

How to Build Membership Relationships That Last

ASSOCIATIONS NOW, August 2011, Feature

By: Sarah L. Sladek

Associations have been losing their grip on the marketplace since the mid-2000s. First, younger generations began to question the value of membership and demanded a return on their membership investment. Then the economy took a nosedive, and now everyone is demanding a return on investment. Today it's possible for your members to access all kinds of professional development and networking, most of it for free. Demand is weak, competition is up, and your association's value is going down like a bad real estate investment.

There's only one way out of this mess: outcome-based member benefits.

By "outcome based," I mean to address one of my biggest pet peeves about association membership: Too often, associations list the features of membership instead of the outcomes.

For instance, two popular benefits associations like to trumpet are networking opportunities and a listing in the membership directory. But I wouldn't recommend listing these as main benefits, because they don't really carry any substantial value. I could arguably access networking opportunities with members without purchasing a membership, and a listing in the directory has a small chance of actually driving more business to my doorstep.

So rather than describing a membership listing and networking as benefits, wouldn't it be better to say that membership in the association leads to business contacts that can result in new business opportunities? Better still, do some research and quantify those new business opportunities. When you can say, for instance, that 60 percent of members report their membership has resulted in a new business opportunity, you have actual proof that your membership is valuable.

Your members are looking for benefits that add value to their businesses and lives, not merely a basket of products and services. They also want experiences that give them a sense of belonging without leaving them feeling like they've had to earn the privilege. That's the essence of outcome-based membership. Here's how to start moving your association toward it.

Three Struggling Association Types

Of the associations struggling to increase membership, most fall into one of the following categories. Their common ailment: failure to deliver member value.

1. Scrooge Associations. These associations are notorious for nickel-and-diming members. They tend to charge too much and give too little. It's difficult to distinguish the benefit of membership alone because a member still has to pay for every product, program, and service the association offers.

2. Milk Associations. These associations have lost sight of what a membership means. Paid membership offers little exclusivity or access. It's difficult to distinguish between the benefits of joining the association and just paying to attend the events or purchase services à la carte. In other words, why pay for the whole cow when you can just pay for the milk?

3. Antique Associations. These associations have been in the marketplace for many years and have renowned brands, but they are in decline because they are no longer relevant. Their benefits were meaningful in the past, but they have been unable to adapt to the needs of today's audiences.

Member benefits are your association's one and only asset. For each of these organizations, change begins by turning previous mistakes into valuable memberships.

Bringing Value Back to Membership

Fixing these problems may not be easy, as I learned while working with one association struggling with a membership decline. The president explained that he'd lowered the cost of all programming, realizing that members wouldn't pay a premium price for events in a tough economy. I agreed this was a good idea. But what about the cost of membership? My analysis had shown that this association's membership was priced higher than that of any other association in the industry. Was he willing to lower that price? His answer was no. A switch in dues pricing is difficult to implement, he said. And once you lower your price you can't bump it back up.

Here again, I agreed. But then I asked him what he was doing to increase the value of the membership. He again spoke about pricing. I explained that the membership had lost its value and needed to be increased, not through a price fluctuation but rather through a change in deliverables.

Most association executives get lost in the numbers. This is understandable; executives want to make sure they stay in the black. Any decrease in membership prompts a knee-jerk reaction to refer to the budget. Number crunching is critical to maintaining your budget, but if you are losing members, you need to get out of the budget and into the minds of your membership.

The number-one reason members join an association is because they believe it will help them solve a problem. Right now, the number-one problem most people are facing is likely related to their finances. The economy has forced people out of jobs, cut into their savings, and jeopardized their futures.

This means two things. First, when members join your association or renew their memberships, they want that money to pay for access to more than a directory listing and a car-rental discount. Second, your members want your association to help them solve their problems. Right now, this means providing programming and services related to helping them find jobs, make money, and feel good about their futures.

The association I mentioned was offering few programs or services to respond to current financial issues, it offered nothing of value that was included in the membership price, and the few social events it hosted each year came with a hefty price tag.

So what does doing it right look like? Throughout the recession, the Associated Builders and Contractors, Inc.'s Metro Washington, DC, chapter hosted a series of programs addressing industry projections and providing tools to help its member companies compete. Recognizing that workforce development was a concern for its industry, it also provided a nine-month series focused on leadership training.

