

20 Membership Marketing

09 Benchmarking Survey Report

SURVEY CONDUCTED BY: **Marketing General Inc.**

UNDER THE SUPERVISION OF: **Adina Wasserman, PhD,**
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Survey Objective

The study was designed to gain insight into the tactics and strategies that organizations use to recruit new members, engage new members, renew existing members and reinstate former members and to understand which tactics correlate with higher new member input, renewal rates, and overall membership growth. Knowing the answers to these questions helps build an efficient and effective membership marketing arsenal.

Methodology

The Membership Marketing survey was launched online March 23, 2009, and was left open to respondents for about one month, until April 17, 2009. More than 500 association professionals responded to the survey and supplied data from their organization experiences.

As with all surveys, respondents may choose to skip over some questions and answer others. Not all respondents in this survey answered every question, resulting in smaller bases for some of the questions. However, even with a lowered base, the average sample size per question is about 350. With a sample of this size, the margin of error is approximately $\pm 5\%$. What does this mean? Since it is impossible to survey the entire universe, in this case of association executives, statisticians use a random sample to estimate the population parameter, by generalizing the results of the sample to the larger group as a whole. The margin of error, or standard error, is a statistical term used to measure the random fluctuations inherent in samples; the smaller the standard error, the more accurate the measurement of the population, or universe.

This study's significance level of .05 carries with it a 95% confidence interval, meaning that if we were to conduct this study 100 times, the same results, plus or minus the margin of error, would occur 95 out of 100 times. The confidence interval is established as the likelihood, not due to chance, of achieving the same results in a similar study.

Response Rate

The survey invitation was sent to 3,338 possible respondents, all of whom are association executives. Initial response from 599 individuals puts the response rate at approximately 18%.

Executive Summary

In the spring of 2009, Marketing General, Inc. (MGI) launched a survey designed to gain insight into the tactics and strategies that associations use to recruit members, engage new members, renew existing members, and reinstate former members. The goal was to better understand what tactics correlate with higher new member input, better renewal rates, and overall membership growth.

More than 500 association professionals participated in the survey and shared their associations' information and experiences. Some of the key findings included the following:

- Most associations report continued membership growth.
- Direct mail is the most effective channel for recruiting new members.
- Giving a first-year dues discount is the most effective membership recruitment incentive.
- A highly personal approach to new member on-boarding might help new members stay.
- Continuing renewal contacts and services may improve renewal rates.

1. Most associations report continued membership growth

Is membership growth a possibility even in today's economy? Our membership marketing benchmarking data would indicate that it is.

Over the past year, 46% of associations are reporting that they have seen their total membership grow, while 16% have remained the same and 35% have seen a decline in membership numbers. The numbers show a stronger picture when looked at over the past five years. During this time period, 60% of respondents reported growth. And 26% of the associations had membership growth of over 10%. At the same time, 8% reported no change and 26% reported a decline.

In addition to seeing strong growth in overall membership, the data indicates that new member input has also been strong over the past year with 54% reporting an increase in new member input, while 22% have seen a decline and 24% have remained the same.

2. Direct mail is the most effective channel for recruiting new members

It is not as hot as some marketing topics like social networking or viral marketing; but based on responses from our survey, direct mail still tops the list with respondents saying it is one of the top two channels attracting the most new members.

Here are the channels that were rated as the top two performers to recruit new members.

| | |
|------------------------------|-----|
| Direct Mail | 46% |
| Member get a Member and WOMM | 32% |
| Email | 24% |
| Promotion at Own Conference | 15% |
| Personal Sales | 11% |

Of note also is that associations who use direct mail as a recruitment channel also are more likely to report membership renewal rates of over 80% compared to those who do not.

The following channels registered at less than one percent on most effective: Paid Search Advertising, Online Ads, Public Relations, Social Networking, and Print Ads.

Of the respondents who reported using social media to recruit new members, 26.8% of those who used it reported a decline in new member acquisition compared to just 21% reporting a decline from all respondents. These groups also reported a higher likelihood to have renewal rates under 80%.

Why might some of the more passive channels be reported as less effective? Membership is what marketers call a "push" product. A push product must be proactively sold. So it is not surprising that highly targetable, proactive, and direct to customer methods are rated as the best channels for recruiting new members from this research.

3. Giving a first year dues discount is the most effective membership recruitment incentive

In direct marketing there are three traditional keys to success: list, offer, and copy. A good promotion, for example, should include some type of offer to highlight why the prospect needs to respond now.

So in our survey, we asked what recruitment offer was most effective in getting the most new members. We also cross tabulated the answers with renewal rates.

Respondents reported that the best recruitment offer was a “discount on first year dues.” This did not come as a surprise, because MGI membership marketing tests have regularly shown a discount as effective for variety of organizations.

But here is a surprise. Some marketers reject using a discount because they fear it might hurt long term renewal rates. However, the research results seem to show something else. Of those who reported offering a new member dues discount, 75% had renewal rates of over 80% and 25% under 80%. This outperformed the overall respondent base with 68% having renewal rates over 80%. In other words, new member discounts actually correlate with higher membership renewals.

4. A highly personal approach to new member on boarding might help retain new members

We also asked in the survey for a list of all the communications methods that were in use to engage or onboard new members. Here are the top ten as reported by survey respondents starting with the most used.

1. Mailed Welcome Kit
2. Email Welcome
3. Membership Card or Certificate
4. Volunteer or Staff Welcome Call
5. Invite to Chapter Meeting
6. New Member Survey
7. In Person New Member Reception
8. Special Discounts on purchases
9. Custom New Member Email Follow-Up
10. New Member Newsletter

In addition to the methods used most, some of these engagement techniques also correlated with organizations that reported higher renew rates in the survey.

The methods that correlate with higher renewals are what I would call “high touch” contacts and include mailed welcome kits, volunteer or staff welcome calls, new member surveys, and a new member reception. Sending a membership card or certificate did not correlate with higher renewal rates.

Methods that were very rarely used to engage new members were telemarketing welcome calls, early bird or “At Birth” renewals, and using a custom new member renewal series.

5. Continuing renewal contacts and services may improve renewal rates

Over the past year, nearly a third of associations (31%) reported that renewal rates had declined. But we also wanted to try and identify what practices might lead to better renewal rates.

So in the survey, we asked “when does your organization finish renewal efforts” by months from expiration. We then cross tabulated this against their reported membership renewal rates.

The data appears to indicate that organizations that stop their renewal process earlier are more likely to have membership renewal rates under 80%. However, those that continue in their efforts to renew members are more likely to have membership renewal rates over 80%.

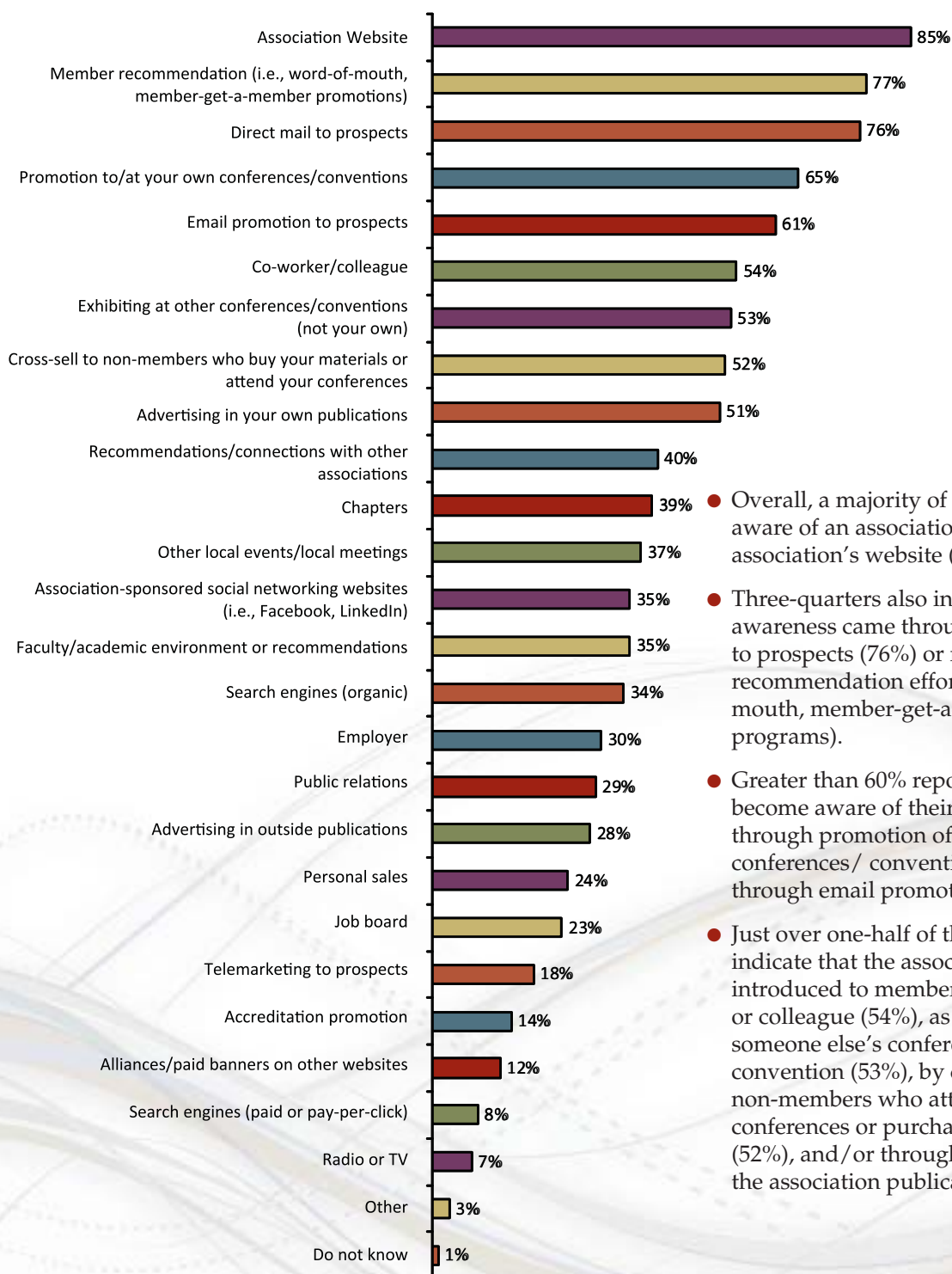
In fact, those who say that they “don’t stop contact” are 83% more likely to be in this higher renewal grouping than those who stop contact earlier.

