

Position Player

Getting members to come back year after year depends heavily on how you position your organization. Consider these robust strategies for increasing your chamber's retention rates.

by Cathleen Hight

You experience a reality check every twelve months when you send out invoices asking members to renew their relationship with your chamber. When members send in their checks, they are affirming that membership in the chamber has a value that is equal to or exceeds the cost of their dues. Like all businesses, we work in a market-driven environment whereby customers are constantly evaluating the ROI on their investments.

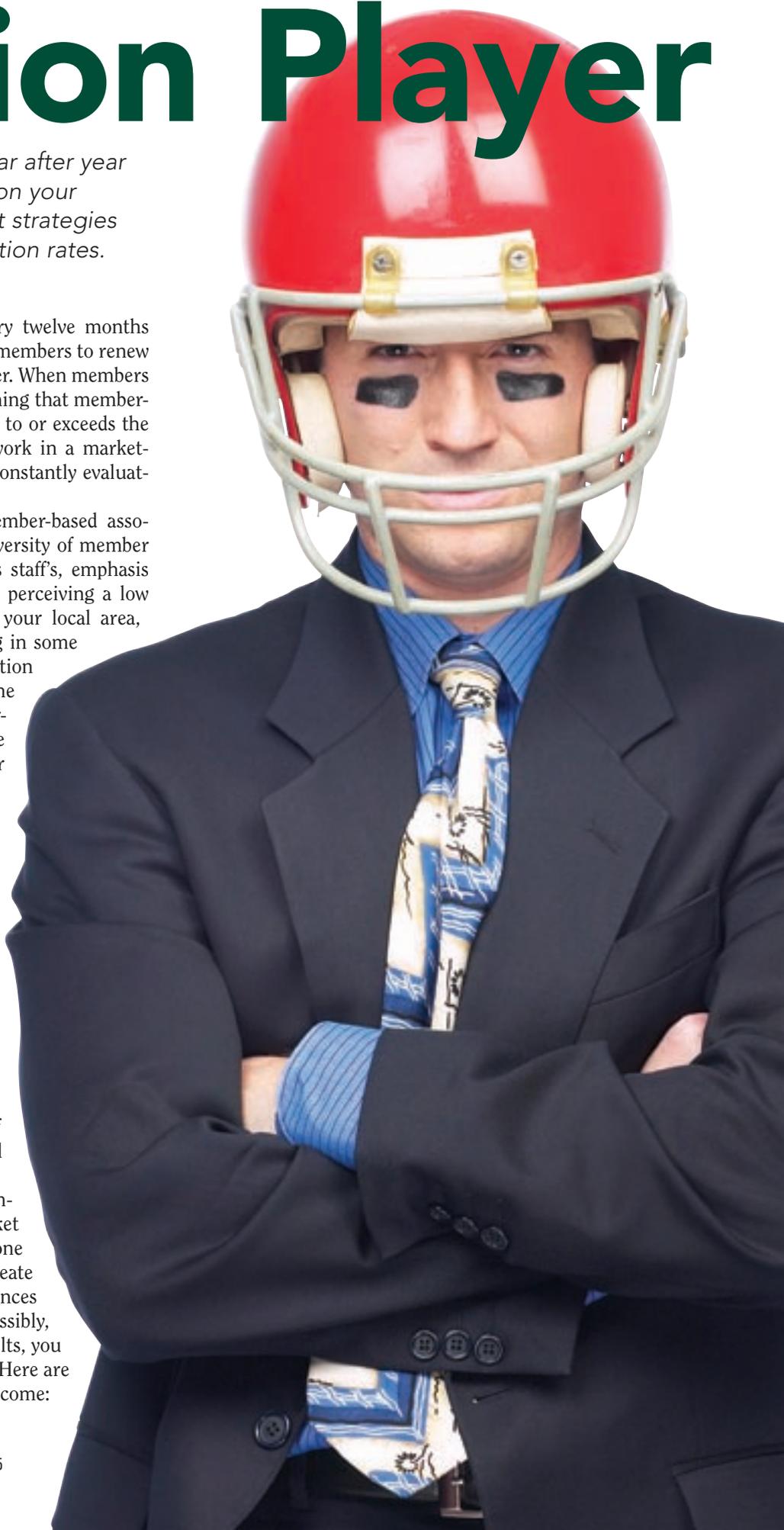
Retention is a challenge facing most member-based associations for several reasons, including the diversity of member needs, increased competition, chamber sales staff's emphasis on recruitment not retention, and members perceiving a low value for their investment. Many times, in your local area, there are many other associations competing in some way for your members. Whether the competition is for general membership, directors for the Board, chairs for committees or for sponsorship opportunities, you have to position the chamber to compete effectively with other options in the community.

