
What Members Value in Their Decision to Join or Renew Their Association Membership

Many association executives constantly struggle with trying to increase the size of their association's membership base, either by recruiting more members, by retaining a larger percentage of existing members, or a combination of the two.

Some believe that they can increase member retention by getting their members more involved and more engaged. A typical comment often heard is, "If we could only get more members to attend chapter meetings or the national conference and get them more engaged, then we could retain more members."

For members who value the networking, camaraderie, volunteerism, continuing education, and everything that goes with attending those functions, that is a true statement. The fact is, not every member values meetings and conferences – or for that matter, every single benefit that associations typically offer.

Members join associations for a variety of reasons, and not everyone values the same things. For that reason, there is no single solution for increasing member acquisition and member retention that will resonate with every single individual.

Fortunately, there is a systematic approach for determining those benefits and experiences that members value in their relationship with an association. By knowing what members value, and giving them more of what they value, associations can not only increase member retention, but can also attract more new members.

This paper explains, in detail, how to segment your members by what they value, how to calculate the value your association is currently providing to members, and how to determine which of your association's benefits and experiences are driving membership.

Member Segmentation

Having a diverse membership population with a variety of reasons for joining an association requires different strategies. Efforts to appeal to one segment are ineffective when applied to another segment. And performing any analysis on the entire member base as a single group hides the subtleties of each underlying segment in some overall group "average". To understand what motivates members to join or rejoin an association, it is necessary to first segment the member base into homogeneous groups, and then examine the needs of each segment.

Associations can have more effective recruitment and retention efforts by understanding why members join.

The diverse membership population can be segmented into homogenous groups based on their needs.

Needs satisfaction is the primary motivator for why individuals spend their money and their time to join an association, and to participate in the experiences the association has to offer. Therefore, the most efficient means by which to segment members for the purposes of marketing and retention efforts is to base the segments on their needs.

There are two rather straightforward survey techniques that can be used for determining which needs segments make up an association's member base, the size and number of the segments, and the characteristics of individual members within those segments. These techniques are referred to as benchmarking and allocation analysis. You can use one or both of these techniques in a member survey to separate members into unique groups.

Using Benchmarking to Segment Members

When determining needs segments through benchmarking, ask members to name the organization that they tend to compare your association with. By asking them to name an organization, you are not suggesting that they limit their responses to only rival associations. You might find, for example, that individuals who join your association as a source of continuing education, might compare your association to a training organization that only provides continuing education for a variety of professions.

From their responses to this question, you can group individuals by the type of organization they mention. For example, if they mention an organization that has a reputation for providing excellent continuing education, then these respondents can be placed in the continuing education needs segment. Members who mention an organization that provides low cost group insurance, are having their insurance needs satisfied by your association. Members who mention an association that targets the same group of professionals that you do, are more likely interested in a combination of member benefits, networking opportunities, and career advancement opportunities that associations provide.

Using Allocation Analysis to Segment Members

If you know from previous research that there are three or four main reasons most people join your association (or leave your association), you can survey respondents and ask them to allocate 100 points across the areas in a way that explains why they joined your association. For example, you can pose the question as "Realizing that many of our members join because of a combination of networking opportunities, continuing education, and affordable group insurance, how would you allocate 100 points to these three areas to show why you joined our association, giving more points to what is more important to you?" Individuals who give a large portion of their points to a single area would be grouped with other individuals who did likewise.

Typically, you will find that there are segments of individuals who join primarily to satisfy one particular need over all others, and will assign a larger share of points to that area. You will also likely find individuals who spread their points over the areas fairly evenly, indicating a “balanced” needs segment.

Analysis of Segments

Once you have determined which needs segments exist in your membership, either by benchmarking or by allocation analysis, the next step is to determine the size of the segments. This can be done by calculating the percentage of respondents who fall into each segment. As you develop your tactical plans for each segment, knowing the relative size of each segment will enable you to prioritize your efforts based on the segments that are the most important to your organization. For many association executives, just going through the member segmentation exercise allows them to better understand the mix of members it has and how to focus their retention efforts toward the larger groups first.