Using the same cross tabulation, this trend also appears to be true when we asked in the survey how long a member is “graced” with the continuance of membership benefits after expiration. Organizations with longer grace periods tended to report renewal rates of over 80%. In fact, groups that grace member benefits three or more months are nearly three times more likely to have renewal rates over 80%.

In conclusion, we would like to add one note of caution to this research. Within the constraints of our methodology, the data reported here is statistically valid. However, the results of the analysis show correlations, not predictions. For example, because respondents say that direct mail is the “most effective” channel to get new members that does not mean that it will be the most effective for every association. Likewise, because respondents who extended renewal efforts were more likely to have better renewal rates, one should not conclude that this will be the outcome for any association that does the same.

This research can best be used to compare ones organization with others and to identify possible new membership marketing directions to be reviewed and tested.

How do PROSPECTIVE MEMBERS learn about or become aware of your association? (N=599)



● Overall, a majority of members become aware of an association through the association's website (85%).

● Three-quarters also indicate member awareness came through direct mail to prospects (76%) or member recommendation efforts (word-of-mouth, member-get-a-member programs).

● Greater than 60% report that members become aware of their association through promotion of or at their own conferences/ conventions (65%) and/or through email promotions (61%).

● Just over one-half of the respondents indicate that the association was introduced to members via a co-worker or colleague (54%), as an exhibitor at someone else's conference or convention (53%), by cross-selling to non-members who attend their conferences or purchase their materials (52%), and/or through advertising in the association publications (51%).

Statistically significant differences are seen in specific areas with regard to how members **BECOME AWARE** of an association.

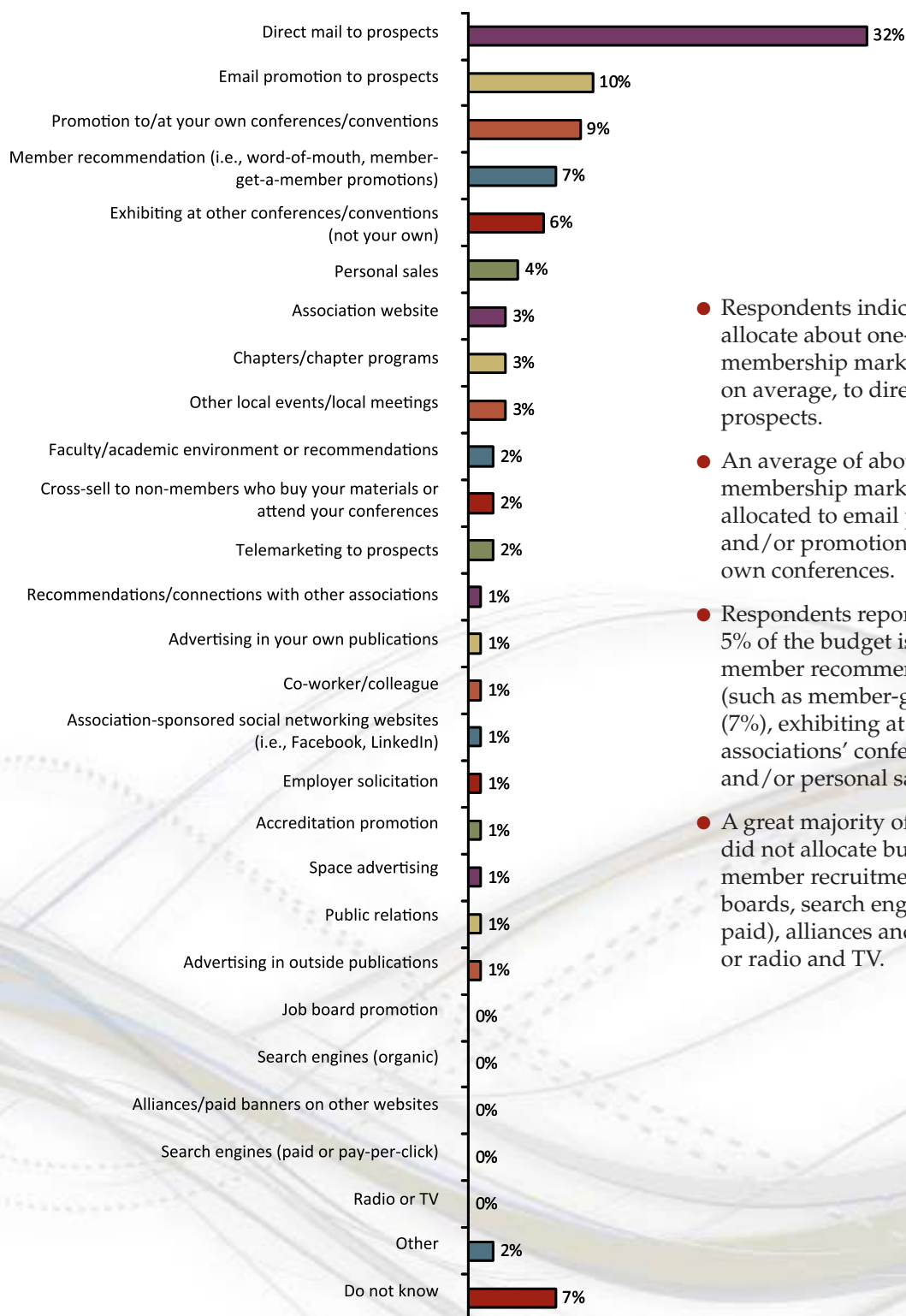
| | Renewal Rate Under 80% (N=101) | Renewal Rate 80% and Up (N=220) |
|--|--------------------------------------|---------------------------------------|
| Direct mail to prospects | 72% | 81% |
| Association Website | 86% | 91% |
| Alliances/paid banners on others' Websites | 19% | 10% |
| Association-sponsored social networking sites (i.e., LinkedIn, Facebook) | 46% | 33% |

- With regard to renewal rates, associations with higher renewal rates (80% and higher) focus more on direct mail and their association website and less on other web-based tactics such as alliances or paid banner ads, and/or association-sponsored social networking sites.

| | Percentage Change in Total Membership Over Last Year | | |
|--|--|-------------|--------------|
| | Up (N=151) | Same (N=51) | Down (N=116) |
| Email promotion to prospects | 64% | 47% | 53% |
| Cross-sell to non-members at conference/who purchase | 59% | 51% | 47% |
| Employer | 41% | 29% | 17% |
| Chapters | 46% | 29% | 36% |
| Personal Sales | 21% | 16% | 27% |

- Associations showing overall growth in membership the past year show significant differences in how their members become aware of the organization, with increased emphasis on email promotions and cross-selling to prospects that purchase materials or attend conferences, and through leveraging the power of employer and chapter connections.
- Associations showing a downturn in membership numbers put a greater emphasis on personal sales than did other associations.

Over the course of a year, as a percentage, how do you allocate your **MEMBERSHIP MARKETING DOLLARS** to acquire new members? (N=599)



- Respondents indicate they allocate about one-third of their membership marketing budget, on average, to direct mail to prospects.
- An average of about 10% of the membership marketing budget is allocated to email promotions and/or promotion to or at their own conferences.
- Respondents report that around 5% of the budget is used for member recommendation efforts (such as member-get-a-member) (7%), exhibiting at other associations' conferences (6%), and/or personal sales (4%).
- A great majority of associations did not allocate budget money for member recruitment through job boards, search engines (organic or paid), alliances and web banners, or radio and TV.