In addition, it hosted a lobster bake that was free for members. This social event was organized by the association to show its appreciation, build fellowship among members, and help them feel good about their continued involvement in the association.

Membership was up, even though the association's industry had been hard hit by the economy. There's a lesson here for Scrooge Associations: Stop counting your coins and start thinking about ways you can help your members. Add to your list of member benefits and stop charging members extra for everything. If you want to get more members, give them more reasons to join.

Responding to Member Needs

A few years ago, some associations started opening the doors to nonmembers. The idea was that if nonmembers had access to the same pricing—or just slightly higher pricing—as members for events, products, and services, associations would draw more revenue. Nonmembers would "preview" the association, fall in love with it, and decide to join. And if they didn't join, at least the association was getting their money.

Bad idea. Every association should seriously consider whether or not they want to continue to operate as a membership association or if they'd rather be a group that organizes events. If your association is behaving like the latter (i.e., a Milk Association), you are likely making the mistake of tracking program ROI instead of member ROI. This means your association spends a great deal of time and resources on planning events, and the association's budget relies heavily on the income generated from those events from members and nonmembers alike. Outside of programming, your association has few additional streams of revenue and few member-only benefits. As a result, a high percentage of people who attend events or purchase services do not join the association.

A membership association, by contrast, is outcome based: completely focused on delivering value and tending to the needs of its members. Additional streams of revenue should be built into the association, all focused on addressing the needs and interests of the members. Also, members should receive access to exclusive, valuable, and beneficial resources that the general public does not receive or can only access at a premium

price. A membership-focused association has a growing membership and high retention and participation rates. This is membership ROI; people are paying for access to a great membership.

This means delivering a variety of meaningful member benefits—not available to the public—to address member needs. It also means that when you do offer programming and resources to nonmembers, you charge them a premium. That way it always makes sense to purchase a membership and your membership holds more value.

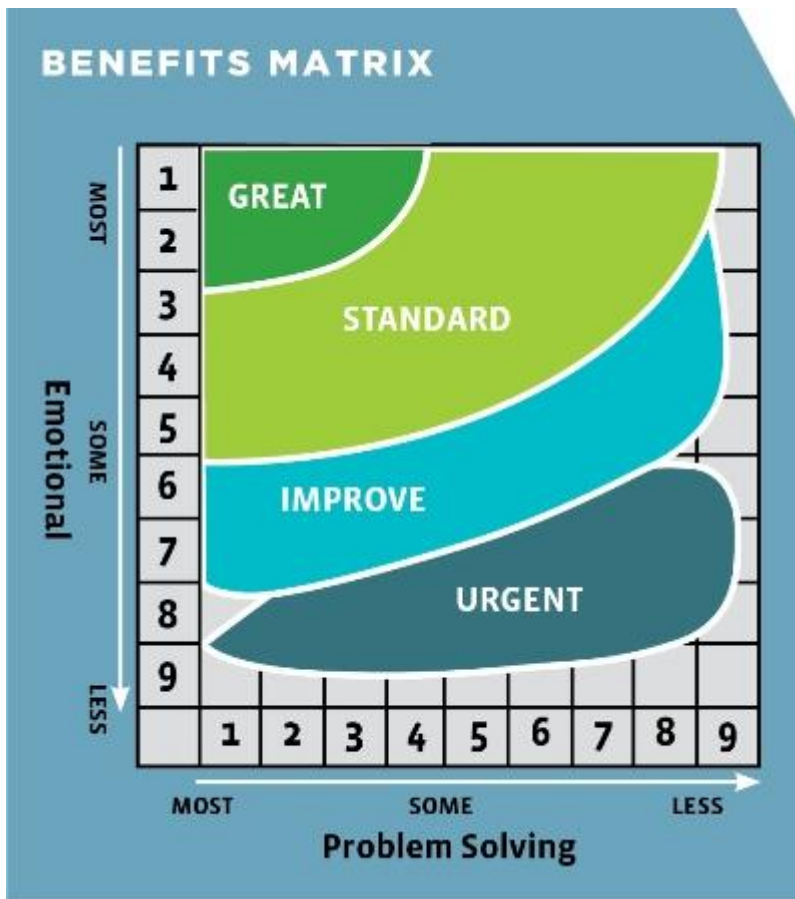
In the same way Milk Associations fail to respond to member needs, Antique Associations fail to respond to shifting demographics and economics. I have closely observed two Antique Associations divided by change. In each situation a heated discussion took place at the annual conference, where a small group of people were rallying loudly in favor of change, while the majority opposed it. For one association, the discussion started too late; the organization folded after 90 years, unable to keep members or resources intact. The other, founded in the late 1800s, is barely holding on.

