Strategies to Improve the Membership Life Cycle

Presented by Cathi Hight,
The Retention Specialist

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Session Objectives

- Rate how well you employ proven retention approaches
- Recognize why retention continues to be a challenge
- Discover strategies to recruit members that “stick”
- Explore strategies to increase member engagement
- Discover what goes into creating an effective retention plan
- Identify actions to improve the Membership Life Cycle for your organization

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Take the Member Retention Scorecard

- How well do you employ proven retention approaches?

Why is Retention a Challenge?

- Retention has always been a challenge, although it may be harder now more than ever

Why is Retention a Challenge?

- More competition than ever before for our members, volunteers, sponsors and our services
- Many members don't perceive value or ROI for investments
- Are staff is too busy to focus on retention (it's everyone's job and no one's job)
- We place more focus is on recruitment than on retention (e.g., new member campaigns, commissions for new member sales only)
- We don't know what is driving our overall retention rate
- Serving the diverse needs of members
- Our retention initiatives are implemented reactively and/or too late in the cycle
- Economic conditions create fear and lack of risk

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What's Wrong with the Old Retention Model?

- We make too many assumptions:
  - Our members value what we do/offer
  - Our members renew due to civil service or guilt
  - Our members perceive us to be doing the right things (e.g., advocacy, events, training, saving them time and/or money)
  - We believe they owe us next year's dues
- We invest most resources too late in the cycle
- We only look at our annual retention rate and don't understand how segments influence the outcomes
- We keep using our old retention approach year after year expecting different results *(isn't that Einstein's definition of insanity?*

Member Profile Matrix

Get Something Done Through Us

INVESTED

INVOLVED

Industry Investors

- Mission funders of our long-term vision and strategic direction
- Create a business-friendly environment
- Support sustainability for all businesses
- Do the right thing (civic-minded)

Industry Builders

- Develop sustainable, thriving economy
- Create a business-friendly environment
- Provide branding opportunities
- Help execute our corporate initiatives
- Support workforce/leadership development

Business Investors

- Support to grow our business
- Lower operational costs, regulations
- Provide cost-effective opportunities to drive traffic/sales w/out 'showing up'
- Just-in-time learning opportunities
- Access to experts/peers, best practices

Business Builder

- Immediate ROI w/ limited investment
- Provide no-cost lead generation
- Create free/low-cost opportunities for exposure & connections with others
- Introductions to the community
- Free support to grow business

Get Something for Their Business

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Strategies to Improve the Membership Life Cycle

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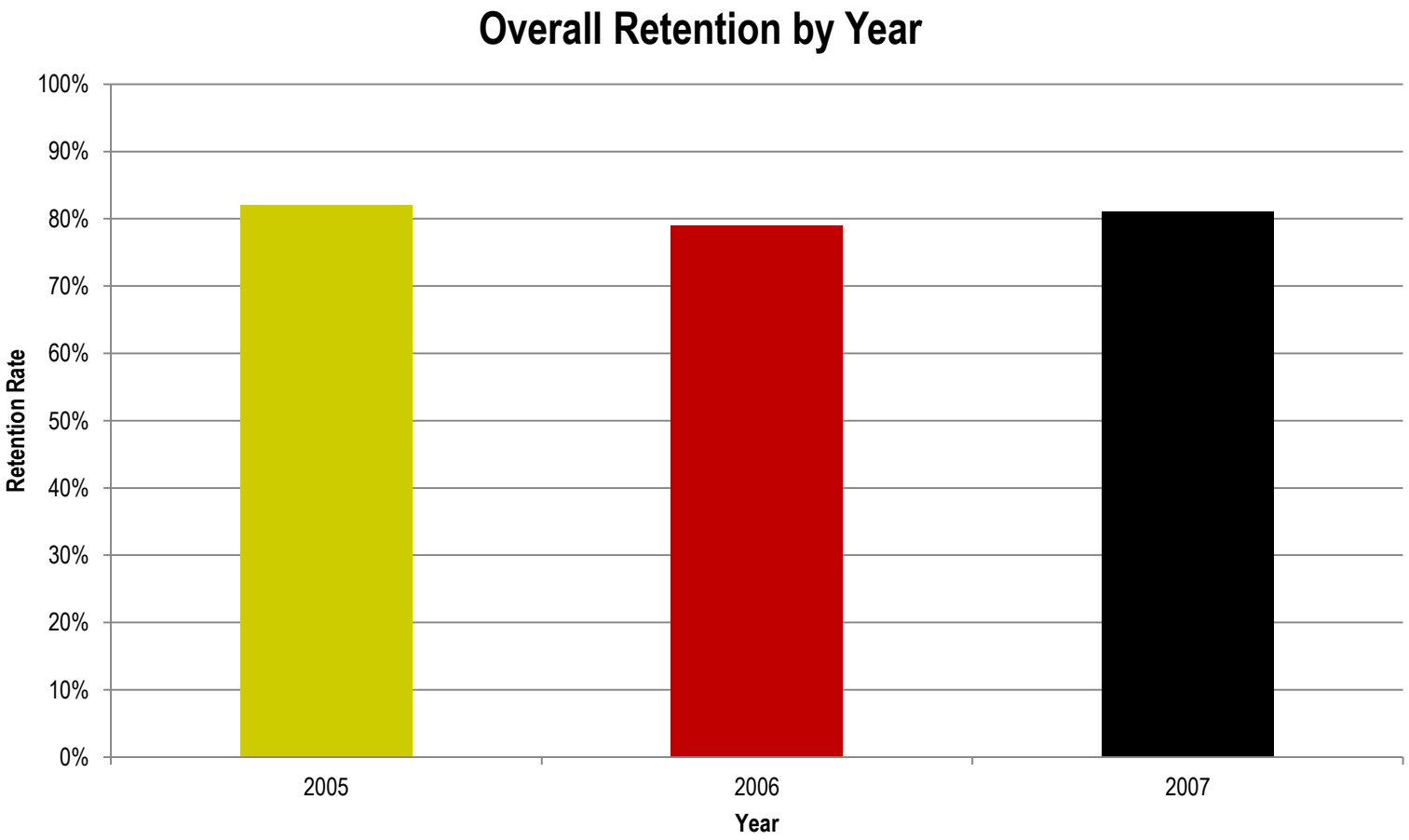
Retention Starts with Acquisition

