

# MEMBERSHIP & SUBSCRIPTION **GROWTH** WEEKLY

**Yours FREE. Three Decades and Several Billions of Dollars of Subscription Revenue Growth Secrets - A Conversation with Georg Richter**

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**Membership Services, Inc**  
New + Retention = Growth!

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This program features our special guest: Georg Richter

Georg Richter is the CEO and Founder of OceanX a Los Angeles based commerce and technology that is reinventing what membership means, transforming the way customers and brands interact and providing a powerful engine for subscriptions. Georg specializes in implementing next-generation technologies and people to solve problems, transform industries, and increase financial performance. He is a seasoned leader and entrepreneur with decades of experience in subscription commerce, direct marketing, media, operations and technology.

Georg most recently served as President and Chief Operating Officer at Guthy-Renker where he significantly modernized and re-engineered the company's operations and systems landscape. From 2010 -2016, he has been integral in shaping Guthy-Renker's unrivaled execution and marketing capabilities, which support all major efforts in TV and digital direct response, e-commerce, mobile and social marketing for brands such as Proactiv®, Meaningful Beauty®, IT Cosmetics® and more.

Georg Richter began his career in Europe, where he led all key direct marketing functions at the Bertelsmann Book Clubs who were pioneers in the membership and subscription business. His international background and varied interests led to increasing responsibility in publishing, and book and music clubs. He held a number of key executive level positions within the Bertelsmann organization leading up to its 1999 merger with Time Warner, in which he played a pivotal role.

Mr. Richter went on to serve as President and COO of Sandvik Publishing, the acquirer of former Grolier business, Scholastic at Home, restructuring the business to profitability. He also served as Chief Restructuring Officer/Interim COO for the North American Membership Group, a media company specializing in membership clubs and related magazines.

Mr. Richter's holds a PhD. in Economics from the University of Economics and Business Administration in Vienna, Austria as well as a PhD. in Communication Science from the University Vienna.

## **Yours FREE. Three Decades and Several Billions of Dollars of Subscription Revenue Growth Secrets**

When you are delivering subscriptions to hundreds of thousands of customers for more than three decades you develop a profound understanding of how to attract, retain and increase the value of your subscribers. Although he became president and COO of Guthy-Renker, that has at least one billion-dollar subscription product, Proactiv, [Georg Richter](#) began his career with Double Day Book Clubs, then BMG music club before today, the CEO and founder of [OceanX](#).

Georg has been an executive at the highest levels of some of the largest, fastest-growing subscription businesses for the last three decades. And, for you, he reveals the biggest subscription mistakes to avoid, how to deliver value subscribers will eagerly pay to receive, and the single most effective strategy in jump-starting membership growth after it has plateaued.

How would you like to sit down with a subscription marketing master to learn how to grow your recurring revenue? Well, today is your lucky day.

# Are You Making Any of These Common Subscription Mistakes?

## 1. Choosing the wrong product

Too many subscription businesses are starting up with great enthusiasm and fading away faster than they started. To secure a good start, one of the first things to do is study the market. Find an area in the market, a niche, that has isn't currently being served.

## 2. Failing to secure enough funds on the front-end

Even though the wonderful byproduct of the subscription model is recurring revenue, you need to have a source of funds to get things started. You will have testing and development costs, shipping costs, marketing costs, etc. that will start before your first month of recurring revenue comes in. "The most important thing to understand is, it needs money, it needs upfront investment, it needs careful planning," advises Georg.

## 3. Investing funds in incorrect proportion for growth

You need to be liberal with your media promotions and conservative with inventory orders.

With all of the digital marketing opportunities available today, you should be experimenting with as many as possible to see what works best for your target audience – interactive websites, social media, blogging, videos, and influencer marketing are just a few of the many resources available. Georg shares, "One of the mistakes I see is that people don't plan for any media spending. They have a lot of passion around the product, they just want to start it, but then they have not enough money to promote it. That's a mistake."