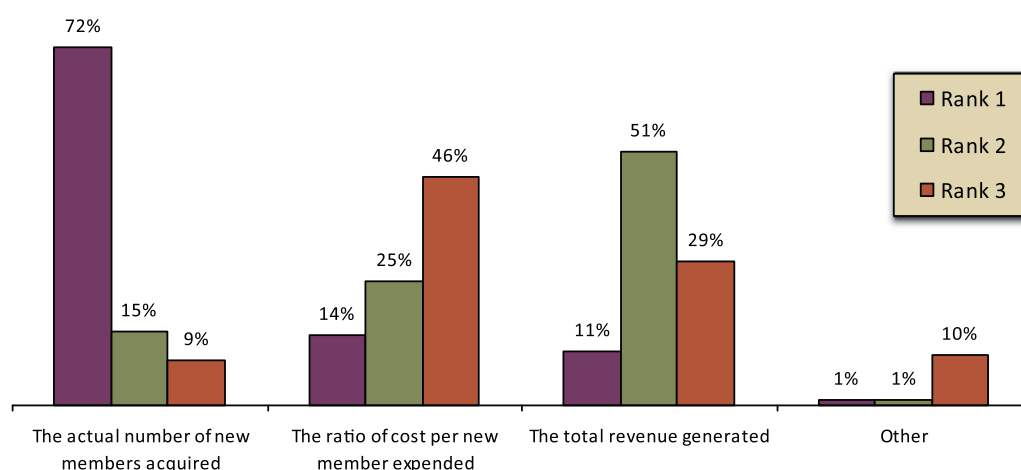
Allocation of MEMBERSHIP ACQUISITION Marketing Budgets

The table below illustrates the breakdown by media of spending on membership acquisition. A majority of respondents allocate at least some portion of their member marketing budget toward direct mail, promotion at/to their own conferences, and email promotions.

| Allocation of Membership Acquisition Marketing Budgets | | | | | | | | | | |
|--|-----|----|-------|-------|--------|---------|---------|---------|---------|----------|
| (N=387) | 0% | 1% | 2%-3% | 4%-5% | 6%-10% | 11%-15% | 16%-20% | 21%-50% | 51%-75% | 76%-100% |
| Direct mail to prospects | 26% | 0% | 1% | 3% | 7% | 4% | 7% | 28% | 13% | 11% |
| Promotion to/at your own conference | 41% | 2% | 4% | 14% | 17% | 7% | 5% | 7% | 2% | 1% |
| Email promotion to prospects | 47% | 1% | 2% | 10% | 17% | 4% | 7% | 10% | 1% | 2% |
| Exhibiting/promoting at other conferences | 55% | 2% | 3% | 12% | 11% | 3% | 6% | 7% | 0% | 0% |
| Member recommendation (word-of-mouth, member-get-a-member) | 56% | 2% | 2% | 11% | 10% | 4% | 7% | 7% | 1% | 1% |
| Association Website | 71% | 1% | 2% | 11% | 8% | 1% | 4% | 3% | 0% | 0% |
| Chapter programs | 75% | 1% | 2% | 7% | 6% | 1% | 5% | 2% | 1% | 0% |
| Local events/meetings | 78% | 1% | 0% | 8% | 7% | 1% | 2% | 2% | 1% | 0% |
| Cross-sell to non-members who buy materials, attend conferences | 78% | 1% | 3% | 9% | 8% | 1% | 1% | 1% | 0% | 0% |
| Faculty/academic environment or recommendations | 84% | 2% | 2% | 5% | 4% | 1% | 1% | 2% | 0% | 0% |
| Telemarketing to prospects | 86% | 1% | 2% | 4% | 3% | 2% | 2% | 1% | 1% | 0% |
| Personal sales | 86% | 1% | 0% | 3% | 2% | 1% | 2% | 5% | 2% | 0% |
| Association-sponsored social networking sites (Facebook, LinkedIn) | 86% | 3% | 2% | 5% | 3% | 1% | 0% | 0% | 0% | 0% |
| Advertising in your own publications | 86% | 2% | 2% | 6% | 3% | 0% | 1% | 1% | 0% | 0% |
| Space advertising | 89% | 2% | 1% | 4% | 3% | 0% | 1% | 0% | 0% | 0% |
| Job board promotion | 92% | 2% | 1% | 3% | 2% | 0% | 0% | 0% | 0% | 0% |
| Advertising in outside publications | 92% | 1% | 2% | 3% | 1% | 0% | 1% | 1% | 0% | 0% |
| Co-worker/colleague | 92% | 2% | 0% | 3% | 2% | 0% | 1% | 1% | 0% | 0% |
| Employer solicitation | 93% | 1% | 1% | 3% | 1% | 0% | 0% | 1% | 0% | 0% |
| Public relations | 93% | 0% | 2% | 2% | 1% | 0% | 1% | 1% | 0% | 1% |
| Recommendations/connections with other associations | 93% | 1% | 1% | 3% | 1% | 0% | 0% | 1% | 0% | 0% |
| Accreditation promotion | 94% | 1% | 1% | 3% | 1% | 1% | 1% | 0% | 0% | 0% |
| Search engines (organic) | 96% | 1% | 1% | 1% | 1% | 0% | 0% | 0% | 0% | 0% |
| Search engines (paid or pay-per-click) | 96% | 1% | 1% | 1% | 1% | 0% | 0% | 0% | 0% | 0% |
| Radio or TV | 97% | 0% | 1% | 1% | 1% | 0% | 0% | 1% | 0% | 0% |
| Alliances | 98% | 0% | 0% | 1% | 0% | 0% | 0% | 0% | 0% | 0% |

There are several definitions of “EFFECTIVE” that apply when evaluating a recruitment marketing channel to acquire new members. How would you rank these definitions, based on how you decide if a recruitment channel is effective? (N=360)

- 72% of associations are most likely to consider a marketing channel effective based on the actual number of new members acquired. The second most used definition of “effective” is the total revenue generated by the marketing channel used.



Associations with higher renewal rates and increases in total membership tend to define “EFFECTIVE” based on the actual number of new members acquired.

- Associations with renewal rates of 80% or higher are significantly more likely to define a recruitment channel as effective based on the actual numbers of new members acquired, compared to those with less than 80% renewal rates (75% vs. 62%).
- Associations with less than 80% renewal rates are significantly more likely to define a marketing plan as effective based on the cost-ratio per new member (21% vs. 11%).
- Associations whose percentage in total membership increased over the past year are significantly more likely to consider a marketing channel effective based on the actual number of new members acquired (76%), compared to those whose total percentage of members remained unchanged (70%) or declined (66%).
- Associations whose percentage of new members declined over the past year are significantly more likely to define a marketing program as effective based on the cost-ratio per member acquired (29%), compared to only 10% of associations whose percentage of new members has increased or remained the same.
- Not surprisingly, associations that put a higher priority on acquisition over retention are significantly more likely to consider a marketing campaign effective based on the actual number of new members (88%), compared to only about 68% of associations whose priority is retention or is equally weighted between acquisition and retention.

Based on the definition that you ranked as the most “EFFECTIVE” in evaluating a marketing channel for recruiting new members, which channels would you rank as the top two MOST effective channels?

| Channel (N=363) | Overall | Actual Number of New Members | Cost-Ratio Per New Member | Total Revenue Generated |
|--|---------|------------------------------|---------------------------|-------------------------|
| Direct mail to prospects | 46% | 47% | 47% | 42% |
| Member recommendation (word-of-mouth, member-get-a-member) | 32% | 34% | 25% | 29% |
| Email promotion to prospects | 24% | 21% | 31% | 39% |
| Promotion to/at your own conference | 15% | 16% | 14% | 10% |
| Personal sales | 11% | 10% | 6% | 17% |
| Exhibiting/promoting at other conferences | 9% | 8% | 14% | 10% |
| Chapter programs | 8% | 9% | 4% | 2% |
| Co-worker/colleague | 6% | 6% | 0% | 7% |
| Cross-sell to non-members who buy materials, attend conferences | 6% | 5% | 10% | 0% |
| Association Website | 5% | 4% | 10% | 2% |
| Local events/meetings | 4% | 4% | 0% | 5% |
| Faculty/academic environment or recommendations | 4% | 5% | 4% | 2% |
| Telemarketing to prospects | 4% | 3% | 4% | 7% |
| Advertising in your own publications | 3% | 4% | 2% | 5% |
| Employer solicitation | 3% | 3% | 4% | 2% |
| Recommendations/connections with other associations | 3% | 2% | 6% | 2% |
| Accreditation promotion | 2% | 2% | 0% | 2% |
| Search engines (organic) | 1% | 1% | 2% | 0% |
| Public relations | 1% | 1% | 0% | 0% |
| Radio or TV | 1% | 0% | 0% | 2% |
| Association-sponsored social networking sites (Facebook, LinkedIn) | 0% | 0% | 0% | 0% |
| Advertising in outside publications | 0% | 0% | 0% | 0% |
| Job board promotion | 0% | 0% | 0% | 0% |
| Space advertising | 0% | 0% | 0% | 0% |
| Search engines (paid or pay-per-click) | 0% | 0% | 0% | 0% |
| Alliances | 0% | 0% | 0% | 0% |

- Regardless of the definition of effective most often used by an association, three membership marketing channels are considered the most effective by respondents: direct mail to prospects (46%), member recommendation (32%), and email promotion to prospects (24%).

