wordy and dry and has a silly glossary and index at the end. But still a meaningful read with lots of examples.

Bianca Smith says

With all the success occurring with subscription boxes, Car share programs and being a member of the Hootsuite Ambassador team, I was expecting more from *The Membership Economy* by Robbie Kellman Baxter.

Maybe my definition of membership is too community-driven and interactive? Robbie does have extensive experience: more than 20 years consulting to Netflix, Oracle, and Yahoo!, with an MBA from Stanford. It's an impressive resume.

Let's look at the book. *The Membership Economy* is in three sections. What you need to know about the membership economy, membership economy strategies and tactics, and membership organizations come in all shapes and sizes. The first is a multi-chapter introduction to what a membership economy is (a very broad definition, that I agree with). The second looks at what works and doesn't work for building and managing membership organizations. The end gets to my favorite section and describes the features of membership organizations.

I suppose I feel disappointed in the details. The book has a lot of information, but not that much is that useful. We hear a lot about Netflix, but it's all very surface-level anecdotes. Most of the research for this book comes from Robbie's personal conversations with her clients at these companies. I am fine with that as a base if it supplemented with deeper, detailed research. Perhaps she was trying not to offend, or breach privacy, but it just makes the book miss. There are a few statistics. I make a note of one. It stood out because there are so few. Am I just too demanding? There was one very detailed case study of Survey Monkey in the third section. Unfortunately, it was reminiscent of Rita Skeeter's reporting. I'm not sure we need to know the exact location of their office. It could have included stronger company cases than just what's easy.

Another concern is the age of the information. It feels rather out-of-date. There's minimal mention of online or individual connections with members, so missing the whole community element. The statement, "Advertising as a business model, has called out of favor", was also a little concerning. It's not out of favor. Mass advertising is out of favor. Updating the terminology could also help. I'm not sure the last time I heard the term superuser, for ambassadors or members.

What I liked in *The Membership Economy*

Eek, that makes it sound all bad. There is an audience for this book, but more on that later. What did I like?

There was a great example of the Caesars Entertainment discretionary fund for their team to make their members' stays amazing.

I also should acknowledge that I was reading a Kindle copy from NetGalley, courtesy of McGraw-Hill and the formatting was horrible. I've tried to not let that influence me, but line breaks in the middle of nearly every line made it difficult to read. I'm sure Robbie did not submit the manuscript with that in it.

Who is The Membership Economy For?

As promised, there is an audience for this. The Hospice Set. It's a term I use for marketers nearing the end of their careers. They like to think they're still learning, but they only want light and fluffy to make them feel better. The same as with a hospice patient and you're making them comfortable while waiting. There's very little you can take away from this and apply, but if you're fine with that, go ahead.

Originally published at: <http://tapdancingspiders.com/book-rev...>

Cody Faldyn says

In her book Baxter provides an online business roadmap that is packed with step-by-step digital strategies, useful resources, and case studies of super successful dot-com companies. The goal of the book is to show you how to get the most revenue from your online product, create an engaged community of customers, place your revenue on autopilot, and create sustainable loyalty programs. The book is written so that you may jump in and out where needed.

For your convenience, we had Robbie Baxter on our podcast, The Entrepreneurs Library, to give a deep dive on *The Membership Economy*. With Robbie's experience she gives amazing insight on how to master the business of subscription-based products and services. If you would like to get a more in-depth look from the author herself check out **episode 224** on the EL website or you can find the show on iTunes.

Rosa says

Recurring revenue is part of THE MEMBERSHIP ECONOMY, a dreamy business model for entrepreneurs that doesn't work unless it creates a sense of community through generating value for customers and consequently, loyalty.

Indeed, "The membership economy is all about putting the customer at the center of the business model, rather than the product or the transaction." As customers move from ownership to membership.

To implement this system could be a challenge, especially for companies that already have an ownership model. It doesn't matter if it's online, or offline, or a mix, the transition can be hard and has to be well managed to keep the customers. Furthermore, THE MEMBERSHIP ECONOMY explains advantages of this model and also points out disadvantages as data management and privacy.

THE MEMBERSHIP ECONOMY is perfect reading to get the idea, how it works, examples, pros and cons, etc., before hiring an expert. Furthermore, as a professional to keep current with the times at the job market.