And for inventory, Georg advises against getting carried away. "People say, 'No, I'll have 100,000 members immediately,' and then they buy inventory like crazy, and they sit with a pile of stuff they can never sell, which is a sad story. I would always encourage people to be conservative in the beginning, rather work with scarcity and build up slowly. Conserve your capital. Be very cognizant of capital and spend it in media, and try all kind of channels you can try."

## 4. Letting your emotions override your planning

Too many subscriptions are starting with high enthusiasm and no plans for maintaining that enthusiasm long term. Georg suggests, "If you start a subscription you've got to think ahead down the line, what are you going to do in three, four, five, six

months? Because there will people, if you do that well, stay with you for a long time. You have to always give them something interesting, original, value, but the main thing is it has to be interesting. You have to be inspired to get that subscription, there's so many out there.”

## How to Create Value That Subscribers Are Willing to Pay For

Whether you are a publisher competing against free information or sell physical products and you are competing against retailers, you are engaged in a constant battle for your customers attention, investment and on-going support. You will only retain your subscribers if you are delivering more value than everyone you are competing against. Here’s Georg’s go-to list of value building strategies he discovered after three decades of growing subscription programs.

### 1. Pricing

People expect value. They want to know that they got more value than they paid for. Your pricing strategy should fit the demand and quality of what you offer.

### 2. Interest

Georg warns, “You must be interesting. Social media has changed everything. There's lots of pressure, everything has to be upfront. There used to be hard membership rules, there used to be late fees. All of this is gone. The customer wins. You have to make it easy, and the most important thing is, the product has to be interesting.

He suggests adding surprise to pique interests. “A little cliffhanger, little gifts and surprises all the time. Really you want them to anticipate the next shipment. You want to give them what they want, but if you inspire them to try something slightly different, give them something new, that's awesome, makes them feel good, so they say, ‘Wow, this gives me something.’”

### 3. Convenience

The relationship has to be convenient and easy. “The offer has to be clear, concise, and you need a call to action. If you have confusing web page and there's no button with “order here,” you won't get the order,” says Georg.

# Growing Your Subscription Beyond Growth Plateaus

This is something that I'm working on with many of my largest clients. When a membership starts, they really grow like gangbusters and then they plateau. What's happening is that they try to be all things for all their members, and what some memberships are slow to recognize is that they have multiple types of members within their membership. There are different communities and different reasons why folks become a member and want to participate.

The secret to growing large memberships is to think small. According to Georg, larger memberships have an easier time at this because they have more data, and it's easier to find subgroups.

For finding those subgroups, Georg suggests, "Look through your database, and you can ask people and find out their profiles. You get three different sources. You have your files and you can draw conclusions. Where they live, the zip code gives you a hint, you get all kinds of hints just by the environment where they live. You wouldn't sell so many pullovers to somebody in Florida, for example. You get great hints from the person themselves by what they return, especially if they do partial returns, what they liked, what they didn't. You get lots of information of what they say to you, either on your website, or in complaints, or on blogs, or in customer service."

While Georg has used this strategy in the largest subscription businesses in the world, I often implemented this with my clients. Heck, I learned it within associations that frequently implement "Special Interest Groups" to deliver special content and connection to a select group of members.

When you get started, or even when you're already months in to your subscription business, the to-do list never shortens. Avoiding the common mistakes, securing the value of your product or service, and making sure you're reaching the different types of members you have are three good places to start.

Georg has a wealth of information for the subscription business, and you can find out more by listening to the full interview on Membership and Subscription Growth.

# Conversation with Georg Richter

**Robert:** Coming up on today's episode of Membership and Subscription Growth.

**Georg:** “Another mistake I'm seeing, that people get highly emotional, put out the very best product, and then they run out of ideas in the second or third round.”