- Noticeable, however, are the differences in how often these three are ranked as one of the two most effective methods based on an association's definition of "effective."

- Associations defining "effective" as the actual number of new members are more likely to indicate that member

recommendations are one of the two most effective (34%), compared to those defining "effective" as total revenue (29%) or cost-ratio per member (25%).

- Associations defining "effective" as total revenue generated are more likely to rank email promotions to prospects in the top two (39%) compared to those using actual number of new members (21%) or cost-ratio per member (31%) as the definition of "effective."

- Overall, about 15% of associations consider promotion to/at their own conference to be an effective marketing channel, with a greater percentage of those defining

"effective" as the actual number of new members ranking this as one of the top two most effective channels.

- Close to 10% of associations also report that personal sales (11%) and exhibiting/promoting at other associations' conferences (9%) are two of the most effective membership marketing channels.

- Personal sales is ranked more often in the top two by those defining "effective" as the total revenue generated, whereas exhibiting at other associations' conferences is ranked among the top two more often for those using cost-ratio per member as their definition of "effective."

| Channel | Actual Number of New Members | | Ratio of Cost Per New Member | | Total Revenue Generated | |
|--|------------------------------|--------|------------------------------|--------|-------------------------|--------|
| | Rank 1 | Rank 2 | Rank 1 | Rank 2 | Rank 1 | Rank 2 |
| (N=363) | | | | | | |
| Direct mail to prospects | 32% | 15% | 43% | 4% | 20% | 22% |
| Member recommendation (word-of-mouth, member-get-a-member) | 19% | 15% | 16% | 8% | 17% | 12% |
| Email promotion to prospects | 9% | 12% | 12% | 18% | 22% | 17% |
| Promotion to/at your own conference | 6% | 10% | 8% | 6% | 3% | 7% |
| Personal sales | 6% | 4% | 2% | 4% | 17% | 0% |
| Exhibiting/promoting at other conferences | 2% | 6% | 0% | 14% | 5% | 5% |

- Looking at the table breakdown above, we can see that direct mail is most often ranked first in effectiveness by associations using cost-ratio as their measure (43%) or the number of new members acquired (32%).
- Associations defining "effective" as the total amount of revenue generated are significantly more likely to rank email promotion as the most effective marketing strategy (22%). This group is also more likely to consider personal sales one of the most effective methods of member marketing (17%). These percentages are significantly higher compared to those using the definition based on actual number of new members, which is used more often by associations that are growing and retaining more members.

How often do you use the following special recruitment **INCENTIVES** to acquire new members?

| Special Recruitment Incentives | | | | | | |
|--|----------|--------------------|------------------------|----------------------|----------------------|---------------|
| (N=320) | Never 0% | Not often (1%-20%) | Occasionally (21%-50%) | Frequently (51%-80%) | Very often (81%-99%) | Always (100%) |
| Conference or convention discount | 29% | 11% | 13% | 9% | 10% | 28% |
| Dues discount for first year | 38% | 11% | 13% | 7% | 11% | 20% |
| Member referral incentives (given to member) | 44% | 23% | 11% | 8% | 6% | 9% |
| Product discount, coupons or vouchers | 44% | 16% | 17% | 8% | 6% | 8% |
| Drawings or contests | 52% | 19% | 18% | 7% | 3% | 2% |
| Free gifts or premiums | 54% | 16% | 15% | 10% | 4% | 3% |
| Online registration discount | 63% | 8% | 10% | 7% | 5% | 8% |
| Free Trial | 66% | 18% | 8% | 4% | 2% | 2% |
| Multiple year dues discount | 68% | 8% | 7% | 2% | 3% | 12% |
| No risk, dues back guarantee (refundable dues) | 82% | 8% | 3% | 1% | 2% | 5% |
| Other | 41% | 14% | 0% | 17% | 14% | 14% |
| No special offers | 51% | 16% | 9% | 6% | 11% | 6% |

- A majority of associations indicate that they use conference or convention discounts, dues discounts for the first year, member referral incentives and/or product discounts, coupons, or vouchers as special recruitment incentives in acquiring new members.
- Close to 40% of associations indicate that they use conference discounts very often or always in their marketing incentives for new members, and about 30% use first-year dues discounts more than 80% of the time as well.
- About one-third of the associations report that while member incentives and product discounts, coupons, or vouchers are part of their new member recruitment efforts, they use them less than 50% of the time.

Associations with higher renewal rates tend to offer **FIRST-YEAR DISCOUNTS**, but not multiple-year discounts.

- Of the associations reporting over 80% renewal rates, about one-quarter use first-year member discounts 100% of the time, compared to associations with renewal rates under 80% in which only 10% offer first-year discounts 100% of the time.
- Smaller associations (up to 5,000 members) are significantly more likely to always offer first-year member discounts as well.
- Associations with over 80% renewal rates are significantly less likely to offer multiple-year discounts, compared to associations with less than 80% renewal rates.

Associations with lower renewal rates or declines in overall membership use product or conference discounts, free gifts or premiums or no risk guarantees significantly **MORE FREQUENTLY** than their more successful counterparts.

- Associations with less than 80% renewal rates tend to use the product discounts, coupons, and vouchers and the conference discounts at a significantly higher frequency (over 50% of the time) compared to those with higher renewal rates.
- 48% of associations with renewal rates of 80% or higher indicate they never offer member referral incentives, while those with lower renewal rates offer these incentives 21% to 50% of the time, a significantly higher frequency.
- A significantly greater percentage of associations with renewal rates over 80% indicate they never offer online registration discounts (69% vs. 58%) or free gifts or premiums (61% vs. 40%). In fact, associations showing less than 80% renewal or a decline in total membership over the past year are more likely to report using free gifts and premiums 21% to 80% of the time for member recruitment efforts.
- Associations reporting overall total membership growth or an increase in new members over the past year indicate that they are significantly less likely to use no-risk/dues-back guarantees and/or drawings or contests as membership recruitment tactics.

Which of the following are most effective in:

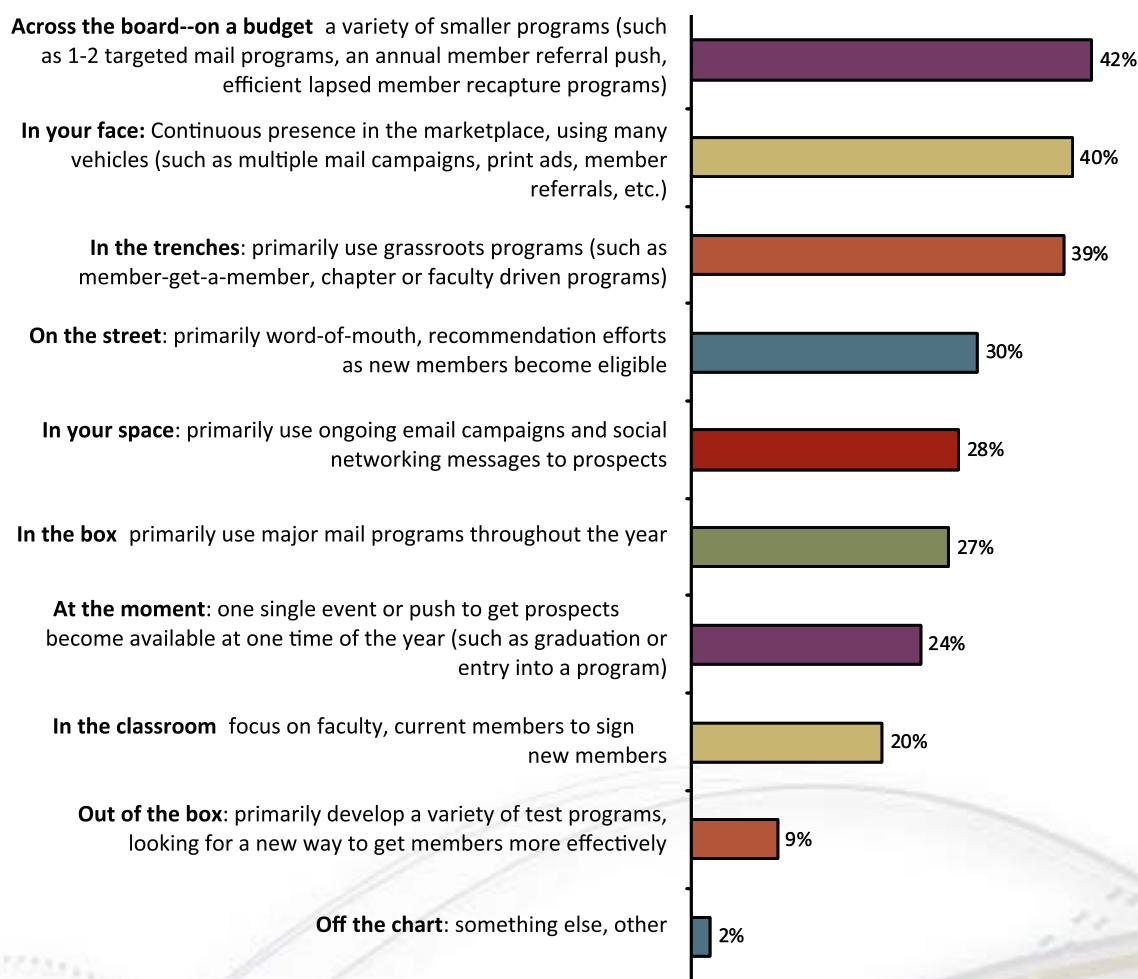
1) Getting the most members?

