

# Building *Trust* to Grow Revenue

## Using a Value Ladder to Spark Engagement and Expand Membership

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**T**his article is about using a value ladder to gain trust, enhance connection, and grow revenue. A value ladder is a visual representation of the increasing value of your member offerings: starting (at the bottom) with free or low-priced offerings and, over time, moving upward to deeper engagement, stronger connection, and more value.

Members will pay good money for great value. This value will, in turn, drive deeper connection (to your offerings, your association, and your community). The value ladder can be used not just to attract new members, but also to introduce new products, programs, or services. In doing so, your association creates a wake of trust, an increase in revenue, stronger retention numbers, and a thriving community.

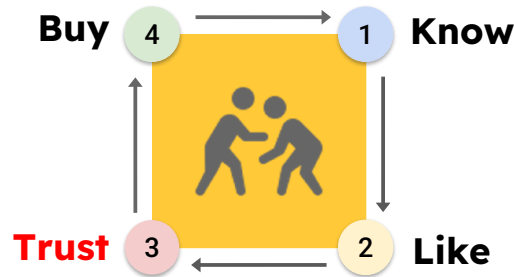
### The Importance of a Value Ladder


*“Trust is the foundation of every successful sale.”*  
- ADAM ROGERS

A value ladder is a visual representation of the different levels of value or benefits that an association can offer to its members. It signifies a progression from basic offerings to more advanced or exclusive benefits, allowing members to choose their desired level of engagement. Members climb the ladder as they gain trust. Over time, due to this trust, they become more connected and commit to paying more for increased value.

Although an increase in revenue is indeed an outcome, a well-designed value ladder is not about making money. It focuses, instead, on engagement and member value. People don't want more stuff; they want to be connected and this connection comes from your community, your offerings, and your unique culture.

# People buy from people they trust



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Let's review a foundational concept that helps link your offerings to your culture: in order to buy from you, people need to know, like, and trust you. (See graphic, above.)

Once this is internalized, the value ladder can become a powerful way to build community, spark engagement, and enhance connection. It does this by building a progression of value in which members start at the bottom and work their way upward over time.

Here is a simple example: Have you ever been offered a free sample in a store? Maybe it was perfume on your wrist or a little sausage on a toothpick. Something small, new, interesting, and free. After taking the sample, were you asked to:

1. Become a shareholder?
2. Make a major purchase?

Probably not. At most, you were offered the chance to put something new into your shopping cart. This is the power of free samples: given the right conditions, they lead to a small purchase, not a big one. That's the basic function of a value ladder. Though associations might be cautious about charging high prices, they are not cautious about delivering high-quality value.

Would you pay \$5,000 for a unique association offering? Probably not. But if there were earned trust, a sound value proposition, and clear return, it becomes increasingly possible.

An association can do this by making ascending offers. Stacking value-packed offers in a value ladder builds the 'know, like, and trust' cycle that leads to increased connection and, over time, the willingness to pay good money for great value.

You can increase this trust (built over time) by making small asks, followed by bigger asks. Ideally, you only offer your premium services to your raving fans. Remember, our goal isn't solely to make money; our goal is to rally our communities around a shared cause. A value ladder also helps create, deliver, and sell without incessantly bugging people.

Offers start small at the bottom of the ladder, with an easy ask (which resembles content marketing): 'subscribe to my newsletter to get this free content' is a typical entry point to a value ladder. The next step up the ladder is the **initial offer** – a low-priced offer that segments of your audience will purchase. This segment represents your qualified buyers. They have a willingness to pay you.

After people buy your initial offering, continue to engage them in a positive and increasingly collaborative way. The initial offer segment of your email list has proven they are willing to take out their credit card and pay you a few dollars.

You can make more frequent offers to this segment of your audience. They will convert more frequently than asking strangers to buy from you. Let's look at a couple of real world examples.



## The Value Ladder in Practice

*“Caring is good, authentic is better, but dependable is best. It is the most effective way to build and maintain brand trust.”*

- CARLOS GUERRERO

Say an association has a free podcast. Though it’s targeted to the association’s particular market, anyone, anywhere, can listen to it. This association may also have a free online course. To get access to this free course, you have to subscribe to the association’s newsletter.

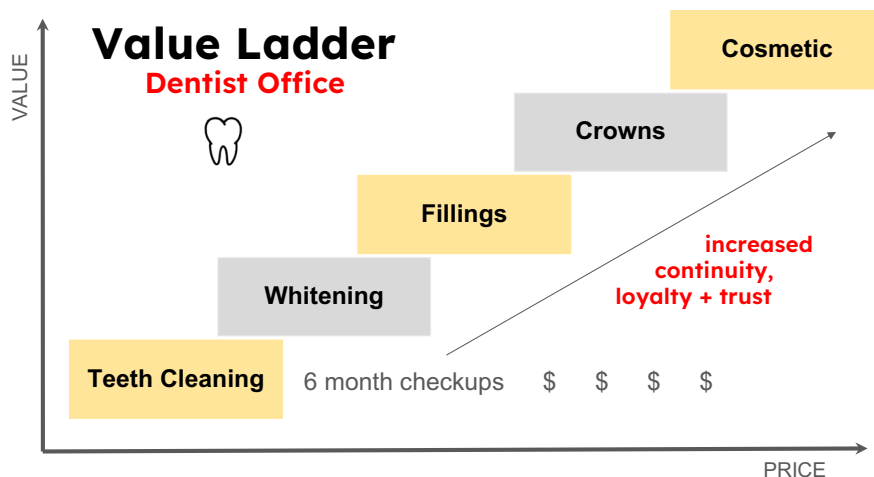



Immediately after signing up for this course, you are offered an initial offer of monthly exclusive content for \$20. Every step of the value ladder, you are exposed to higher offers:

- \$299 – Two-day course
- \$995 – Live event
- \$5,000 – Mastery experience

At the end of a mid-priced live event, you can be treated to a pitch for a higher-priced or premium offer. But you won’t hear that pitch after the initial offer. You won’t hear that pitch after subscribing to his free course. Each step in the value ladder focuses just one step above.