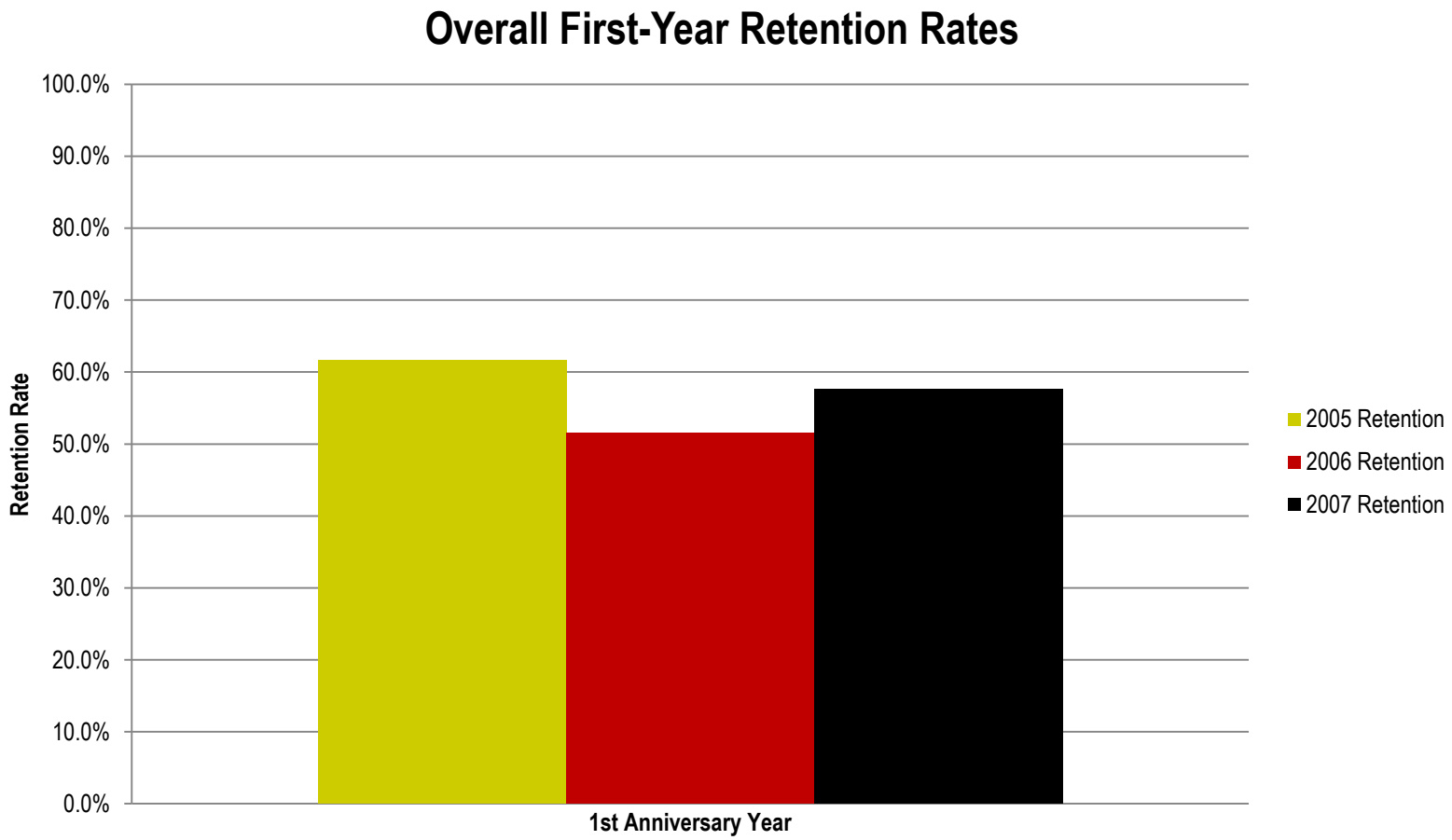
- Understand how recruiting new members impacts retention and developing strategies for success