2) Attracting members in the most cost-effective way?

| Most Effective Offers for Recruiting New Members | | |
|--|--|---|
| (N=320) | Most effective in getting the most members | Most effective in attracting new members cost effectively |
| Conference or convention discount | 17% | 21% |
| Dues discount for first year | 25% | 11% |
| Member referral incentives (given to member) | 8% | 8% |
| Product discount, coupons or vouchers | 6% | 6% |
| Drawings or contests | 2% | 3% |
| Free gifts or premiums | 7% | 5% |
| Online registration discount | 4% | 3% |
| Free Trial | 9% | 4% |
| Multiple year dues discount | 4% | 3% |
| No risk, dues back guarantee (refundable dues) | 1% | 3% |
| Other | 6% | 2% |
| No special offers | 4% | 10% |

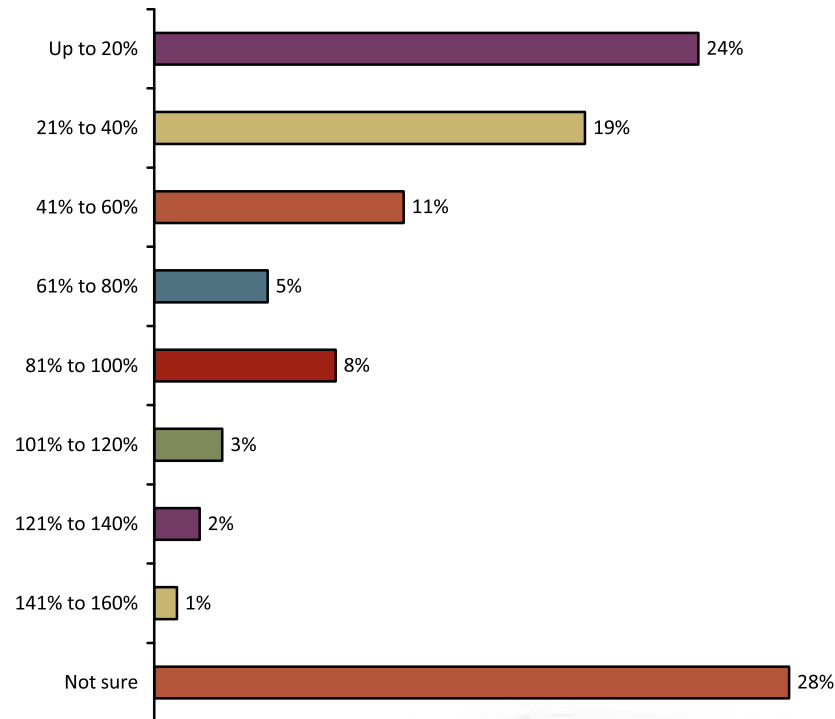
- More than two in 10 associations indicate that conference/convention discounts are most effective in attracting new members in a cost-effective manner, but that first-year dues discounts are most effective in getting the most new members overall. There are relatively few differences among the other recruitment methods.
- Associations with renewal rates over 80% and with overall increases in membership report that first-year dues discounts are most effective for attracting new members cost effectively, while associations with lower (under 80%) or declining or stagnant renewal rates consider the first-year dues discount more effective in terms of the number of members acquired.

What best describes your marketing **APPROACH** or **STRATEGY** for acquiring new members? (N=339)



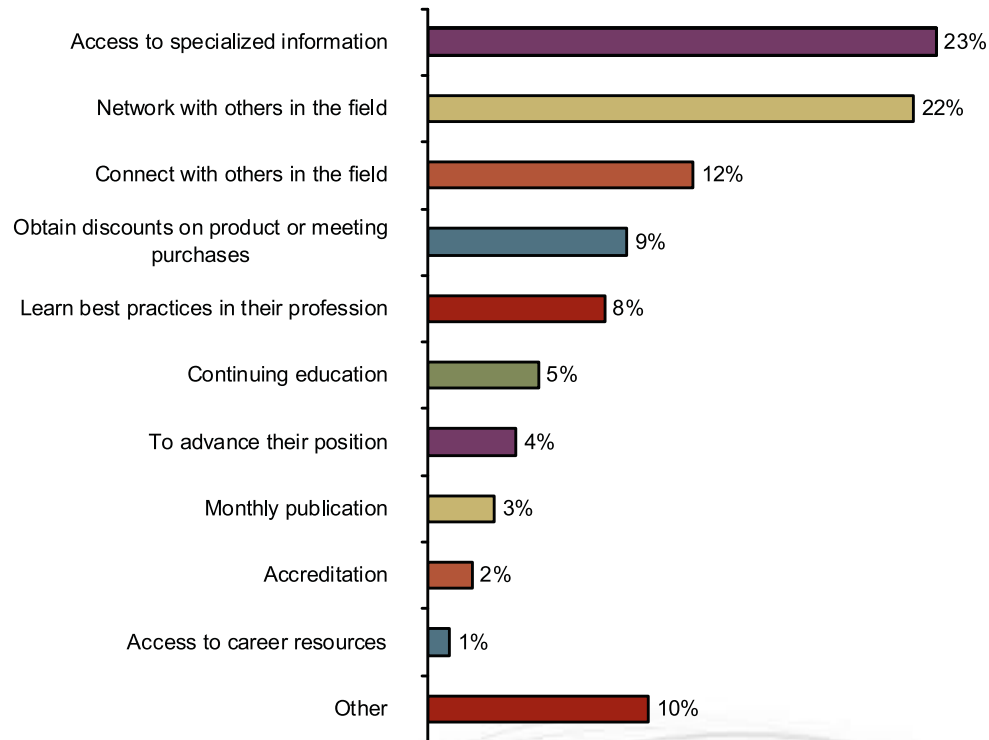
- Around four in 10 associations report that they would classify their marketing approach as either “Across the board—on a budget” (42%), “In your face” (40%), and/or “In the trenches” (39%). What these types of programs have in common is that they use multiple techniques, many of which involve more interactive and continuous types of campaigns.
- Almost 30% of associations report the use of ongoing email campaigns and social networking sites and messages. However, research findings demonstrate that associations with renewal rates under 80% are significantly more likely to rely on this type of campaign compared to the counterparts with greater than 80% renewal (34% vs. 24%).
- Larger associations (over 5,000 members) are more likely to implement the “In your face” and “In the trenches” types of campaigns, capitalizing on a continuous presence through multiple vehicles and grassroots movements.
- Associations focusing equally on retention and acquisition efforts are significantly more likely to implement an “Across the board—on a budget” campaign, utilizing multiple strategies, as not all are as effective for acquisition as for retention and vice versa.