Each segment has a unique profile that enable associations to place individual members into the correct member segment.

The last step in analyzing the segments is to develop a profile for the individuals in each segment. By understanding the demographic and behavioral characteristics that uniquely identify association members (and prospective association members) into each segment, you can more easily develop marketing strategies based on what appeals to them. Some of these characteristics may be available from internal records (e.g. certifications and licenses held, governance positions held, conferences attended, premium benefits purchased) that can be married to survey data while some characteristics can only be gained by survey questioning (e.g. who influenced you to join, which association’s positions in government relations do you agree with).

Once you have determined the number and size of your member segments as well as their defining characteristics, a separate value analysis can be conducted for each segment to determine how much value your association is currently delivering to that segment.

It’s All About Value

More specifically, it’s about **relative** value. How much value do members get from their association membership when compared to other alternatives that are available to them? Members join associations for one basic reason – to have their needs satisfied. Some of their needs can be satisfied from member benefits (e.g. continuing education, publications, group insurance, affinity credit cards). Still other needs (e.g. networking opportunities, volunteerism) can be satisfied by experiencing association sponsored functions.

Members join because of the value they receive from your association's membership, when compared to other alternatives that could satisfy their needs.

While many associations would like to believe that they have no competition for members, the fact is that associations compete with a variety of providers who provide some, if not all, of the same need satisfying benefits that their association offers.

Conducting the Value Analysis

One of the most important questions you can ask your members in any survey, is how they would rate the value they receive from their association membership (e.g. "Considering all the benefits you receive from ABC in relation to the price you pay for membership, how would you rate the overall value of your ABC membership?"). The typical alternative responses from which they would choose are excellent, very good, good, marginal and poor.

The rating your association receives for overall membership value is only half of the equation. Some members can give systemically higher ratings than others for the very same benefit or experience. To be able to put the "optimistic" members and the "pessimistic" members into a proper perspective, there needs to be a reference point. This reference point is the respondent's value rating of their stated benchmark.

The same benchmark organization that is used to segment members into various needs segments can be used to develop the benchmark value rating. Simply follow the question about whom they use as a benchmark for your association with a question about how they would rate the value that the benchmark organization delivers overall.

Where respondents have actually had experience with the benchmark, they can give an experiential rating. In cases where they do not have first hand experience, they can offer a perceptual rating of value. An example of this question is: "Considering all the benefits you receive or would receive from XYZ in relation to the price you pay or would have to pay, how would you rate the overall value that XYZ offers." Respondents use the same scale options to evaluate the benchmark as they use for rating the value of your association membership.

By assigning a numeric value to respondents' ratings (excellent = 5, very good = 4 ... etc) you can subtract the value score given for the benchmark from your association's value score. You can then calculate the percentage of respondents who rate your association higher in value than the benchmark (value advantage), the percentage who rate your association equal to the benchmark in value (value parity), and the percentage who rate the benchmark higher in value (value disadvantage). When you do this for each benchmark (competitor) you can see very quickly who your toughest competition will be for your members.

By calculating the percentages of these three classifications (value advantage, value parity, and value disadvantage) for each needs segment, you can determine the relative value your association delivers to member segments based on their reasons for joining the association.

What Drives Value For Your Association's Membership?

When members are deciding to join or rejoin an association they undertake a mental calculation of the expected value of your association's membership by comparing the benefits they expect to receive to what they have to pay (e.g. dues, time, energy, etc). To understand what drives a member's perception of value, it is necessary to examine all the cues that members use in their assessment.

A value driver analysis uncovers the benefits and experiences that have the greatest impact on value, and ultimately on member retention.

These would include all the member benefits (e.g. publications, continuing education, certifications, group insurance), as well as interactions with the association (e.g. conferences, email communications, contact with member services representatives, association website). The ease with which members can get their issues resolved from member services or the association website plays a role in the value of their membership. Therefore, the experiences a member has when conducting business with the association contributes positively, as well as negatively, to their overall value perception.