Annual Overall Retention Rates Don't Tell the Real Story



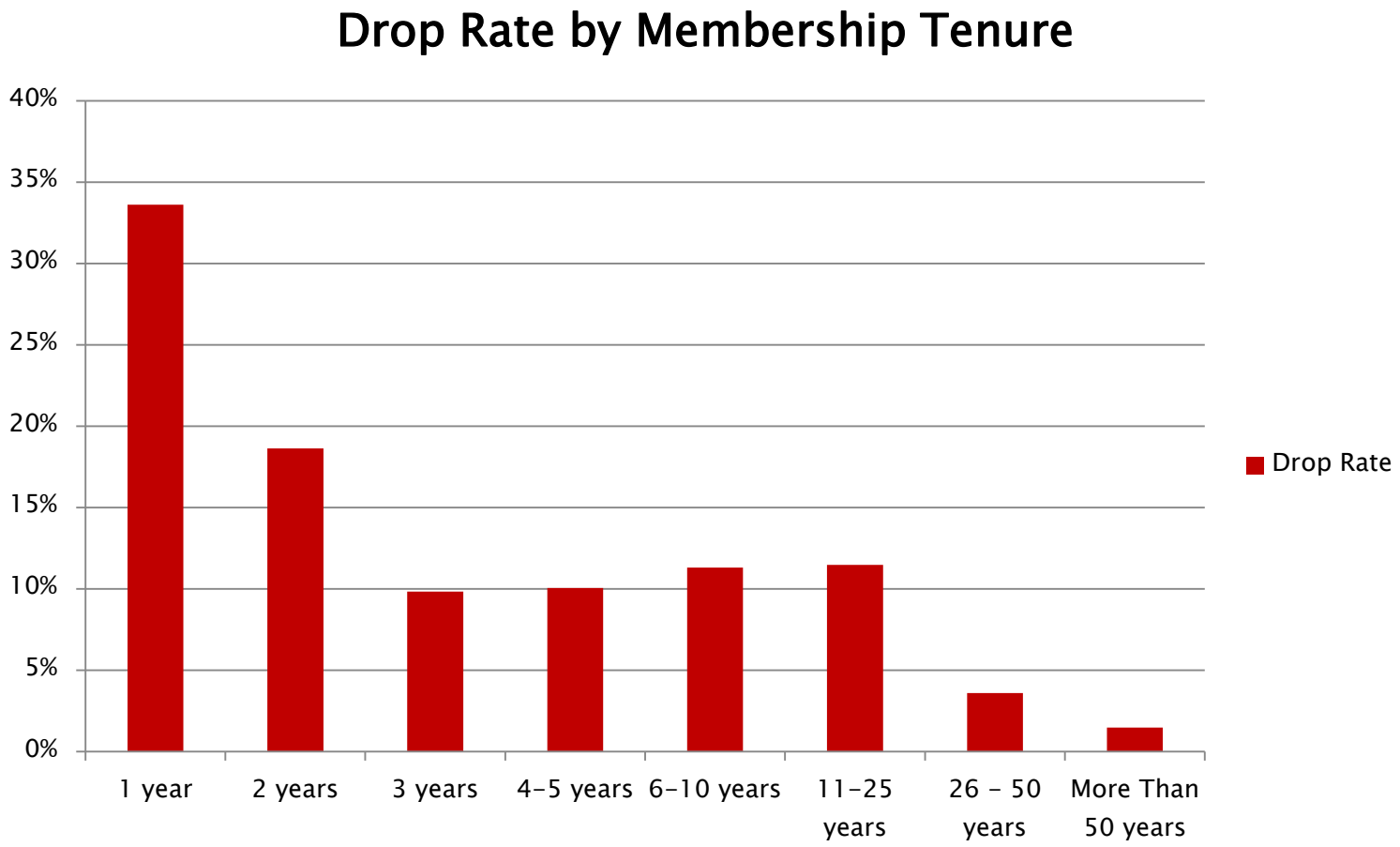
The overall rate is the average of all members and doesn't tell you who's keeping the rate higher and who's driving the overall rate down