So, in today's marketplace, how do you attract and retain the best members for your chamber?

Recruit for retention

In the quest for increasing membership, we focus on membership drives and recruiting as many businesses in the area as possible. The reality is that every business should not be your prospect or customer. Perhaps a potential member doesn't have the funds to join the chamber or another complains profusely about the services you offer. And yet, somehow you recruit them both anyway, hoping to convince them of the value of membership or change their initial perceptions of the chamber.

Granted, due to some uncontrollable circumstances or because your position in the market is less than favorable, you will recruit everyone you can get. But in the long-term, you create other challenges by inheriting the consequences of trying to please every member and possibly, pleasing no one. To change the retention results, you may need to change the recruiting approach. Here are three ways to recruit with retention as an outcome:



Recruit ideal members—Acknowledge that retention begins with prospecting for ideal members. How would you describe the chamber's ideal member? It may depend a great deal on what the chamber needs and the values of the organization. You can determine the characteristics of ideal members by asking the following questions:

- What characteristics do our best members possess? (e.g., commitment to the Chamber's mission, engagement level, non-dues activities, referrals, volunteer hours, sponsorship, tenure)
- What type of businesses would benefit the most from what we offer?
- Which members are the most profitable for us? (e.g., larger transactions, multiple sales, easy to accommodate, require fewer resources to manage)
- What is the demographic make-up of the business community? Is our membership base diverse and representative of the businesses in the area? If not, who should we recruit to position the Chamber as the leading business association for the area?

Use alignment to sell membership—Take time to learn as much about prospects' businesses as possible. The more you know about them, the easier it is to present a membership opportunity. After conducting initial research, be prepared to align the sale to what's important to the company or key stakeholders. You may consider the following before making your sales presentation:

- Based on the mission statement, what are the company's values?
 - What other associations do senior management join and invest in, and why?
- Based on newspaper articles and press releases, what are the company's goals, recent accomplishments and activities?
- By joining the chamber, how can the company meet its goals and play a more active role in the business community?

Know why they join—Each prospective member has a reason for joining the chamber. It's important to take the time to understand the reason behind the sale and the expectations associated with that membership. Companies may join the chamber to support its mission, promote advocacy for a healthy business environment, gain visibility for their products/services or to practice civic duty in the area in which they derive their revenue.

The reason they join the chamber and their expectations should be documented in the database to serve as a reminder for the sale. This information may be referenced prior to follow up with new members and help with integrating the new members into the chamber.

Discover member segments

As your chamber membership becomes more diverse and larger in size, it becomes harder to offer a one-size-fits-all approach. At some point, the membership should be segmented into smaller groups with more clearly defined characteristics. This allows you to review the needs of each member group and consider ways to meet their needs more effectively. You may find similar patterns and changing needs within specific member

groups that can help you understand their expectations better. Here are ways to make member segmentation work for you:

One Fish, Two Fish, Red Fish, Blue Fish—Dr. Seuss used this children's classic to highlight the concept of diversity and we can apply the analogy to managing our member base. There are fundamental differences between groups of members and their expectations can be better managed if they are better understood. Consider how retention is related to knowing the needs of each member group, embracing their diversity, learning from their ever-changing transactional patterns, and knowing what they need and when they need it. By using member segmentation, you will know when one member needs to be saved and when another is ripe for new products/services.

