Membership Retention

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COFACC Founding Board and VP Membership
What are we discussing today?

- Standard Membership Formulas
- Effective Membership Retention Strategies and Ideas
- The Retention Game Plan
- How to Create a Formal Membership Retention Plan
- New Member Onboarding Timeline
- MembershipWorks
- Additional Resources and Links
Standard Membership Formulas

Source: Association of Chamber of Commerce Executives (ACCE)
Standard Membership Formulas

Retention = \frac{(Total \ number \ of \ member \ accounts \ last \ year - total \ number \ of \ cancelled \ member \ accounts \ current \ year)}{Total \ number \ of \ member \ accounts \ last \ year} \times 100%

- 2019 member accounts – 100
- 2020 cancelled member accounts – 20
- \frac{(100-20)}{100} = 80\% \ Retention \ Rate
Standard Membership Formulas

Net Gain/Loss in % of New Member Dollars (current year) = (Dollar value of the total new member accounts current year - Dollar value of the total cancelled member accounts current year) / Dollar value of the chamber’s total member accounts last year

- 2020 Total new member accounts in $: 15 @ $100 each = $1,500
- 2020 Total cancelled member accounts in $: 20 @ $100 each = $2,000
- 2019 Total member accounts in $: 100 members @ $100 each = $10,000
- ($1,500-$2,000)/$10,000 = -0.05 or 5% Net Loss in New Member Dollars
Standard Membership Formulas

Net % Gain/Loss New Member Accounts (current year) = (Total new member accounts current year - Total number of cancelled member accounts current year) / Total number of member accounts last year

• 2020 Total new member accounts – 15
• 2020 Total number of cancelled member accounts - 20
• 2019 Total number of member accounts – 100
• (15-20)/100 = -.05 or 5% Net Loss in New Member Accounts
Effective Membership Retention Strategies and Ideas

Source: EventBank
Effective Membership Retention Strategies and Ideas

1. Focus in on Your Target Audience
2. Focus on Long Term Incentives to Boost Membership Retention
3. Focus on Onboarding
4. Don’t Suffocate New Members
5. Customize Communication Channels
Effective Membership Retention Strategies and Ideas

6. Adopt Membership Management Software
7. Survey Existing Members
8. Develop your Business Engagement Scoring
9. Stress the Benefits of their Membership
10. Run Attractive Events
11. Offer Perks & Benefits
The Retention Game Plan

A New Arsenal of Strategies

Source: Hight Performance Group
The Retention Game Plan

1. Old versus New Retention Plan

The OLD retention plan:

• Make calls to members whose renewals are 30–60 days out
• Call or write to members whose renewals have lapsed 30–90 days
• React to non-renewals by having Board members contact their leadership peers to encourage them to reinvest
• Leverage the release of a new directory to pressure delinquent members to renew now
The Retention Game Plan

2. Define your Retention Metrics

- Retention rates by member segment or group
  - Track actual retention rates by industry, size of organization, length of time in business, length of time as a member, zip code, etc.
  - Identify the best and worse retention rates
- Lifetime Value of Members (LVM)
  - Track annual and overall revenue of members (e.g., dues and non-dues)
  - Determine the average LVM for member segments
  - Identify ideal members and their common characteristics
- Engagement levels of members
  - Track participation of events and programs
  - Track participation of committees, councils and other volunteer activities
  - Track response rates for surveys, polls and other invitations for feedback
  - Track website activity (e.g., pages visited, links used, length of time per page)
  - Track interactions and activities (e.g., staff entries in database or activities executed electronically)
The Retention Game Plan

3. Leverage Technology to Track, Monitor and Manage Member Intelligence

➢ Invest in robust membership management software
➢ Use dashboards to track status on metrics
➢ Create opportunities for self-service
➢ Prevent data silos
4. **Apply Account Management Practices to Expand and Retain Members**

- Apply account management practices to expand and retain members
- Target interaction with members on a regular basis
- Expand accounts by going wide and deep
- Hire other experienced account managers for member sales and development
The Retention Game Plan

5. Align Compensation with Retention Strategies
   - Pay for retention outcomes
   - Make retention everyone’s job.
How to Create a Formal Membership Retention Plan

Source: MemberClicks
How to Create a Formal Membership Retention Plan

Month 1:
- Send them a welcome email
- Give them a phone call
- Welcome them on social media and/or in your organization’s newsletter