Identify Retention Rate Trends for 1st – Year Members



For most organizations, 1st – Year members' retention rates are driving the overall rate down

Track Retention Trends:
Retention by Membership Tenure



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Why New Members Have the Worst Retention Rates

- Instant gratification tendencies (lack of patience for results, “me” focused)
- Failure to connect with targeted audiences
- Lack of early engagement
- Lack of information or knowledge to access available resources
- Lack of perceived value
- Members’ own business practices or capability of being successful
- Loyalty to the organization has yet to be developed

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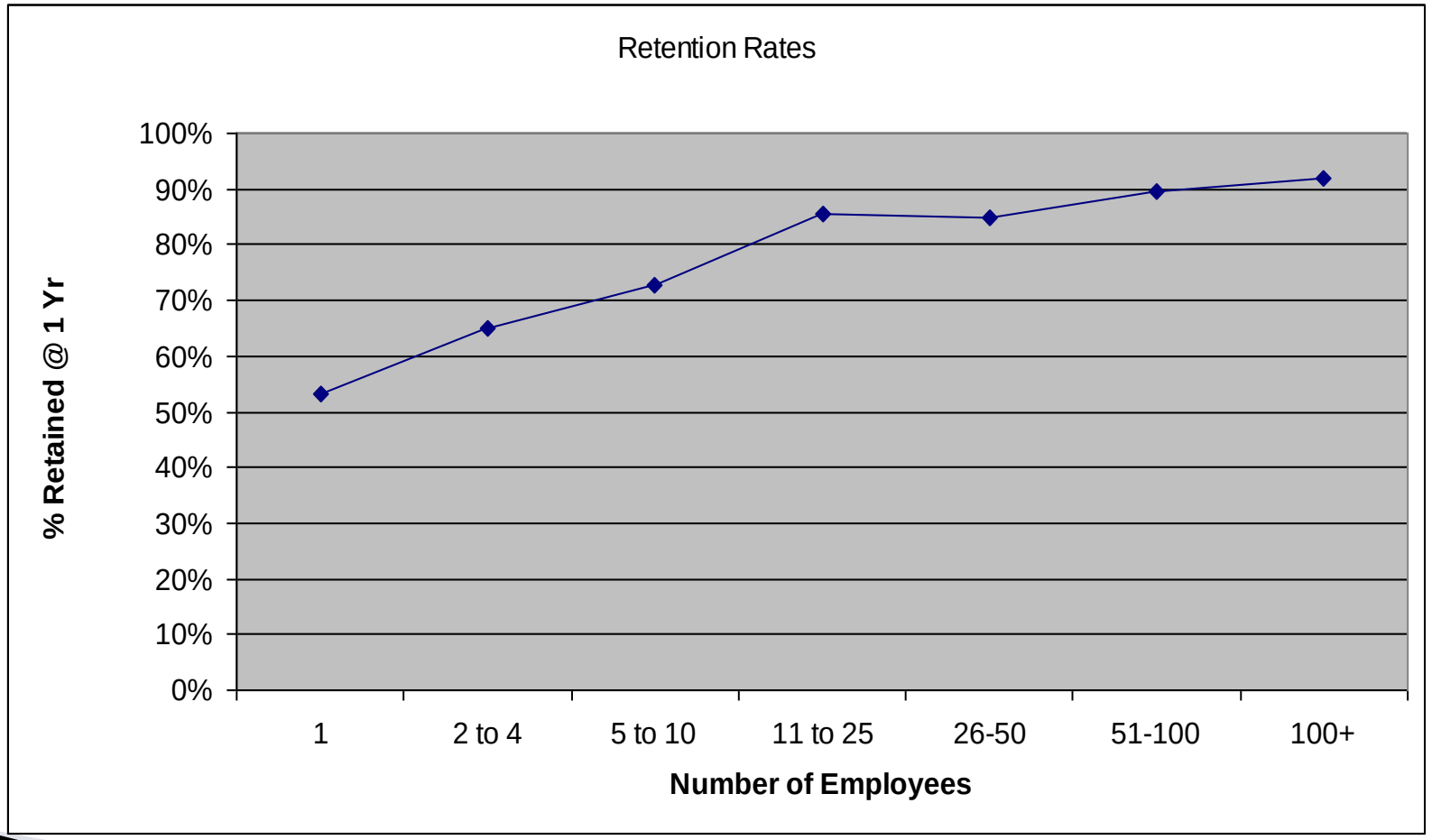
Not All 1st Year Members are a Challenge
(Retention by FTE: Full-Time Employees)



