

# The Membership Life Cycle Starts with Smart Recruiting



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 explore the different stages of the Membership Life Cycle and the typical challenges experienced, and the best practices to implement for Stage 1. Don't miss the September issue where we will explore best practices for Stage 2 to integrate new members successfully.

## 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 1: Acquisition of New Members**

- Recruit for retention
  - *Recognize Your Target Market* — not all prospects should be members and the more narrow or specific the target market, the more accessible and receptive those prospects will be to joining the organization.
  - *Identify Ideal Members* — know the specific variables of members who are more likely to stay and value the benefits of membership.

- Maintain and implement a consistent marketing communication plan
  - *External Plan* — for various constituency groups you represent and the media that communicates the organization, unique value proposition, its strategic direction and accomplishments.
  - *Internal Plan* — for members that do the same as above to keep them abreast of the organization's direction and outcomes (members often recruit others!)
- Manage a positive brand identity proactively and reactively
  - *Audit Brand Identity Periodically* — get a pulse on the image and perceptions of the organization through surveys, focus groups and interviews to ensure that communication plans are interpreted as planned.
  - *Manage Poor or Ineffective Brand Interactions* — respond to incidents or misperceptions as quickly as possible to correct, inform or educate constituents on organizational perspectives or intentions.
- Leverage effective value-propositions focused on benefits, not features
  - *Features are the “what” and benefits are the “WIIFM” (What’s in it for Me?)—Networking events are features and new lead generation, exposure or specific tangible outcomes are benefits. Benefits are identified and communicated by the beholder in their language, not ours.*
  - *General Value Propositions* — promote the values or benefits all members receive from the organization stated in language understood by all constituents.
  - *Unique Value Propositions* — promote the values or benefits specific members receive in a language that mirrors how the constituents communicate or what really matters to them. UVP messages may be different from group to group to be interpreted and received effectively.
- Offer special promotions or incentives to join
  - *Different Prospects, Different Needs* — create different promotions to attract new prospects based on their interests or needs such as free admission to an event, advertising opportunity, or a first-year or multiple year membership discount.
- Provide incentives to current members to recruit new members
  - *Birds of a Feather Flock Together* — many great current members will recruit other associates with similar values which create stronger communities and these prospects are more likely to stay with established relationships in place.
  - *Bottom-Line Mindsets Create Self-Gratification Proactiveness* — some members like the thought of receiving incentives from recruiting new members or reducing their own membership costs if such incentives are offered. Of course, this can also create the wrong reasons for recruiting prospects and should be managed appropriately.

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