Month 2:
- Invite them to an event
- Send them a targeted email (based on the interests they checked when filling out the member application form)

Month 3:
- Follow up with another phone call to check in and see how they’re doing
- Invite them to a new member orientation (either in-person or via webinar)
How to Create a Formal Membership Retention Plan

Month 4:
➢ Send them another targeted email (with relevant and valuable content)
➢ Invite them to another webinar or event

Month 5:
➢ Pair them with a member mentor (if they haven’t been paired already)
➢ Send them a personalized email highlighting a specific benefit or area of your website that will help them specifically (for example, if they’re a student member, direct them to your job board)

Month 6:
➢ Take a look at who’s at risk (based on involvement - new member orientation attendance, webinar attendance, etc.)
New Member Onboarding Timeline

Source: ChamberMaster
Statistics show that it costs 7x more to obtain a new member than to retain a current one.

Connecting and engaging a chamber member during their first 12 months is important because:

❖ Members are new, motivated, and excited
❖ You have their attention and one chance to set the tone
❖ First-year members have the worst renewal rates
WHY NEW MEMBER ONBOARDING IS CRUCIAL FOR CHAMBERS

IMPACT
They're new, motivated, and excited.

ATTENTION
You have their attention and one chance to set the tone.

RETENTION
First-year members have worst renewal rates.

THE ONBOARDING & TOUCHPOINT SCHEDULE

Onboarding is a process that is worth investing in. Use this timeline as a guideline to help new members become engaged with your organization and build a membership meant to last.

Member onboarding involves more than a checklist. A touch plan to improve onboarding and engagement builds a strong foundation for long-term membership.

Customize this plan for your organization and remember that even a simple plan is better than no plan at all.

DAY 1-7
- Send welcome email.
- Mail new member packet.
- Call the member to say “Welcome to the Chamber.”
- Email instructions on how to access member benefits.
- Call with an event invitation.

DAY 14-21
- Make a check-in call “Hello, how are things going?”
- Email a reminder of features available to members.

DAY 45
- Enter member into your Chamber’s marketing funnel.
- Call with information about committees and events.

3 MONTHS
- Analyze how they are using their membership.
- Email a piece of useful content, an article, or a link to a popular page on your Chamber’s website.

4 MONTHS
- Send membership check-in/survey.
- Email reminder of online community.

6 MONTHS
- Contact with volunteer opportunities.
- Extend a personal invite to event.

8 MONTHS
- Make a pre-renewal phone call.
- Mail a membership-benefit reminder statement.

10 MONTHS
- Send auto-renew notice.
- Send annual member survey.

11 MONTHS
- The onboarding cycle should continue for Year 1, Year 2, and Year 3+ members.
All-In-One Membership Software

Built-in features provide you the power and flexibility not possible with separate systems/plugins:

- Member Management & Database
- Online Payments & QuickBooks/Xero Export
- Event Calendar & Registration
- Member Directory
- Donations, Shopping Cart, Forms
- Member Only Content
Member Management & Database

- My Member
  - Business Member
  - Personal Member

- New Members
  - Jennifer Lee joined via website (individual member)
  - Patricia May joined via website (individual member)

- Upgrade/Downgrades
  - Dennis Lawrence to Gold Sponsor

- Failed Auto Renewal Payments
  - Basic Services: payment failed

- Renewals
  - Tax and Accounting Professionals
  - Marketing
  - Consulting/Tax
  - Direct Support

- Graphs and Data Visualizations
Member Billing & Online Payments

Authorize.Net

drive
PayPal

Graph showing financial transactions:
- Membership: 26,700
- Events: 1,595
- Donations: 13,520
- Rent: 0
- Other: 0
- Fees: -239
- Tax: 0
- Net: 41,576
Additional Resources
MEMBERSHIP SELLING AND SALES MANAGEMENT INSIGHTS
Sources and Links

- Standard Membership Formulas
  - https://secure.acce.org/wiki/membership-retention/

- Effective Membership Retention Strategies and Ideas
  - https://blog.eventbank.com/membership-retention-strategies/

- The Retention Game Plan

- How to Create a Formal Membership Retention Plan
  - https://blog.memberclicks.com/how-to-create-a-formal-membership-retention-plan

- New Member Onboarding Timeline

- MembershipWorks
  - https://membershipworks.com/

- Membership Selling and Sales Management Insights
  - https://www.holmanbros.com/insights
Q&A

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