“The trick in our business is segregation, segregation, and targeting, ultimately. A member in a 100,000 club might feel more connected to other members and might be more targeted, get better product, than someone in a 10,000 per membership club, because the trick is to create cliffhangers so there's always something, because our mind always wants completeness, so you offer them something where they say, "Ooh, I wonder what's next." So a little cliffhanger, little gifts and surprises all the time. Really you want them to anticipate the next shipment.”

**Robert:** Welcome to Membership and Subscription Growth. I'm your host Robert Skrob, and my guest today is Georg Richter, CEO and founder of OceanX. OceanX is a technology platform that powers the largest subscription businesses in the country and helps them grow from 15,000 members to 100,000 members and more. When you have that sort of scale there're a lot of logistics that you're going to have to keep up with, especially if you're doing any sort of mass customization, which is one of the things that Georg promotes as a way of improving retention.

While Georg is CEO of one of the largest platforms for subscription and membership growth, his experience is decades long, decades deep, from the 1980s working with the book of the month clubs, working in the 90s with BMG. If you're old enough to know about BMG, where you would get a few CDs for a penny or whatever the offer was, and they would then send you CDs every month, Georg was a key player in that company. Also as a president of Guthy Renker in the 200s, really what is probably the single largest subscription products company in the world. One of probably the biggest brands is Proactiv, and I'm sure you've seen their infomercials.

Georg is a man who has been in subscriptions for many decades, has experience today working with many of the largest subscription businesses in the country, and if you are growing or scaling a subscription business, or membership of any kind, Georg is absolutely somebody that you're going to learn a lot from. I hope you enjoy this interview with Georg Richter. Welcome Georg.

**Georg:** Hi Rob. Glad we can talk.

**Robert:** All right. Tell me, bit of an introduction, why don't you start with, what is OceanX and how does it help subscription businesses?

**Georg:** OceanX is a technology platform company. We're in the business of helping people actually entering the channel and scaling the business of subscriptions. I am a really old guy, I have lots of subscription experience, actually more than three decades, and I was formerly president of Guthy Renker. We needed a new system, and that's why we built a system, cloud-based, it focused on subscriptions, and now we're in the market with OceanX to help other companies. Right now we service about 30 different brands in a subscription space.

**Robert:** Wow. I'm sure not the least of which is still Guthy Renker, who quite possibly could be the single largest hard goods subscription company in the world.

**Georg:** One of these things is, I'm not talking about my clients, but yes, Guthy Renker is my client. That was actually easy to get them. I come from there, yes.

**Robert:** You've been in book clubs, and have-

**Georg:** Music clubs. Everything.

**Robert:** Music clubs.

**Georg:** Everything you can think of, yes.



**Robert:** BMG was, what, the single largest brand in the music club. Of course, years before, Doubleday book clubs, and then of course Guthy Renker. What a tremendous background you've had. For anyone that is launching a subscription program, what is the most common mistake that you see when folks come forward and go, "You know what, I'm going to go from, instead of doing single transactions, I'm going to create a subscription"? What's the biggest mistake that you see?

**Georg:** If somebody says that to me I always congratulate them because they realize having a relationship with customers, and working on an ongoing relationship, is a great idea. Big mistakes are that the product is not the right thing. A big mistake is that they don't have enough money. Because it needs money. In this channel, because it's recurring revenue and recurring income, but not immediately, so it needs an upcoming investment. You have to invest in media. One of the mistakes I see is that people don't plan for any media spending. They have a lot of passion around the product, they just want to start it, but then they have not enough money to promote it. That's a mistake.

Another mistake I'm seeing, that people get highly emotional in the beginning, put out the very best product, and then they run out of ideas in the second or third round. What that means is, if you start a subscription you've got to think ahead down the line, what are you going to do in three, four, five, six months? Because there will people, if you do that well, stay with you for a long time. You have to always give them something interesting, original, value, but the main thing is it has to be interesting. You have to be inspired to get that subscription, there's so many out there.

The fourth mistake I see all the time ... I know lots of mistakes.