Use variables to segment member groups—Member segmentation requires defining variables that distinguish one group from other. Segmentation is usually based on four types of variables: geographic, demographic, psychographic, and behavioral. Examples of each type of variable are as follows:

- Geographic: Locations or branches, headquarter location, area the business serves.
- Demographic: Number of employees, industry, type of products, length of time in business, and annual revenue.

Figure 1

Member Group 1	Member Group 2	Member Group 3
Geographic		
Boulder City (HQ) Local traffic	Lafayette (HQ) Local traffic	Longmont (HQ) National
Demographic		
<10 employees Service <2 years in business <\$150K	11 – 20 employees Retail 3-5 years in business \$250 - \$350K	250 – 400 employees Pharmaceutical 15 years in business \$100M
Psychographic		
Socially responsible Stable	Innovative Creative	Innovative Socially responsible
Behavioral		
Sponsorship: \$0 Referrals: 1/yr Associations: None Activities: BAH	Sponsorship: \$500 Referrals: 2/yr Associations: Retail Merchants, Old Town Lafayette Activities: BWLG, Executive Exchange	Sponsorship: \$5K Referrals: none Associations: Longmont Chamber, Boulder Manufacturing Council Activities: Esprit dinner, annual dinner, Boulder Economic Council

Strategies for Increasing Member Involvement

The strategies below highlight ways to create an environment that invites member involvement. The items listed may not seem new but the approach must be developed from the members' perspective.

Key Strategy	Member-focused Approach
Prospective to New: Recruiting	
Promotional Material (print or electronic)	<ul style="list-style-type: none"> first point of contact draft from <i>prospect's/member's point of view</i> introduce concept of members as citizens share correlation of involvement to achieving goals
Personal Contact (member/staff-get-a-member)	<ul style="list-style-type: none"> ensure standard message used by all focus on prospect's goals or needs relate how involvement will help achieve them highlight value of citizenship (e.g. community, connections, etc.)
Organization's Products	<ul style="list-style-type: none"> timeless value for casual reference be strategic in dedicating space to membership message reinforce message from the readers' point of view
New/Inactive to Participant: Orienting	
On-site Orientation Session	transform from presentation into guided pathway [sample outline of member-centered approach available by contacting info@cealweb.com].
Personal Contact/ Ambassador Program	<ul style="list-style-type: none"> ensure standard message shared at session are reinforced remind members of relationship between involvement and goal achievement
Print Materials	<ul style="list-style-type: none"> another timeless reference (until the piece is destroyed) extend invitation for involvement from defining roles to defining outcomes from involvement ("how will it help me achieve my goals while I am helping my organization?")
Participant to Volunteer: Involving – Securing Commitment	
Selective Volunteer Recruitment	<ul style="list-style-type: none"> match type of involvement to most relevant activity or task that will help achieve members' goals suggest type of involvement that meets members' current lifestyle as step toward building commitment for more later
Targeted Training	<ul style="list-style-type: none"> offer training (skill development) for tasks requiring unique leadership skills remind members of ability to easily adapt what has been learned while volunteering to other environments
Tools and Templates	<ul style="list-style-type: none"> guidelines and tips often strengthen confidence of volunteers saves them time from having to take that step on their own reinforces message that the organization values their contribution
Volunteer to Leader: Involving – Generating Ownership	
Board/Committee Training (personal leadership and organizational skills training)	<ul style="list-style-type: none"> enlightens members on organizational management and governance issues strengthens leadership skills toward achieving high performance reinforces message organization is about developing potential
Mentoring	<ul style="list-style-type: none"> helps guide those requiring more one-on-one support provides opportunity for talented past leaders to contribute
Tools and Templates	<ul style="list-style-type: none"> same as above ensures some level of consistency from one leadership term to the next
Leader to Past Leader Involvement – Modeling Citizenship	
Mentor Training	taps valuable expertise from past leaders who might drift away lacking a substantive opportunity to contribute

Source: Patricia A. Hudson, MPsSc, CAE and James R. Hudson, Ph.D.

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- Psychographic: Cutting edge, high tech, socially responsible, stable, strong, innovative and creative.
- Behavioral: Buying habits and patterns such as activities, sponsorships, referrals, and memberships in other associations. Includes reasons for purchases, frequency, seasonality, and amount purchased.