Seth Kahan says

I love Robbie Kellman Baxter's new book. The content is outstanding and exceptionally relevant. Ever wonder why there are multitudes of Silicon Valley start-ups that are using membership and community in their core business models? This book not only explains why, it shows you how. For those of us in the membership economy this book is a milestone, codifying the framework and designating the era in business terms that are easy to understand, grasp, and implement.

I am the founder of AssociationTransformation.com - a community of membership CEOs focused on innovation. Robbie and her book have found enormous resonance within my community, bringing together the leaders of some of America's largest and most esteemed associations to take advantage of the knowledge, experience, expertise and know-how Baxter has captured in this important book.

I will share the book with anyone who wants to understand why membership is contemporary, important, and a business engine for our kind of organization. If the future of business interests you, you must read this book. I will be buying multiple copies to share with my CEOs and their Boards of Directors, partners, and allies. This book gives a solid glimpse of the important trends our future is built on. Thank you, Robbie Kellman Baxter.

Scott says

Enjoyed this great book

Really enjoyed his great book on the value of membership and how to truly drive value from members, rather than being focused on the process of extracting revenue from customers. The key factor for me was finding your super users and developing your community. Also, the focus on the members you have today and providing them the platform to grow your community.

Darren says

Do you have customers - transient or regular - or do you have members, people who feel they have a connection to your business and the products or services that you offer? The so-called "Membership Economy" is a fairly modern constructive term, yet it hardly seems so new. Technology has just made it perhaps more prevalent, more accessible and more in-your-face.

Maybe you're a member and haven't realised it? The distinction can be lost, especially in the digital world. You can be a customer of Amazon (and member of its online service) but you are a member of Amazon Prime. Yet the concept can be more than just a subscription. Maybe it depends on what you are a member of and how you utilise your membership? A book such as this promises to explain the mystery which is, the author contends, the inevitable result of technological advancements, social trends, and a generation in transition.

The author argues that we are willingly moving away from the concept of ownership yet we still want the

benefits of access, a feeling of ownership or community. There is pushback too and even a renaissance in owning physical things. Who knows what will win. Human nature shows we are prone to collecting things... Yet to a company, if you have the right product and service the concept of transitioning your customers to being members, a source of regular income and ever-closer relationships is an attractive concept. It can require more work than you might imagine and the customer can be fickle, loyal for a time and then quick to switch their affections to another suitor as required.

All the buzzwords can be brought under one roof. It is up to you to make something out of it all! There is more to building a “sticky relationship” than just acting as a glorified shop selling dubious member benefits and posting an questionably engaging, one-sided stream of curated content via social media. Customers, or members, are not necessarily as dumb as many assume.

The author presents an interesting, pragmatic and provoking look at what is undoubtedly a topic that is gathering traction. Are we as a society as connected as we want to be? We arguably are cutting other ties, becoming often more insular and yet we crave social acceptance and connection through social media. It can seem curious that we shun one form of connectivity in favour of a less concrete, more virtual form.

Yet is there a difference? Is membership and subscription so interchangeable? According to the author: “Membership is an attitude, an emotion. A subscription is a financial arrangement. It's quite possible to be both a subscription and a membership organization. In fact, the membership economy is the logical extension of subscriptions. Many membership economy organizations don't see themselves as membership. They say, “We have a subscription business.” Or “We're a sharing business.” Or “We're a transactional company with an affinity programme.” Or “We're a social network.” Sometimes they say that membership organizations must be mission-driven non-profits or about connections among members.”

The author disagrees, noting that this is not true. Of course simple subscription benefits can exist but a lot of the value of membership can come through shared data and community feedback, such as how Netflix analyses its members' behaviour to provide recommendations of other films. Some members enthusiastically use and embrace the membership benefits. Others just consume the product.

There is a lot more of this straightforward thinking and analysis. The book manages to provide a fresh perspective on a developing subject. It might be a good strategic read for you and for your company!

The Membership Economy, written by Robbie Kellman Baxter and published by McGraw-Hill Professional. ISBN 9780071839327, 288 pages. YYYY

Cristi Jakubik says

I'm a startup founder and one of the many in search of the 'forever transaction'. This book lays out the fundamental principles of creating a community where your current and potential customers feel like they belong and develop loyalty to your brand.

One of my favorite aspects of the Membership Economy is that it doesn't just prescribe a 5-step checklist that will work for every business. Instead, the book gives several different examples and applications to try.

Bottom line: Insightful and timely read for creating a recurring revenue stream.