Some organizations distinguish member size even more under 10 FTE to learn more

Acquisition Strategy: Recruit for Retention

- Not every prospect should be a member
- Determine common factors of your "best" members
- Create 3-4 'Ideal Member' Profiles based on common variables
- Target those that match up to profiles
- Create higher incentives for recruiting members who match your new profiles

Ideal Member Profile #1

- 5 – 9 FTE
- Been in biz 3> years
- Locally based enterprise
- Realizes that getting involved = getting results
- Long-time resident

Ideal Member Profile #2

- 10 – 30 FTE
- Been in biz 3> years
- Multiple locations
- Involved and invested in the community
- Sees the value in being members of associations

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Benefits to Recruiting for Retention

- It's easier to sell memberships to prospects who are similar to your best members (they "get it")
- Higher incentives helps account reps focus on recruiting members that "stick" instead of "low hanging fruit" that have a higher likelihood of not renewing (especially if part of the compensation is deferred until after the first or second renewal)
- Recruiting ideal members requires les servicing by your staff
- These members know others just like them, making referrals that much more valuable to you!

Integration Strategy: Onboard 1st Year Members

- Create a 12-month onboarding plan that includes any of these activities (depending on your resources):
  - 1st Week Touch (e-mail)
    - Welcome letter
    - Membership Packet (emailed, mailed, or delivered)
  - 2nd Week Touch (e-mail)
    - Member Orientation (in person, over phone, webinar, or with videos)
  - 3rd or 4th Week Touch (e-mail, visit, call by staff or volunteer)
    - Welcome, how to access benefits, possible connections
    - Member Action Plan (1st 90 Days)
  - 2nd Quarter Touch (visit, call by staff or volunteer)
    - 6 month audit (feedback on experiences, perceived value, list of actions)
    - Information on advocacy issues; association updates, committees, programs
  - 3rd Quarter Touch (visit, call by staff or volunteer)
    - Follow up to mid-year audit to discuss experiences, opportunities to engage
  - Outreach, as needed, before receiving renewal
  - Thank you for renewal

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Use Touch Plans for to Improve Onboarding and Engagement