On average, what proportion of FIRST- year membership dues are you willing to spend to acquire a new member? (N=336)



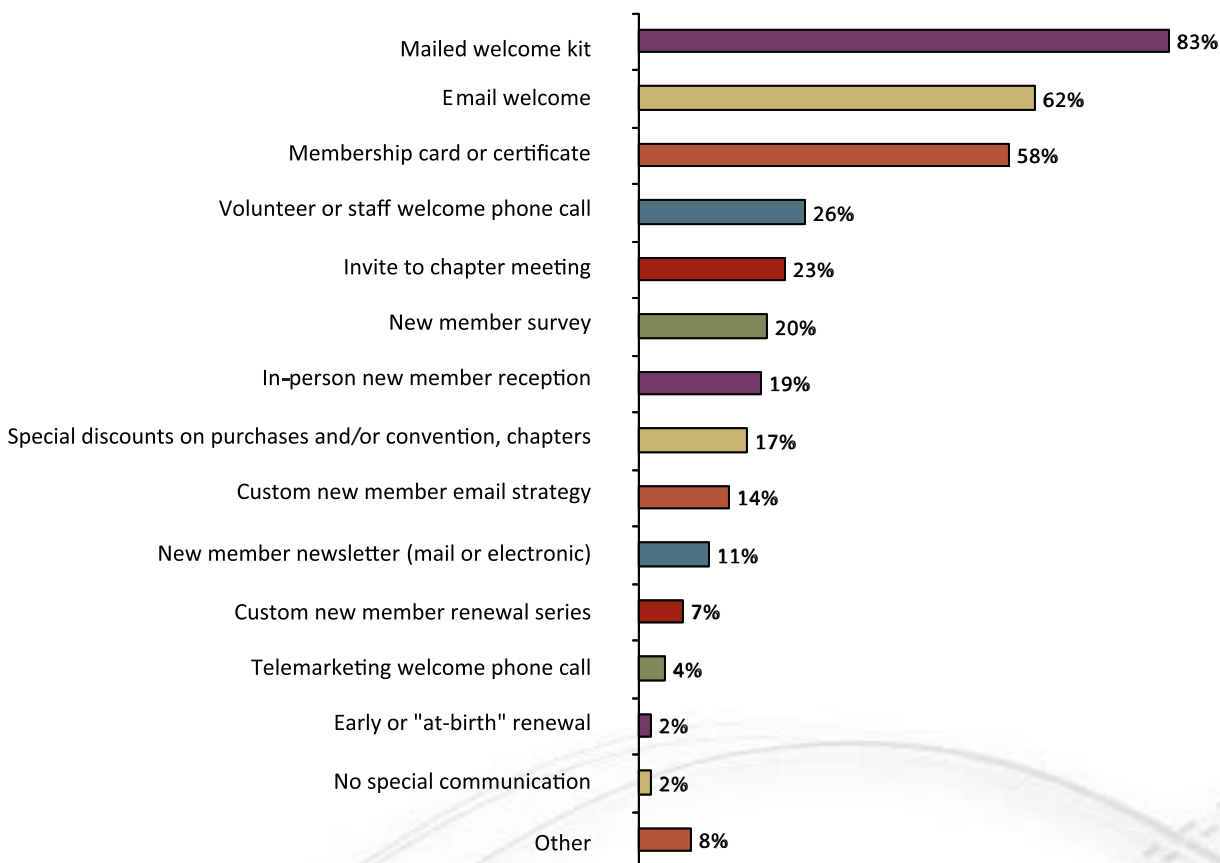
- Close to one-quarter of associations are willing to spend up to 20% of first-year membership dues to acquire a new member, and about two in 10 are willing to spend from 21% to 40% to acquire each new member. Fewer than 10% of associations are willing to spend more than 40% of first-year dues for the purpose of acquiring new members.
- Associations that have grown over the past year are willing to spend a smaller amount of first-year member dues in order to acquire new members. In fact, after about 60% of first-year dues, there seems to be a diminishing rate of return, illustrated by a greater tendency for associations declining in membership to spend above that threshold.

What do you believe is the **TOP REASON** members join your organization? (N=303)



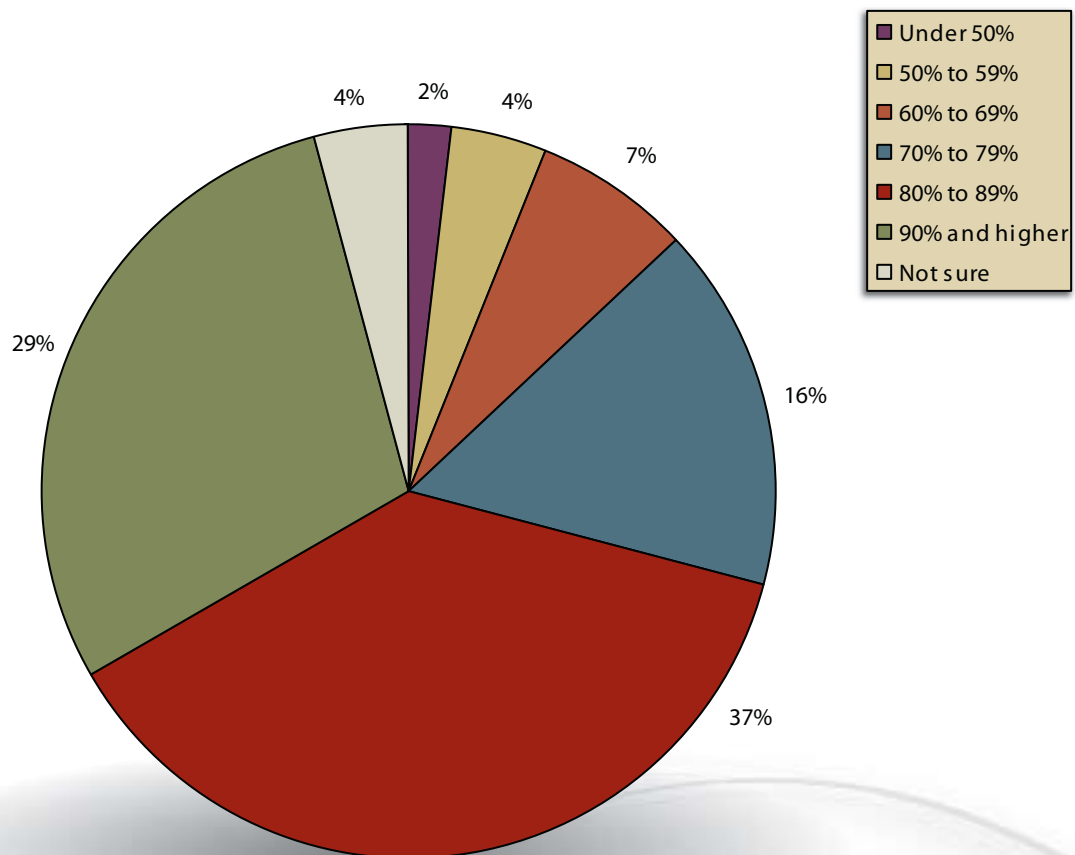
- Greater than 20% of associations indicate that the top reason members join their association is to gain access to specialized information (23%) and/or to network with others in their field (in a business sense) (22%). About 12% of associations report that members join their organization to connect with others in the field (on a more personal level).
- Directionally, associations with a renewal rate above 80% are more likely to report that members join for access to specialized information (25% vs. 19%) and are significantly more likely to indicate members join to connect with others in the field (14% vs. 7%).
- Directionally, associations in which overall membership has increased over the past year are more likely to report that members join to network with others in their field.
- Associations with renewal rates lower than 80%, those with declines in overall membership, and those with declines in overall renewal rates are significantly more likely to report that members join the organization to learn best practices in their profession. These findings suggest that best practices may not be as much of a membership driver as once believed.

Which of the following **COMMUNICATION METHODS** do you use to help on-board or engage new members in the association? (N=337)