It’s easier to ask people to open their wallet a little more, than asking them to open it all the way. Here is a practical, non-association example that most of us will recognize: going to the dentist. By implementing a value ladder, a dentist can engage customers by providing a range of services that cater to diverse needs. This gradual progression builds trust over time as patients experience the quality and expertise of the dental practice.



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As customers recognize the value and benefits of the offered services, they are more likely to invest in higher-priced treatments or comprehensive care plans, leading to increased revenue for the dental office.

For associations, every lead magnet should solve a small problem for your community. This problem should be small enough that they won't hire someone to fix it, but complex enough that they can't solve the problem without some research.

At the end of your lead magnet, present a bigger offer. For instance, the final page of your free offering should be a promotion for something. This is how to build trust and convert the curious to the buying.

Every offer in the value ladder can sell something one step above. Here's how to organize offers into a value ladder.

1. Make a list of everything you can sell, both now and in the future. Consult my article on [How to Build a Product Portfolio](#)<sup>1</sup> to see how to create a product portfolio.
2. Categorize these offers into five categories, from free to high-priced (if you want to simplify the process, try three categories).
3. Start at the bottom of your value ladder (free or lead magnet) and work upwards (top-tier). How can you make an offer on each rung that builds on the previous rung?
4. Develop a list of corresponding goals to help you cement the reason why you want a member to climb the ladder incrementally. Remember, the value ladder is a tool of incremental and increasing value. In associations, trust is connection.



5. Create a simple [customer journey map](#)<sup>2</sup> that describes the progression from bottom to top. Don't over complicate the journey.
6. Once you have described the rungs and the transitions, whiteboard the possible systems or business process changes you'll need to make so members have a fluid, frictionless experience. Remember this is about encouraging people to take the next specific step so you'll need to update your email autoresponders, website copy, and notifications.
7. Create a 'test customer' and test the entire progression. Take notes during the testing, but don't make edits until you get to the end.

<sup>1</sup> <https://productcommunity.substack.com/p/how-to-create-a-product-portfolio>

<sup>2</sup> <https://hbr.org/2010/11/using-customer-journey-maps-to>





Above is an example value ladder for an association.

When you have organized your offerings into a value ladder, you can determine how to motivate members to ascend the ladder step by step. Once you see your completed value ladder, you might get ideas for cross-selling, bundling, or product variants. See the section on creating a product taxonomy in my article [Leverage for Scale](#)<sup>3</sup> for background on how to organize your products in a way that fosters cross-pollination.

The trick to making a value ladder work is that each offer needs to be authentic, genuine, aligned to the association's purpose while solving a particular problem for the member. Remember, we are a community of practice that focuses on engagement to build connection. Here's another example of a value ladder specifically designed for membership (at right):

### Level 1: Free Membership

- Access to basic resources such as newsletters and industry updates.
- Entry-level networking opportunities through online forums or virtual events.

### Level 2: Basic Membership (Paid)

- All the benefits of free membership.
- Additional resources like webinars and educational materials.
- Discounts on industry conferences and workshops.

### Level 3: Premium Membership (Higher Fee)

- All the benefits of basic membership.
- Exclusive access to premium content, including advanced training modules and case studies.
- Priority registration for conferences and events.
- One-on-one mentorship or coaching opportunities

### Level 4: VIP Membership (Highest Fee)

- All the benefits of premium membership.
- Invitations to exclusive networking events with industry leaders.
- Special recognition and profile promotion within the association's community.
- Direct access to industry experts for personalized advice and support.

Each level of the value ladder builds upon the previous one, providing increasing value and opportunities for members to grow professionally. Members can choose the level that aligns with their needs, interests, and budget, and they have the flexibility to upgrade or downgrade their membership as desired.

<sup>3</sup> <https://productcommunity.substack.com/p/leverage-for-scale>

## Deepen Connection to Increase Revenue

*“Revenue is an outcome of great relationships.”*

- MARK GRINBERG

A value ladder is a marketing strategy that offers a range of offerings at varying price points, each providing increased value to members. A value ladder is not a ponzi scheme; it focuses on building, sustaining, and growing trust and offering the unique value that pulls members into long-term journeys.

Value ladders are about incremental, logical growth linked to authentic connection. Remember, people will buy from people they know, like, and trust. When we speak of trust, we speak of superior value, outstanding community, and sustained engagement.

By employing a value ladder, an association aims to create a customer journey where members progress from free or low-priced offerings to higher-priced offerings. This approach allows us to deepen our relationship with our community over time while **increasing customer lifetime value<sup>4</sup>**, and maximizing revenue by catering to their evolving needs and preferences.

To learn more about the value ladder or the Product Community, contact James at [james@productcommunity.us](mailto:james@productcommunity.us).



### Meet Jim

James Young writes the newsletter, [The Innovative Association<sup>5</sup>](#), and is founder and chief learning officer of the [product community<sup>6</sup>](#). Jim is an engaging trainer and leading thinker in the worlds of associations, learning communities, and product development. Prior to starting the product community®, Jim served as Chief Learning Officer at both the American College of Chest Physicians and the Society of College and University Planning. He can be reached at [james@productcommunity.us](mailto:james@productcommunity.us).

<sup>4</sup> <https://productcommunity.substack.com/p/growing-revenue-over-the-lifecycle>

<sup>5</sup> <https://productcommunity.substack.com/>

<sup>6</sup> <https://productcommunity.us/>



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