SAMPLE INTEGRATION TOUCH PLAN for 1st, 2nd and 3rd Year Members

Member Group: 1st Year Members Touch Plan	Member Group: 2nd Year Members Touch Plan	Member Group: Members, 3 years + Touch Plan
Member Connection to Use: • New Member Orientation • Letter from President—Thank you for joining • Offer for a 2-for-1 to upcoming event, training class, Business After Hours networking event • Mid-Year Membership Review Meeting • Recognition Opportunities (e.g., new member, profiles, press releases, article clipping, note) • Targeted e-mails and phone calls • Handwritten note cards • Discounts, coupons based on interests • Invitation for Engagement—to share info, be involved in a council, committee or task force • Special occasion cards • Annual Member VOI Survey	**Member Connections:** • Letter from President—Thank you for renewing • Mid-Year Membership Review Meeting • Targeted e-mails and phone calls • Note cards • 2nd-Year Member Breakfast • Recognition Opportunities (e.g., profiles, press releases, article clippings, notes) • Discounts, coupons based on interests • Invitation for Engagement—to share info, be involved in a council, committee or task force • Special occasion cards • Annual Member VOI Survey	**Member Connections:** • Letter from President—Thank you for renewing • Focus groups to collect info on challenges, new ideas and feedback on the Chamber • Mid-Year Survey • Recognition for loyalty (plaque, recognition in newsletter & annual dinner) • Targeted e-mails and phone calls • Note cards • Recognition Opportunities (e.g., profiles, press releases, article clippings, notes) • Invitation for Engagement—to share info, be involved in a council, committee or task force • Special occasion cards • Annual Member VOI Survey
Resources: Board members, council/committee chairs, staff, and Ambassadors	**Resources:** Board members, council/committee chairs, staff, and Ambassadors	**Resources:** Board members, council/committee chairs, staff, and Ambassadors
Description of Touches: • **Initial Touch:** Welcome phone call within first 7 days, invitation to New Member Reception, Member Value Plan, "Welcome Aboard" letter from President • **2:** 30 day call to invite member to upcoming event or New Member Reception (if member hasn't attended one), integration help • **3:** 60 day call to invite member to upcoming event • **4:** 90 day Membership Review call • **5:** Send note card & coupon for upcoming event/ training class. • **6:** Mid-Year Membership Review (phone or call) • **7:** Phone call, "How's it going?" • **8:** Offer for a 2-for-1 to upcoming event, training class, (e.g., Business After Hours) • **9:** Recognition Opportunity (member spotlight) • **10:** Phone call, "How's it going?" • **11:** Invitation to serve on committee or task force • **12:** Annual Member VOI Survey	**Description of Touches:** • **Initial Touch:** Letter from President—thank you for renewing membership, follow-up phone call • **2:** Help to develop a new Member Value Plan • **3:** Offer for a 2-for-1 to upcoming event, training class, (e.g., Business After Hours) • **4:** Mid-Year Membership Review (phone or call) • **5:** Invitation for engagement and follow up to encourage participation • **6:** Recognition Opportunity, Phone call, "How's it going?" • **7:** Special occasion card • **8:** Annual Member VOI Survey	**Description of Touches:** • **Initial Touch:** Letter from President—thank you for renewing membership, follow-up phone call • **2:** Phone call, "How's it going?", Help to Develop/ Revise Member Value Plan for next year • **3:** Mid-Year Survey or invitation to participate in focus group (% of members) • **4:** Offer for a 2-for-1 to upcoming event, training class, (e.g., Business After Hours) • **5:** Invitation to serve on committee or task force • **6:** Annual Member VOI Survey • **7:** Special occasion card

Engagement Strategies

- Create circles of engagement (in-person, virtual communities, or through social media)
- Connect members to one another via mutual interests and initiatives
  - Task forces, councils
  - Special Interest Groups (SIGS)
  - Birds-of-a-feather (Women's, YP's groups)
  - Calls to Action
  - Social media platforms
- Allow members to share best practices, solve common problems
  - Forums, panels, experts
  - Blogs, online resources
- Collect feedback from members
  - Surveys, polls, interviews, list serves
- Monitor engagement
- Run engagement reports quarterly
- Conduct outreach to low-engagers

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Ways to Make it Easy and Convenient for Members to Engage and Access Benefits

- Offer 24/7 self-service options on your web site (e.g., event registration, purchase products, access educational products/services like webcasts)
- Use multiple communication venues with members (e.g., texts, podcasts, webcasts, phone apps)
- Ensure that all your systems work (e.g., links, online registration, renewal forms, shopping cart)
- Offer ways to save members money and time (e.g., discounts, website portals and links to other resources)
- Think ahead for members by tagging them in the database for interest in specific topics and activities, and setting up automated marketing for these activities (they can happen while you're sleeping!)
- Go to members instead of waiting for them coming to you
- Provide various opportunities to engage and take advantage of benefits rather than events that happen only on a specific day or time (live, virtual, just-in-time)
- Make products/services accessible on their terms (e.g., communication, price points, use of credit cards, self-help)

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Renewal Strategies

- Conduct 6-month membership audits to touch base with members, and identify issues or challenges to address
- Make renewals automatic with credit cards/bank drafts
  - Use Automated Clearing House (or similar service)
  - Consider monthly, quarterly, or six month payment plans
- Offer early renewal incentives (e.g., expanded descriptions in the web directory or discounts)
- Highlight membership benefits with renewal notices
- Stop providing benefits with lapsed memberships
- Conduct a reinstatement campaign for dropped members

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Develop Reinstatement Campaigns

- Continue to market to past members (even if their benefits have lapsed)
- Run Lifetime Value of Members reports every six months to determine which members to target for win-back campaigns
- Contact members who have had recently dropped their memberships to see what it will take for them to rejoin
- Create a targeted list of members for a longer-term win-back campaign and focus on getting them back as members