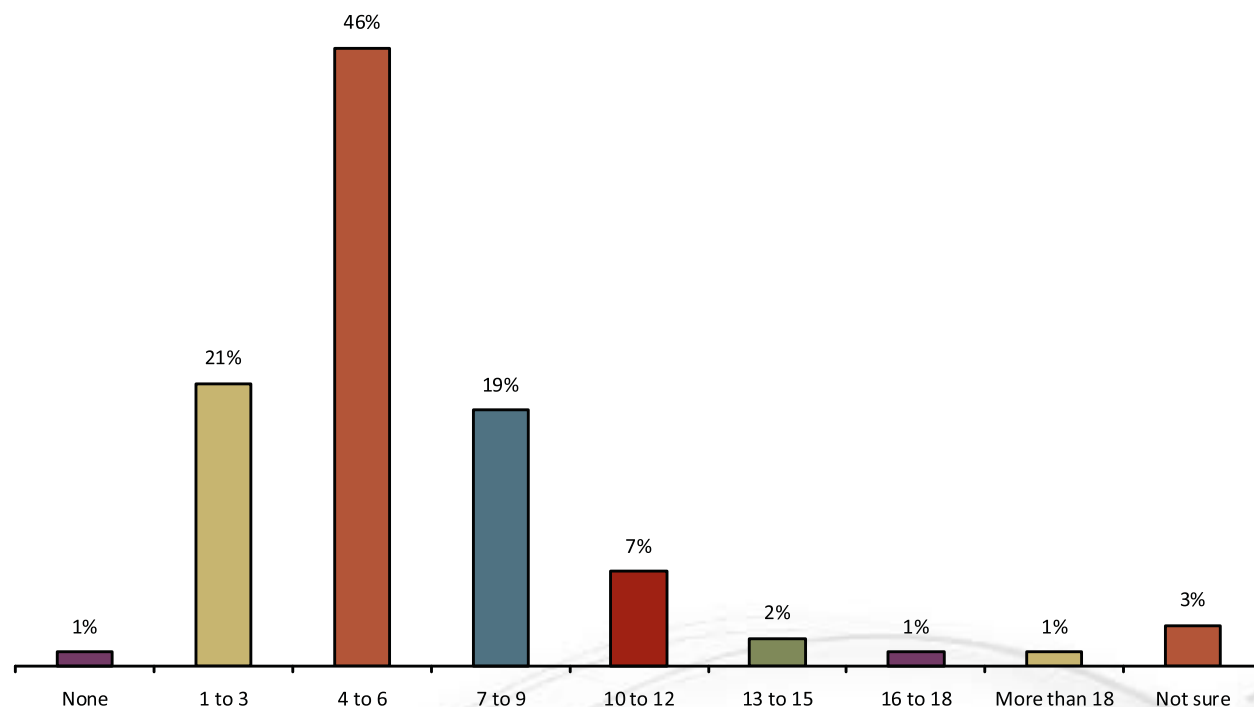
- 83% of associations indicate they send a mailed welcome kit to new members to help with the on-boarding or engagement process of new members. Furthermore, a majority of associations (62%) report that they send an email welcome and/or provide new members with a membership card or certificate (58%) to help engage new members.
- About one-quarter of associations use more personal methods of engaging new members including having an association volunteer or staff member personally call the new members (26%) or inviting new members to a chapter meeting (23%).
- Associations with renewal rates higher than 80% are significantly more likely to use on-boarding methods that require more personal contact, such as in-person new member receptions and invitations to chapter meetings. Additionally, these associations are also significantly more likely to provide new members with mailed welcome kits compared to those with lower renewal rates.
- Additionally, associations reporting overall increases or no change in their new members over the past year are significantly more likely to report using in-person new member receptions, compared to those associations indicating a decline in new members over the past year.
- Associations with over 5,000 members are significantly more likely to have association volunteers or staff members phone new members to welcome them to the organization, compared to smaller associations.

What is your overall membership RENEWAL RATE? (N=337)



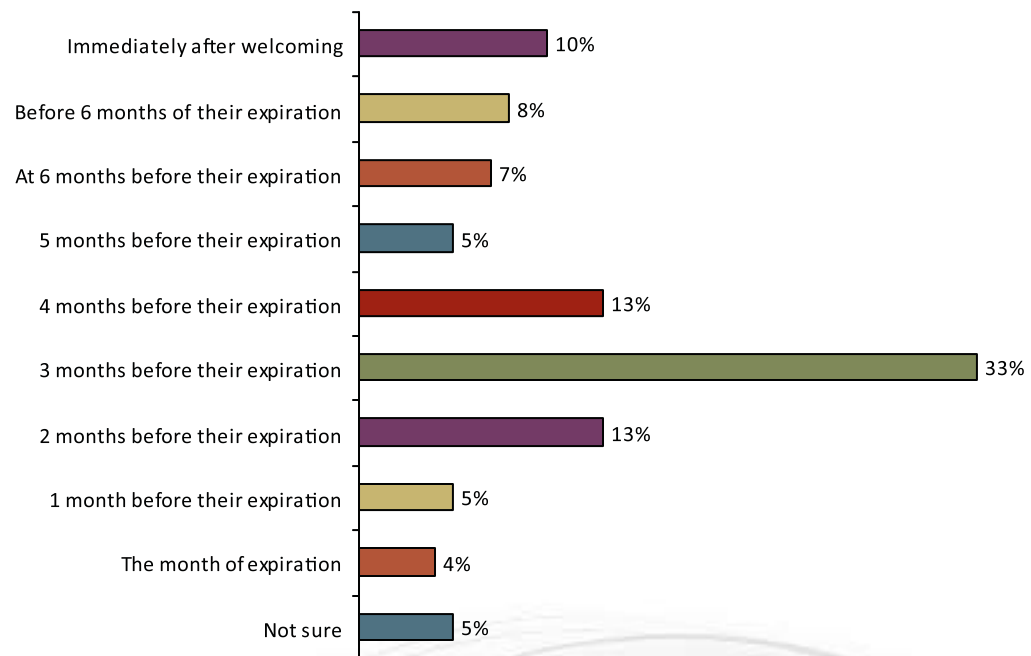
- Two-thirds of the participating associations report a renewal rate of 80% or higher.
- The associations indicating a renewal rate of 90% or higher are significantly more likely to also report overall increases in the total membership as well as increases in new members over the past year, compared to those associations with lower renewal rates.
- Associations with renewal rates less than 80% are significantly more likely to indicate declines in overall total membership, new members and renewal rates over the past year.

How many membership **RENEWAL CONTACTS** do you make before a membership expires with your organization (such as mailings, emails, phone calls)? (N=336)



- Close to one-half of the associations indicate they make four to six renewal contacts before a membership expires (46%). About 21% of associations contact members only one to three times prior to expiration while approximately the same amount (19%) contact members seven to nine times before membership expiration.
- Findings indicate that directionally, associations with higher renewal rates (over 80%) are more likely to contact members regarding renewal at a greater frequency than those with lower renewal rates. The sweet spot seems to be somewhere between seven and 10 contacts regarding renewal.

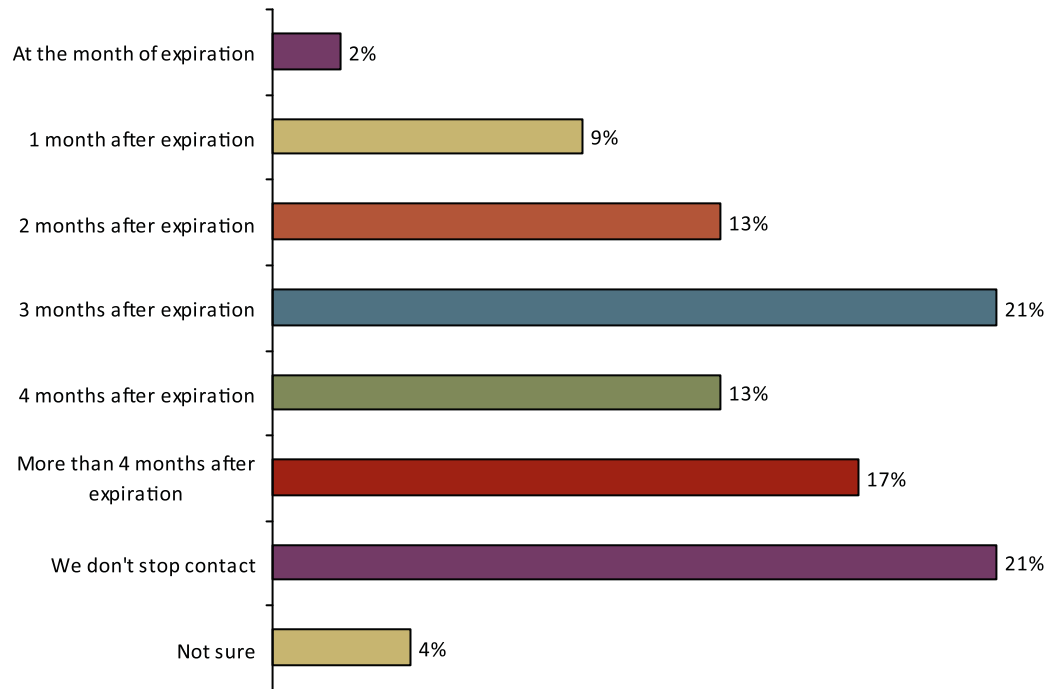
When do you **START** the renewal effort? (N=336)



- One-third of associations report beginning their renewal effort about 3 months prior to a members' expiration. 13% indicate they begin renewal efforts either 4 months prior or 2 months prior to the date of expiration.