Both associations failed to respond to three major influencers: rapidly changing technology, demographic shifts, and economic recovery. These three things have changed what your members want and need. Our values as a society have changed, and associations need to be responsive to these changes in order to remain relevant.

Member Benefits Matrix

The most successful member benefits solve a problem or deliver a positive experience or emotion. Regardless of what your association is offering or may offer in the future, you should consistently measure the potential of all your member benefits. You need to make sure your association can be responsive to the needs of its membership, which are continually changing. Regularly survey members or host focus groups to monitor those changing needs. Nothing can replace the open, honest feedback you receive from members.

The matrix below is designed to help you measure the success of your benefits. You want to make sure your benefits continually meet the core needs of your membership. Your deliverables may change, but the core needs of your membership never will: We all join associations with a problem to solve and we all want the experience to be positive, ultimately resulting in relationship-building opportunities.



Click image to enlarge.

To use the matrix, first give each member benefit a score, on a scale of one to nine, on its ability to solve a problem. Giving a benefit a one means it solves a crucial problem for nearly all members—it's a key reason why members join. Giving it a five means it solves a problem for about half your members, but it is not a benefit unique to your association. Giving it a nine means it never comes into members' consideration or use.

Next, give the member benefit a score on a scale of one to nine on its ability to deliver positive experiences and emotions. Here, giving a benefit a one means it consistently delivers a positive experience, five means it's a positive experience for about half your members, and nine means it never delivers a positive experience or is never used.

Finally, plot the numbers for each benefit on the matrix. If you gave your membership-directory listing a nine on problem solving and an eight on relationship building, you would place a single dot in the far right column (just above the nine on the problem-solving scale and up two squares for placement in the eighth row on the emotional scale). The benefit falls into the "urgent" section of the matrix, indicating that it urgently needs to be eliminated or revised into something valuable.

This exercise can help association leaders begin to comprehend where benefits are falling short and could actually lead to decline in membership and revenue. I've worked with associations that have painstakingly adopted new technology, customer-service techniques, and logos or hired and fired staff, cut costs, or raised costs in the name of reversing declines in membership and revenue. But the first thing you should do is take a serious look at what you offer, then ask if that membership is the most valuable, exclusive, problem-solving, people-loving membership you could possibly offer. Benefits are the difference between a good association and a great one. They could also be the difference between success and failure.

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Sidebar: Lessons From Moore County

The main industry in Moore County, North Carolina, is leisure travel: It's home to the Pinehurst Resort, host to numerous golf tournaments, including the 2014 U.S. Open. So the recession hit the region hard, threatening the livelihood of the Moore County Chamber of Commerce.

"We started to see some changes in our market from a housing standpoint and a resort standpoint," says chamber President and CEO Patrick Coughlin. "At the end of 2008, the housing market started to slow significantly for the first time we could ever remember. Resort businesses started suffering as well. Within a month or so, business just dried up."

Coughlin said he knew his small chamber of 825 members had to do something to help local businesses. The board decided that if a membership lapsed any longer than 60 days, Coughlin and other chamber staff would meet with the business manager one on one. "We'd give them a call and ask, 'What can we do to keep you? What can you afford?'" Coughlin says. "In some cases it was \$25." (The chamber's minimum dues level is \$241.)

Coughlin was less concerned about the chamber's revenue at that moment. "It's not only about the dollar—our business is to make our members more successful because they are a member of the chamber," he says. "We knew it would be tough, but we also knew it would return in spades. We were investing in tomorrow, not today."

Indeed, as the economy started to bounce back, membership stayed stable and nondues revenue increased. Two gold-level sponsors moved up to platinum-level sponsors, making the decision to reallocate their advertising budgets entirely to the chamber.

Coughlin says the decision to accept reduced dues was the best decision his association could have made. "There's a real attachment to our chamber now, even more than before," he says. "We have increased the level of credibility and trust in our organization because we were able to go to our businesses and say, 'Hey, we understand and we're here to help.'"