Sample Lifetime Value of Members –Dropped Report

Lifetime Value of Membership

Friday, July 22, 2011

WebLink Connect

Dropped Members

		Join Date	Drop Date	Years as Member	Dues Revenue	Other Revenue	Total Revenue	Avg. Dues Per Year	Avg. Other Per Year	Avg. Total Per Year
19377	[redacted]	11/24/2009	05/09/2011	1.5	$28,000	$80,325	$108,325	$19,247	$55,214	$74,461
1477	[redacted]	10/16/2009	08/16/2010	0.8	$3,000	$44,612	$47,612	$3,000	$44,612	$47,612
10941	[redacted]	02/01/2001	05/01/2003	2.2	$0	$99,387	$99,387	$0	$44,293	$44,293
17478	[redacted]	03/08/2010	03/01/2011	1.0	$25,000	$14,100	$39,100	$25,000	$14,100	$39,100
1548	[redacted]	10/04/2007	08/19/2009	1.9	$10,600	$39,042	$49,642	$5,648	$20,803	$26,452
6775	[redacted]	10/24/2007	06/02/2009	1.6	$3,000	$31,678	$34,678	$1,865	$19,698	$21,563
1008	[redacted]	07/30/2007	08/10/2010	3.0	$12,500	$48,160	$60,660	$4,121	$15,879	$20,001
9087	[redacted]	01/24/2002	11/29/2001	-0.2	$0	$15,324	$15,324	$0	$15,324	$15,324
2090	[redacted]	01/03/2006	07/27/2004	-1.4	$750	$13,467	$14,217	$750	$13,467	$14,217
4116	[redacted]	02/26/1999	03/05/2002	3.0	$2,245	$36,209	$38,454	$743	$11,982	$12,725
15326	[redacted]	09/28/2001	12/04/2002	1.2	$9,955	$5,045	$15,000	$8,411	$4,263	$12,674
9200	[redacted]	06/16/1999	07/18/2001	2.1	$0	$24,285	$24,285	$0	$11,617	$11,617
21260	[redacted]	03/23/2007	09/07/2010	3.5	$30,000	$10,000	$40,000	$8,663	$2,888	$11,551
11220	[redacted]	06/20/2002	10/14/2003	1.3	$3,455	$11,435	$14,890	$2,622	$8,677	$11,299
1075	[redacted]	05/06/2008	12/23/2009	1.6	$5,250	$13,052	$18,302	$3,215	$7,993	$11,208
11798	[redacted]	03/26/2009	08/19/2010	1.4	$8,600	$6,200	$14,800	$6,143	$4,429	$10,571
8240	[redacted]	10/30/1998	09/21/2001	2.9	$0	$25,980	$25,980	$0	$8,971	$8,971
60906	[redacted]	07/22/2008	07/08/2010	2.0	$12,650	$4,498	$17,148	$6,449	$2,293	$8,742
11479	[redacted]	10/01/2007	02/03/2010	2.3	$20,000	$25	$20,025	$8,528	$11	$8,539
11045	[redacted]	03/04/2009	09/13/2010	1.5	$3,050	$10,000	$13,050	$1,995	$6,541	$8,536
17540	[redacted]	12/10/2009	02/16/2011	1.2	$10,000	$20	$10,020	$8,430	$17	$8,446
73744	[redacted]	05/15/2009	08/05/2010	1.2	$10,000	$0	$10,000	$8,166	$0	$8,166
13872	[redacted]	09/16/2008	11/11/2009	1.2	$2,188	$7,191	$9,379	$1,897	$6,234	$8,131
2723	[redacted]	06/19/2009	11/08/2010	1.4	$1,760	$8,612	$10,372	$1,267	$6,200	$7,467
19873	[redacted]	05/02/2007	07/03/2008	1.2	$4,000	$4,637	$8,637	$3,411	$3,954	$7,366
5841	[redacted]	11/12/2001	10/14/2002	0.9	$3,625	$3,715	$7,340	$3,625	$3,715	$7,340
14029	[redacted]	07/05/2007	11/19/2008	1.4	$10,000	$0	$10,000	$7,256	$0	$7,256
60926	[redacted]	07/18/2008	12/18/2009	1.4	$9,000	$1,200	$10,200	$6,342	$846	$7,187
1408	[redacted]	02/19/2002	12/04/2002	0.8	$3,500	$3,657	$7,157	$3,500	$3,657	$7,157
18495	[redacted]	04/16/2007	05/21/2008	1.1	$3,000	$4,825	$7,825	$2,731	$4,392	$7,123
11482	[redacted]	06/07/2007	07/21/2009	2.1	$10,000	$4,950	$14,950	$4,710	$2,331	$7,041
64768	[redacted]	09/18/2009	04/04/2011	1.5	$8,500	$1,620	$10,120	$5,511	$1,050	$6,561
65537	[redacted]	02/04/2008	09/23/2009	1.6	$10,000	$450	$10,450	$6,114	$275	$6,389
3887	[redacted]	03/23/2001	02/21/2002	0.9	$642	$5,695	$6,337	$642	$5,695	$6,337
13496	[redacted]	12/22/2000	12/16/2002	2.0	$671	$11,645	$12,316	$338	$5,871	$6,209
8837	[redacted]	09/12/1998	04/30/2001	2.6	$0	$16,317	$16,317	$0	$6,197	$6,197