**Robert:** That's great.

**Georg:** The biggest mistake I see is that because of that emotion, people just overextend themselves in the inventory, especially if the product is sourced from Asia. People say, "No, I'll have 100,000 members immediately," and then they buy inventory like crazy, and they sit with a pile of stuff they can never sell, which is a sad story. I would always encourage people to be conservative in the beginning, rather work with scarcity and build up

slowly. Conserve your capital. Be very cognizant of capital and spend it in media, and try all kind of channels you can try. At least 20 different channels you can try today.

**Robert:** That overextending yourselves in inventory is also related to the number two mistake of not enough marketing money. If you're buying inventory then you really don't have money for when you really need to be spending it, and that's as you say in media, and generating new members.

**Georg:** Yeah. Most important thing to understand is, it needs money, it needs upfront investment, it needs careful planning. A thing, a mistake I would also point out, is that there is a certain level of growth. There's three different levels of growth I see. There is this minimal level where you have people out of their garage doing a few hundred orders to test the concept, but that goes only so far. Then there's the next level where they use common software and go to, maybe 15,000 members is a guideline. 15,000, if you have 15,000 members, let's say monthly, then all of a sudden these common platforms cannot handle it. If you really want to go to 100,000 or even millions of customers, you need help. You need a sophisticated platform.

**Robert:** Mm-hmm (affirmative), no question.

**Georg:** That's all what I do. We work with just large companies and help them scale. We actually help people when they have 20,000 and get stuck, then we get involved with that.

**Robert:** Nice. How is growing membership and subscription different with 100,000 members than it is with 10,000? Certainly, there is the whole operational side that you are very familiar with from Guthy Renker as their president, but also in the culture, in the community, in the way members interact, is there a different feeling and energy with running a 100,000 member organization versus 10,000?

**Georg:** The interesting thing is, and again I love to focus on big ones, and don't get me wrong, we have small ones too, but the thing is, if it's a small one, you have data around them, and actually when it's bigger you have more data, and then you find subgroups. The trick in our business is segregation,

segregation, and targeting ultimately. The member in a 100,000 club might feel more connected to other members and might be more targeted, get better products, than someone in a 10,000 membership club. Because if you have 100 or 200 or 300 in that deal with lots of them, then that's what the database really do. It connects people, and it gives people exactly what they want, in the right cadence with the right flavor, and makes it interesting to stay there. If you're part of a bigger one you're actually often closer than if you're in a small or mid community where just a handful of people try to connect. It is almost the opposite of what you might think intuitively.

**Robert:** I appreciate that, because I work with memberships all the time, and they think of their members as this one big homogeneous group, and often there is somewhere between three and 10 really distinct profiles of where these people are coming from and, what the problems they have that this particular subscription or membership program actually solves. And so by having that scale and being able to segment and talk to your members differently, that's a tremendous advantage and opportunity. If you're working with somebody and helping them understand the segments they have in their membership, how do you help them find different segments, or identify them, so they can figure out how to talk differently to them?

**Georg:** It's a very pragmatic exercise. Through your database, and you can ask people, you find out their profiles, you get three different sources. You have your files and you can draw conclusions. Where they live, the zip code gives you a hint, you get all kinds of hints just by the environment where you live. You wouldn't sell so many pullovers to somebody in Florida, for example. You get great hints from the person themselves, you can ask them. You get lots of hints by what they return, especially if they do partial returns, what they liked, what they didn't. You get lots of information of what they say to you, either on your website, or in complaints, or on blogs, or in customer service.

The last source is social media today. There's actually lots of artificial intelligence out there which we use increasingly where we study how people behave on the outside, how they would communicate for example on Facebook with a friend. You can draw conclusions who that person is, what that person wants, and how that person communicates. Then if you match

that style in your advertising towards that person, then all of a sudden the person, "Wow, this company really knows me."

Marketing will be increasingly one-to-one marketing. It will be never a big group of people, it's almost one to one. Of course operationally that's very difficult to execute, which is a specialty we have. The average person gets 15 different items per month most of the time, and most everybody gets a different combination, because life is flavorful. There's different flavors, different sizes, different styles. That's the challenge.