Historically, associations would ask members to rate their level of satisfaction with the association's benefits and experiences, and rate the level of importance that each benefit and experience plays in their decision to join or renew their membership. The plan was to use the combination of these two responses to determine which benefits drove value (and ultimately retention) and how they were performing at that time. This method has proved to be ineffective, as anyone who has witnessed high satisfaction marks and low retention numbers can attest.

Lately, satisfaction surveys have been replaced by value and loyalty surveys. The impact that benefits and experiences have on value is no longer determined by asking importance questions, but rather by using statistical analyses. Importance questions did not provide the insight they intended, because respondents tended to rate most benefits as very important or unimportant. In addition to having responses fall into one of the two extreme scale points, asking importance questions increases the number of survey questions and the time it takes to complete the survey.

To determine the drivers of value for each segment using a statistical approach, include an overall rating question in the member survey for each benefit, experience area, and the cost of dues. For example, the survey should include questions in which members are asked to give overall ratings to the association's publications, website, conferences, member services, etc. When using the same scale and numeric scores (excellent = 5, very good = 4, good = 3, fair = 2, and poor = 1), the

Look for those key benefits that are underperforming when compared to the benchmark, and prioritize them for improvement based on their impact on the largest member segments.

verbal ratings from each benefit question can be used in statistical calculations.

To calculate the impact that benefits have on value, use the ratings given for value as the dependent variable in a multiple regression analysis, and the ratings given for each member benefit and experience as the independent variables. The benefits and experiences that are the key drivers of value will have a significant regression coefficient (beta). The coefficients will also allow you to rank the drivers on their impact on value - the higher the significant regression coefficient, the greater impact the benefit (or experience) has on value.

Additionally, you can measure how well each benefit performs by examining the percentage of respondents who give an excellent or very good response. An ideal score for a benefit or experience would be 70% (or more) of responses that are excellent or very good. Do not use average scores as averages blend the extremes and mask any real differences in performance.

Asking respondents to rate the benchmark on these same areas will generate relative ratings. Individuals who give the benchmark higher ratings for a benefit that is key to satisfying their needs should be considered at risk of leaving your association.

Putting It All Together

Grouping members into segments gives associations the ability to understand which basic needs members within each group are trying satisfy through association membership. Without segmentation, any efforts to recruit or retain members will only resonate with those individuals for whom the strategy is a match.

Knowing the size and characteristics of each segment provides a means of identification as well as the ability to prioritize segments on their importance to the organization. By themselves, the profiling characteristics can be used to place members into segments even if they have not taken the survey. This enables the researcher to apply the survey results to the entire member population, as well as identify the needs of incoming members.

Having members rate the overall value of their membership and the overall value of a benchmark organization gives the association relative value scores for each segment.

Using the ratings of value and benefits in a multivariate analysis for each needs segment identifies the key drivers of value for that segment. If there is a desire to cut benefits without affecting value, this analysis will show if the benefit is a key driver of value for any of the needs segments.

Value analysis is a valuable tool that association executives can use when developing their recruitment and retention strategies.

Combining the results of the driver analysis with the percentage of respondents who rate each benefit and experience as excellent or very good, provides an excellent benefits assessment tool. Key drivers that under perform can be prioritized for improvement efforts by using a combination of key driver analysis, current performance metrics, and the segments that are impacted by the driver.

The analytic tools presented in this paper will enable association executives to understand what motivates members to join and renew their membership. This piece of information can be used in the planning of strategies specifically targeting individuals with benefits and experiences they value the most.

About the Loyalty Research Center

Since 1997, the Loyalty Research Center has focused on customer and employee loyalty/satisfaction measurement and management in the B2B, B2C, and Association sectors. We work with companies across a myriad of industries and distribution channels to:

- Improve customer and employee retention
- Prioritize and implement effective change strategies
- Maximize profits through better understanding of loyalty segments and their drivers, customer expectations, employee engagement, current performance and competitive strengths and weaknesses