

Increase 1st and 2nd Year Retention Rates with Successful Integration Strategies



Membership-based organizations spend a great deal of time in the Membership Life Cycle starting from the Acquisition stage all the way through the last stage of Renewal. In this month's issue, we review the different stages of the Membership Life Cycle and the typical challenges experienced, and the best practices to implement for Stage 2. Don't miss the next issue where we will explore best practices for Stage 3 to increase membership engagement.

Stage 1: Acquisition of New Members

Successful acquisition or recruitment of new members require a commitment to consistently market the organization's brand to communicate who it is and what it offers to members to create awareness and interest for prospects to join. The greater the awareness and positive brand recognition your organization has among the constituents you serve, the higher likelihood of prospects joining on their own or being receptive to marketing initiatives.

The most common challenges organizations face in this stage include:

- Lack of resources including time, staff or funds to market consistently across all mediums (e.g., direct mail, web site, social media, trade shows, community presentations)
- Inconsistent branding due to marketing initiatives, conflicting messages, reputation
- One-size-fits-all value propositions
- No sense of urgency for prospects to join
- Perception of value for membership

Stage 2: Integration of New Members

Many organizations experience their lowest retention rates with first year members and recognize the need to better integrate these members into the membership community to increase their likelihood to receive intended benefits and renew. There are numerous reasons why first year members have lower retention rates, including:

- Instant gratification tendencies not satisfied (lack of patience for results, "me" focused)
- Failure to connect with targeted audiences (didn't meet the people I wanted to meet)
- Haven't plugged into or found their "community" (e.g., like-minded interests, needs, members Who became friends)
- Lack of information or knowledge to access available resources (due to inconvenience or difficulty to access, time)
- Lack of perceived value (which is always in the eye of the member)
- Members' own business practices or capability of being successful (some businesses have higher failure rates or members have a lack of appropriate business skills)
- Loyalty to the organization has yet to be developed (loyalty takes about three years to develop and built on experiences and relationships)

Organizations with higher retention rates understand the importance of onboarding or integrating new members successfully into the membership community. Regardless of how these members are recruited, the integration process is the key to increasing overall retention rates and growing the size of the membership base.

Once new members are acquired, they try to connect or affiliate within the organization's 'community' by participating in activities, investing in opportunities or aligning their interests with other members. If they onboard successfully, they renew or re-commit their membership with the organization. If they don't integrate, lose interest, or find their expectations met elsewhere, they disassociate or defect from the organization.

Stage 3: Engagement Levels of Members

Most organizations have found a strong correlation between engagement and retention of members. Engagement is more broadly defined than "participation of events" and includes open rates of e-mails and e-newsletters, web site visits, clicking on links, responding to surveys and polls, participating in committees, councils and task forces, volunteering and connecting through social media platforms. Although tracking engagement levels of members can be difficult depending on organizational resources (e.g., time, staff, technology), the more that can be monitored and influenced, the higher likelihood of higher retention rates and member loyalty.

The most common challenges organizations face in this stage include:

- Lack of technology or resources to document, track and monitor engagement levels
- Lack of time for members to engage more due to their own resource constraints
- Member apathy or indifference
- Identifying and agreeing on the definition of engagement
- Quantifying and tracking engagement through non-registered activities or social media interactions

Stage 4: Renewal of Members

The renewal stage oftentimes reflects a quantitative measurement of how much members value the organization. Sure, some members may not renew due to factors outside of the organization's control (e.g., business failure, merger, relocation, closure), although most renewals could be influenced proactively or reactively by the organization. The number one reason most members choose not to renew is they do not see the value in the membership and their expectations were not met. The second highest reason is simply that members forgot to renew.

The most common challenges organizations face in this stage include:

- Lack of urgency by members to renew timely
- Members face resource constraints due to economic and business conditions
- Organizations are torn between terminating benefits after the renewal period or continuing to provide access to membership benefits to maintain relationships with members
- Lack of resources to manage the renewal process or to conduct outreach to non-responsive members
- Renewals based on a calendar year (January-December) catch members at a busy time of the year to remember or want to renew and may place smaller organizations in jeopardy financially if renewal revenue doesn't arrive timely.

Best Practices for Stage 2: Integration of New Members

- Implement a First-Year Member Onboarding or Integration Plan
 - *Help Members Identify Their Needs and Expectations* — identify and document the reason for joining and initial expectations of what first-year members expect to gain. This can be done through an online New Member Orientation or face-to-face. (We recommend using a Member Value Plan to walk members through membership benefits to identify what they want to leverage the first year and a New Member Integration Checklist to ensure that all components of the integration plan are executed. Samples of each of these are included in our [Member Retention Kit.](#))

- *Use a 12-Month Touch Plan — new members need targeted communication and specific actions that can be implemented with staff, volunteer resources and Customer Relationship Management technology. Dedicating resources to conduct outreach to new members, engage and connect them to other members, and ensure their initial expectations are met. (Samples of New Member Touch Plan are included in our [Member Retention Kit.](#))*
- **Reach out to new members often during the first year**
 - *Check In on a Regular Basis — plan on conducting outreach to first-year members 4 – 6 times a year, depending on your resources. An initial 30-day check-in and then quarterly ones are needed to know about their experiences, accessibility to benefits, and concerns about their membership. Develop and use call scripts to ensure that staff and volunteers communicate similar messages when making outreach calls and to Call Reports to capture outcomes if entries are to be entered into the member’s profile in the database. (Sample Call Scripts and Call Reports are included in our [Member Retention Kit.](#))*
 - *Provide Mentors for New Members — navigating membership benefits and connecting with other members can seem daunting and uncomfortable for new members. Leverage volunteer leaders, Ambassadors or other resources to provide a mentor or buddy to new members who will conduct outreach, invite them to events and introduce them to other members.*
- **Ensure that second-year members have integrated successfully**
 - *Continue to provide outreach and support to second-year members, especially if first-year initiatives were inconsistent or not entirely successful. Although they may not need the same level of support as first-year members, studies have shown that retention rates after the second-year increase significantly.*

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