**Robert:** That's really inspiring. It really feels like some of the smaller organizations I work with, they do a lot more segmenting than even the billion dollar companies that I connect with and work with, and to hear that even the much larger ones are as focused on segmenting and communicating, it's absolutely, certainly inspiring.

**Georg:** I would think it's easier. Rob, I think it's easier if you're bigger. You have better tools, you have better technology. It's very difficult if you have a small membership to do that right. You have high emotions, but emotions combined with technology and data is just better.

**Robert:** That's wonderful. I know, because I had had the honor of hearing Greg Renker speak, with Guthy Renker, certainly their member acquisition, very often they cost them more to get a member than they get in that initial transaction or two. That makes retention so much more important. How do you create systems in order to improve that retention as much as possible, and reduce that huge windfall of churn rate that most membership programs see in the first few months?

**Georg:** Understanding how much to spend in what channel, and that you don't get it back immediately, it takes a lot of experience. I would say you can go about 120%, easily 120% of what your income in the first few cycles, that's fine. Again, we have models to do this, they have the experience. We talk about retention here; it is true that there is a large falloff, because this is a function of at least two things. That today there's just so many offerings, there's about 3,000 subscription box offerings. People try things, millennials love to have these subscription books, then they try things. Just because of the trial effect, "I tried this and I'm not really committed to it,"

you see a large falloff. There's standard curves. You'll see that the normal falloff is 20% in the first cycle, it's just falloff. It has nothing to do with your product, has nothing to do with that.

A, they just try it, and B, very often members use programs as an incentive to join. It often half-price or there're extra goods in there, so it's a little front-loaded, the whole system, to entice people to try it out. I wouldn't be too discouraged if people leave you, that's normal. How you hang onto them, it's really a function of, people expect value, you have to give them value. Your pricing has to be right, you have to be interesting, the relationship has to be convenient and easy. Again, you mentioned BMG Book of the Month club, Doubleday, all these things I ran, it was different times and different ways of communication. Social media has changed everything. There's lots of pressure, everything has to be upfront. There used to be hard membership rules, there used to be late fees. All of this is gone. The customer wins. You have to make it easy, and the most important thing is, the product has to be interesting.

As I said before, you've got to think always ahead that, what is the next thing? How you retain people is giving them all the above, but I would think the trick is to create cliffhangers so there's always something, because our mind always wants completeness. You offer them something where they say, "Ooh, I wonder what's next." A little cliffhanger, little gifts and surprises all the time. Really you want them to anticipate the next shipment. You want to give them what they want, but if you inspire them to try something slightly different, give them something new, that's awesome, makes them feel good, so they say, "Wow, this gives me something." There's several examples out there where there's boxes out there where you don't know exactly what you get, but it's interesting, and so, "I wonder what they give me the next time." Or you give them exclusive products, products they cannot buy somewhere else, and people say, "Wow, I can get that for my club," so they can stay longer with you.

**Robert:** That's really awesome. With products, when you're delivering a product, with Guthy Renker certainly one of the biggest flagship products was Proactiv, so they're buying a certain month's supply on an ongoing basis of this product, how do you make those hard product deliveries interesting so that they're kind of excited and surprised about receiving this product that

they may have been receiving every quarter or every month for the last several years?

**Georg:** Yeah, a very appropriate question. We're talking about the subscription box business today, which is, there's four different types. Proactiv is an anomaly because it is a product you actually need. It's a wonderful product, but you need it that your skin stays clear. It's different than in other products where you don't necessarily need them, so there is a very strong replenishment effect out of the Proactiv business. However, how do you entice people? You have to give always new, interesting things too.

Gifts still work. You have to give them free stuff in between, and then over time Proactiv developed 400 different units, SKUs. Because then you expand all of a sudden into suntanning, or you go into blackhead removals, or all kinds of things around the skin, around the core product.