Decide on the common variables you will use to describe members. Then, using similar variables, create different categories of members that are differentiated into specific groups. To limit the number of member groups, you may decide to make specific demographic variables the main category definer. The chart in *Figure 1* depicts some sample member groups using the four different types of variables.

Programs, services, and needs—Needs within each member group may change over time. It's important to learn and understand your members' current needs and expectations. Make a commitment to collect feedback annually from members on chamber programs and services, organizational effectiveness, new ideas, and areas for improvement. Review the results by member groups, conduct additional interviews or focus groups to gain additional insights, and make the necessary adjustments for going forward. Don't be afraid to sacrifice the sacred cows, or long-term favorites of a few members, if it the changes are best for the overall membership.

Manage members-at-risk—Although it's important to manage all of your relationships, it's critical that you are aware of those members who have a higher risk for attrition. High attrition rates may result from factors such as low engagement or activity level,

unresolved complaints, headquarters are out-of-state, or other factors you know affect your churn rates. Determine the most common risk factors, use a one to four or similar scale with one being the lowest and four being the highest, and create risk level categories. Assign the risk level for each member and manage those with risk levels of three and four more closely.

Forecast future needs

Unfortunately, it's not enough to give members only what they need. Sometimes, our members may not know or have difficulty communicating what they need. We ask for their feedback and we may get too much from some members and none from others. We have to consider the future needs of the overall business community and for our members—current and potential. As chambers of commerce, we have to be *thought leaders*—visionaries and architects of the future. Here are three ways to practice being a *thought leader* for your members and community:

Explore scenario planning—Scenario planning is a creative process that analyzes micro and macro trends, key driving forces and possible scenarios for a business over the next 10 years. It helps identify impending threats, new opportunities and forecast member and organizational needs. Based on the outcomes of the preliminary process, the planning team designs four probable futures, considers strategic choices and sets a strategic direction for the organization. Imagine designing your chamber for the year 2015.

Give members a mini-van—When Ford polled its customers and asked about their interest in a new concept vehicle—the



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*Nancy Pool, President
Halifax County Chamber of Commerce
Halifax County, Virginia*

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minivan—customers indicated they wouldn't buy it. So, Ford abandoned the design, which was then picked up and launched by Chrysler. The minivan was a phenomenal success and Ford learned that sometimes, it's best to give customers a minivan. Consider offering new products/services that would enhance your members' profitability, their ability to compete in the market, and make conducting business with the chamber an enjoyable experience.

Benchmark against the best-in-class—Explore benchmarking as a tool to make quantum leaps in developing or selecting new services and to improve operational processes. Best practices in benchmarking start with identifying specific areas for improvement such as registration for events, recruiting or retention practices, or managing member intelligence. Then, you select benchmarking partners—competitive ones like other chambers in the country and comparative ones, which are other types of businesses or companies—who are considered the best in the areas you want to improve. When senior management at Motorola was looking to improve the design and order fulfillment for their pagers, they selected Seiko, BIC (pens), L.L. Bean and Benetton as their benchmarking partners. Seiko and BIC shared their expertise in using robotics for precision manufacturing. L.L. Bean, with a 99 percent order fulfillment success rate, shared its warehousing and *picking* strategies. Benetton challenged why Motorola only made black pagers and didn't offer customers choices. From that advice, Motorola started manufacturing pagers in different colors and created accessories as additional products.

You can learn new ideas and ways of approaching challenges from those outside of the chamber arena.

Get a game plan

Managing retention is a lot like playing football. It requires a game plan with several strategies—for both offensive and defensive plays. Consistent practice, hard work and discipline pay off. Alignment is critical for the owners, coaches, and players. Each strategy is tested during every game, and course corrections are made during and after the game. Open-loop communication allows feedback from the team and key stakeholders.

Retention is serious business and each chamber needs a game plan. Every position must perform well and the staff must work together as one team. They must play to win—to attract and retain the best members. The strategies should be refined over time using valuable feedback from all key stakeholders, including members. It's never too late to plan for successful outcomes and long-term results. ☐

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