This is Not a Retention Plan!

- A list of what we offer to members (e.g., programs, benefits, discounts, other “features” of membership)
- Pleas from Board members or other members to create guilt for delinquent members to renew
- More creative, clever or threatening letters
- Collection notices over a five month period
- Maintaining benefits for up to 6 months after memberships lapse to show them what they’ll miss if they drop

Create an Effective Retention Plan

- Similar to a strategic plan
  - Describe our current situation (environmental scan)
  - Analyze our members, trends, challenges (retention audit)
  - Collect member feedback
  - Set SMART retention goals (1 -3 years)
  - Develop strategies to achieve goals
  - Allocate resources for success
  - Implement tactics
  - Monitor outcomes

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Retention Plan Components

- Situational Analysis—*Where Are We Now?*
- Feedback: Understand Our Members' Needs—*What Insights Did We Gain?*
- Alignment: *How Do We Improve Our Retention?*
  - Retention Goals and Objectives—*What Do We Want to Accomplish?*
  - Retention Strategies and Tactics—*How Do We Accomplish Our Goals?*
  - Retention Tactic Timelines—*What Is Our Implementation Schedule?*
  - Retention Budget—*How Much Will It Cost to Implement Our Plan?*
- Track: Measure and Manage Results—*How Do We Know Our Plan Is Working?*

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How Do We Improve the Cycle?

- **Acquisition Challenges**
  - Recruit low-hanging prospects
  - Lack of a communication plan to educate and promote our brand
  - Perception on what we offer doesn't align with our prospects' interests
- **Integration Challenges**
  - New members may not connect successfully or feel like outsiders to existing cliques
  - New members don't access benefits
  - Less focus on 2nd year at-risk members
- **Engagement Challenges**
  - Members don't "play ball" and check out
  - Most members are unengaged (50 - 75%)
  - Engagement levels are not monitored
- **Renewal Challenges**
  - Process is focused very late in the cycle
  - Lapsed members' benefits are extended
  - All members are valued the same
  - Dropped members are not data-mined or selected for potential win-back campaigns

- **Acquisition Strategies**
  - Recruit for retention
  - Consistently market/communicate our brand
  - Develop effective value-propositions focused on general and unique benefits
  - Special recruiting promotions, incentives
- **Integration Strategies**
  - Implement an effective 1st and 2nd Year Member Onboarding Process
  - Reach out often and provide support to at-risk new members
  - Help new members connect and access their benefits
- **Engagement Strategies**
  - Provide multiple and diverse opportunities for members to be part of sub-communities based on interests
  - Collect feedback on a regular basis
  - Monitor engagement levels and target members with lower engagement levels
- **Renewal Strategies**
  - Implement an effective and proactive renewal process
  - Make the renewal decision easier wit h automatic plans, multiple-year memberships, incentives and online use
  - Recognize the Lifetime Value of Members
  - Stop providing benefits with lapsed memberships
  - Implement a successful win-back campaign for targeted dropped members
  - Continue to market to all past members

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Session Summary

- A retention plan is strategic, proactive, long-term and requires dedicated resources
- Integrating new members successfully is imperative to higher retention rates
- Higher levels of engagement correlate with higher retention
- The renewal process should be proactive and convenient for members
- Lost members can be cultivated to rejoin

Retention is the Key to Your Organization's Growth

"It never ceases to amaze me that companies spend millions to attract new customers (people they don't know) and spend next to nothing to keep the ones they've got. Seems to me the budgets should be reversed."

– Jeffrey Gitomer,

Customer Service is Worthless, Customer Loyalty is Priceless

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