Most businesses need a hero product, something where people buy it, plus all these other things. That's why Proactiv developed from just a few, most people think of it just as a three-step system, but it has actually 400 different things in it. There's also different sizes and different formulas. You keep it interesting as to be fresh. If you eat the same thing every day, you probably won't go to that restaurant any more.

**Robert:** Yeah, no question. It certainly is a powerful subscription product, and obviously been a tremendous success with the type of marketing that Guthy Renker has put behind it. One of the things that, of course, I have seen over and over again is the power of having upsells improve retention, where as soon as a customer comes in, over the first 30, 60 days offering them complimentary product, and not only do the customers who buy more stay and retain better, but even the ones that don't purchase the upsell, they also improve retention. From your book club days to music clubs to Guthy Renker to OceanX, how have you seen companies use upsells to, one, recover that marketing investment faster, and build a better relationship with their newest members?

**Georg:** There's two aspects to that. I wouldn't do upsell for the upselling just for revenue, because at the end you have to deliver something good. If we just push more product and the person doesn't need it, that's actually

detrimental to your whole mission. But the biggest enticement, including the upsell, is if you've allowed people to customize. If somebody spends the time to either talk to you on the phone or digitally communicate with you and customizes what they want, they take lavender over peach or whatever it is, it's a strong indication for the back-end of that person, how long that person will stay. Personalization is the number one criteria for retention when it comes to upsell and pro-sell. Again, product has to be superior, product has to be delivered at the right time. 70 different things can go wrong here obviously, but customization is the biggest indication for the back end, I would say.

**Robert:** That's great. With your subscribers, certainly it's a big difference with social media and communities from the BMG book club days to Guthy Renker to today; how do you see brands, subscription brands, really engaging with their members in a community, getting members to share results, to share information and build relationship with each other? What are some of the best practices that you've seen in the subscription world?

**Georg:** I would think there is a differentiation now where millennials especially seem to love that aspect of being connected with others. I don't want to mention specific boxes, but you see a box starts with their content and goes into all kind of contests and member connectivity, and uses regular social platforms and connects them. I think there is an age thing. The younger people are, the more they like to connect with others, and they like to actually belong to something. They like that the company knows them, and other knows them, and they proudly report about the product, which is again fuel for people staying part of that.

The new game is engaging people and fueling that. I don't think there's much theory behind it. If you have a membership and you watch how these people communicate and you ask them, you will find out what they want, and then I think you should always try to give them what they want, and then fuel whatever works and stop what doesn't work. That's another mistake I see, that an owner has an idea of what should work, and then it just goes nowhere. I think carefully listening to your membership is the most important ingredient to see how they want to be connected. Of course it depends on the product, how emotional it is. Dogs for example, or anything with pets, is enormously emotional. Skin is emotional because

that makes how you appear to others, how your skin looks, how you feel about yourself. You play around those emotions.

**Robert:** If somebody came to you and they wanted to create a subscription business, and they were trying to decide whether they wanted to be in publishing or they wanted to sell hard goods, some sort of actual product, or they had some sort of digital access or subscription, or maybe they could turn their product into a SaaS company, where would you suggest that they look first, and why?

**Georg:** I would carefully listen to them, because that's two channel of an answer. I think that the biggest difference of these things you mentioned is that a digital product, subscription of a digital product is good sometimes for the company, because people have a lot of non-use and still pay for it. In the physical world it's just the opposite. A physical good is a reminder, do I want it or not, or should I cancel it or not. Things might stick up in the [inaudible 00:25:40] say hmm, I should cancel that, I just have too much of that stuff. Digital and physical is an enormous separation. I have these conversations weekly, and I carefully listen to what that passionate owner says, and then of course you have to look at the market, how the market for that product looks.

There is a combination of digital and physical products when it comes to media companies, you see that more and more. Because you see lots of magazines issuing subscription boxes because they have advertisers in there for a long time, and if something is advertised for a long time that means it actually sells, because otherwise it wouldn't be advertised. So by definition you have those target products right in front of your nose. That's why you see publishing companies often issue subscription boxes, because they know what the content is, and connect on several levels with customers.

**Robert:** That's wonderful. For somebody who wants to really study the best and the best of subscription companies, and get good products, but also learn by being able to be a customer and see the communication, and see how they're operating their businesses, what subscription programs would you recommend that they subscribe to in order to really be able to learn from the best in the subscription world?



**Georg:** I think I have to stay away from mentioning, because some are my clients, some are not, so I have to be very careful here. What I would do is, I would go with the biggest and the best subscription, because quantity has something to do with it. But I would study four different models, if you're interested in the business. One is the sampling business, the sampling subscription box business. There's one winner in this business. There's several losers and one enormous winner in this business. There is a lot of specialty businesses out there. That's around dog business, it's around nerdy things. I'm sure you can think what that is. There is replenishment plus, where you have ... To a bit like what Guthy Renker used to do. Something you need anyway, there's several shaver companies which fall into this, it's replenishment, but it's more than just replenishment. A well-done subscription goes far beyond that. Then the most important topic these days is curated. Curated subscriptions, and apparel and food are the number ones. I would study those four different groups and then draw your own conclusion on whatever your product is.

**Robert:** It certainly gives you a lot of places to start in learning how to grow your own. You have a tremendous background in direct response marketing. Certainly, it started out in direct mail of course, because in the BMG days and the book club days, that was the primary [crosstalk 00:29:00].

**Georg:** It's embarrassing how old I am, I know.

**Robert:** I appreciate it very much, because I started out in direct mail too, so I get it. What are the direct response principles that you see that work or are most relevant today, in today's online branding content marketing world?

**Georg:** Funny enough, while everything has changed, not much has changed on the other side because there's always people with emotions. Free still works, remember that worked in the direct mail world, and that still works in the digital world. Free still works. Working with emotions, with people. When we did direct mail, at the end the offer was enormously important. Still the offer is very important. The offer has to be clear, concise, and you need a call to action. Not that different. That is from paper to digital not that different. If you have confusing web page and there's no button with "order here," you won't get the order. I see a lot of people do beautiful websites, but they forgot the basic principle of direct marketing. You have to have a

clear offer, an incentive, a good USP, and you have to make it easy to order. "Order here," some call to action. Has not changed, so the basics have not changed, although almost everything around has changed.

**Robert:** You still have to have the USP, incentive, call to action, and a fabulous offer, or you're just going to get lost in the weeds and nobody's going to know that [crosstalk 00:30:36].

**Georg:** That's why you need help from an experienced marketer in this. That's the thing. You find lots of digital marketers, we're young, we can figure it out, but there is something to be said about experience. You can adapt it and mix them together, but I would get advice.

**Robert:** For anybody that's interested in OceanX, or learning about the platform that you offer, what's the best way for them to reach out and get more information about your system?

**Georg:** That's actually very nice that you give me that line. Of course, there is a website, [OceanX.com](https://OceanX.com). At the end of it there's an email address, [Hello@OceanX.com](mailto:Hello@OceanX.com). We get quite many requests all the time, and generally we try to be helpful to everybody. Many we cannot help, but then we give them advice where to go, so we of course are looking for bigger clients, but I'm honored to help everybody. At the website OceanX.com is the easiest thing to find out about that.

**Robert:** For everybody who has more than 15,000 members, or want to soon have 15,000 or more members, I absolutely encourage you to check out OceanX.com and see what they're able to do in order to help you grow to 100,000 and more. Georg, it's an unbelievable honor to have the opportunity to speak with you today. Thank you so much for generously sharing your experience and insight about growing subscription businesses.

**Georg:** You're very kind. Thank you very much, Rob.

**Robert:** Wow, what a tremendous program with Georg Richter. I love his mistakes about folks rolling out with the wrong product, or not having enough money, or they run out of ideas. They become really excited in the beginning, but then they run out of ideas over time, or acquiring too much

inventory. Plus, just the whole idea about his parts of value. It's got to be convenient, and then it's also got to be interesting, always completely changing things up, making things new and different.

And oh my goodness, segregation and targeting. This is something that I'm working with many of my largest clients, that I see when a membership starts, they really grow like gangbusters and they sort of plateau. What's happening is that they try to be all things for all their members, and what some memberships are kind of slow to recognize is that really they have multiple types of memberships within their membership. Lots of different communities, a lot of reasons why folks become a member and want to participate. What you want to do is start to help segment those different interest groups and provide something interesting and unique that those members want, and help them make that connection and build communities within your overall community. That's just really going to help you grow. This is something that I've been doing more than two decades ago in the association world. We would create these special interesting groups, so folks within the association, they'd be thousands of members, but within that large membership there would be these groups that would have a particular interest, and you'd create something for them that was unique and special.

It's pretty awesome seeing Georg's experience in Proactiv, and go back all the way to the Book of the Month club to today, and running the largest subscription businesses, is really the same stuff that we've been doing for a couple of decades. History repeats itself, what worked decades ago in order to build memberships and movements and create your vibrant tribe is something that even works today.

Make sure you subscribe to Membership and Subscription Growth so you don't miss a single episode. You can check us out at [MembershipSubscriptionGrowth.com](http://MembershipSubscriptionGrowth.com), and also, if you liked today's episode, if this was useful, give it a five-star review on iTunes. Then also post a review, let us know what you thought of it. If you don't like the show, well then swipe left and go ahead and delete it, and move on to a show that you do like. Anyway, glad you dropped in on Membership and Subscription Growth today, and I look forward to seeing you next time.

# Too Many of Your Members Quit I Can Help You Stop Your Members from Quitting



**M**embers quit. And most people's attempts to lower member churn rates only make it worse. I can help you stop your members from quitting.

For 20 years I have focused on getting and keeping numbers. I come alongside you and your team to stop your members from quitting, and help you grow your membership.

You are investing a lot of time and money to grow your membership. Let's stop your members from quitting so your program will grow as fast as you deserve. I help you grow your membership with my systems for attracting, welcoming and retaining your members.

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### Increased Membership by 156%

*"Working with Robert Skrob and implementing his strategies we've increased the size of our alumni program 156% generating an additional \$1.4 million annually. Plus, our average lifetime customer value increased by 37%! Robert is my go to expert for forging a stronger relationship with our customers to provide them with greater value so they become more valuable, long-term customers."*

Richard Meneg, President, Automotive Training Institute

### Doubled Conversion and Doubled Retention

*"After I made the changes Robert suggested during our consulting day, my new member sales conversion rate doubled! In addition, in the months since, my member retention rate has doubled as well. With Robert's help I've completely transformed the growth rate of my business."*

Jim Augustus Armstrong, Flooring Success Systems



### Sold \$120,000 within 4 Hours and Launched Membership Program

*"It's been a whirlwind! We did so much. I basically crammed a years' worth of work (probably more) into 60 days. I remember our weekly coaching calls and how overwhelmed I was until Robert explained every step that needed to be done before the next step. Very, very detailed oriented. I was able to pull off something I thought was impossible. Actually,*

*it wasn't even on my radar and that was being able to sell \$120,000 worth of product (@ \$297) in 240 minutes with a built-in monthly membership piece. UNBELEIVABLE!"*

Michael Rozbruch, Roz Marketing Group

### An Additional \$2-3 Million in Revenue

*"I spent the day with Robert Skrob to learn how to increase the retention in my membership program. During the time we spent together we created \$2-3 million dollars in revenue. If you have any intentions of increasing your membership retention, Robert is the guy. You better get ahold of him as soon as you can."*

Ron LeGrand, Global Publishing



**Membership Services, Inc**  
New + Retention = Growth!

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