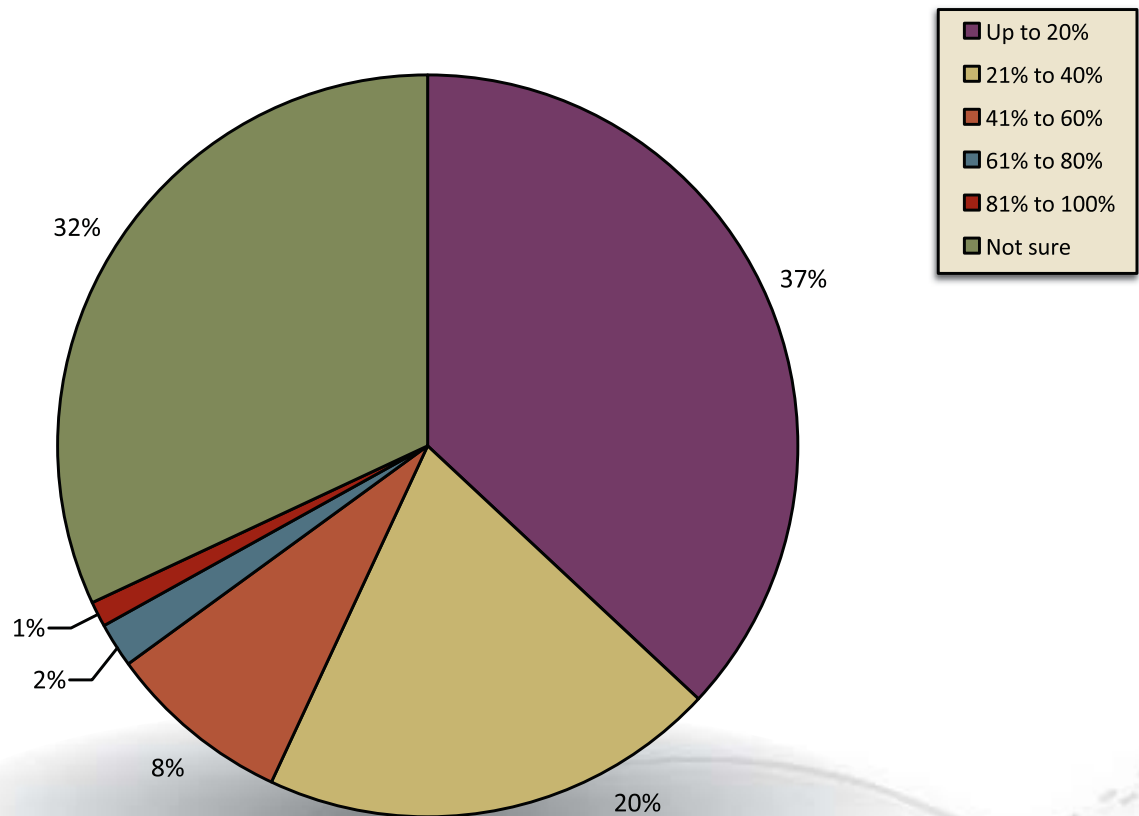
- 10% of associations indicate they begin their renewal efforts immediately after welcoming new members. Associations with more than 5,000 members are significantly more likely to have immediate renewal plans in place after welcoming new members and typically tend to begin their renewal efforts sooner than smaller associations.

When do you **FINISH** the renewal effort? (N=336)



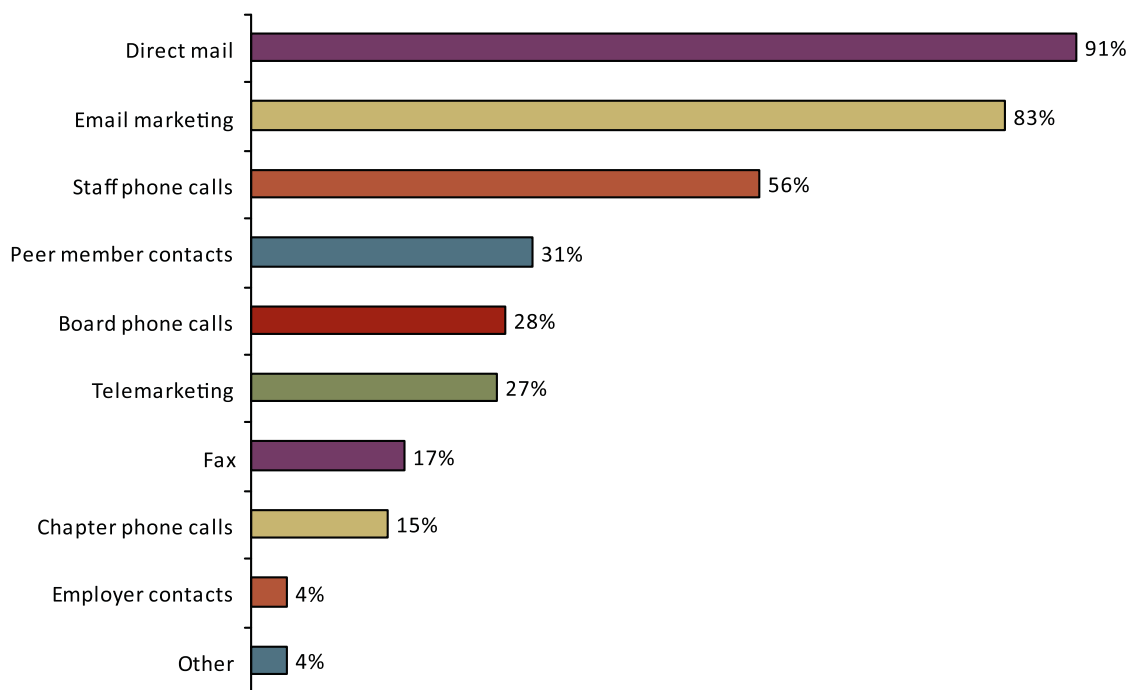
- A majority of associations (51%) report that they end their renewal efforts after 3 months past member expiration or longer. 21% of associations indicate they do not stop contact and maintain their renewal efforts indefinitely with lapsed members.
- One-quarter of the associations finish their renewal effort with expired members after two months.
- Interestingly, associations with renewal rates of 80% or more are significantly more likely to report that they do NOT stop contacting lapsed members (26% vs. 14%) compared to those with lower renewal rates. Additionally, associations with less than 80% renewal rates are significantly more likely to end their renewal efforts after only three months past the member's expiration date.
- Directionally, associations whose renewal rate has increased over the past year report they were more likely to maintain contact indefinitely with lapsed members after expiration.

How much of a member's **ANNUAL DUES** are you willing to spend on efforts to renew a member? (N=333)



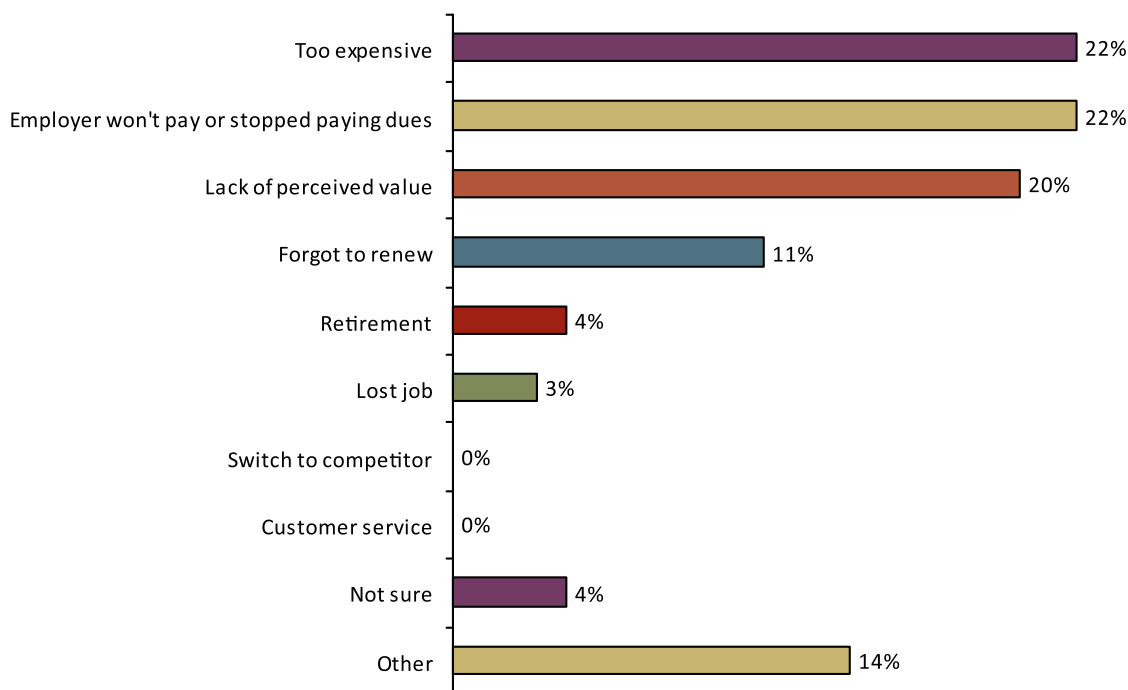
- Over one-third of associations are willing to spend up to 20% of a member's annual dues to renew a member. 20% are willing to spend 21% to 40% of a member's annual dues for renewal efforts.
- About one-third of associations indicate they are unsure how much of a member's annual dues they are willing to spend to renew. We point this out because associations whose membership percentage remained unchanged over the past year are significantly more likely to be unsure of how much they are willing to spend, compared to those whose association membership grew or declined.
- Associations whose membership percentage grew are significantly more likely to spend up to 20% of a member's annual dues on renewal efforts, compared to those associations that did not change (41% vs. 28%).
- Associations with lower renewal rates (less than 80%) are significantly more likely to spend 21% to 40% to renew a member, suggesting a slight loss in ROI after about 20% investment.

Which of the following **MARKETING CHANNELS** do you use for membership renewals? (N=333)



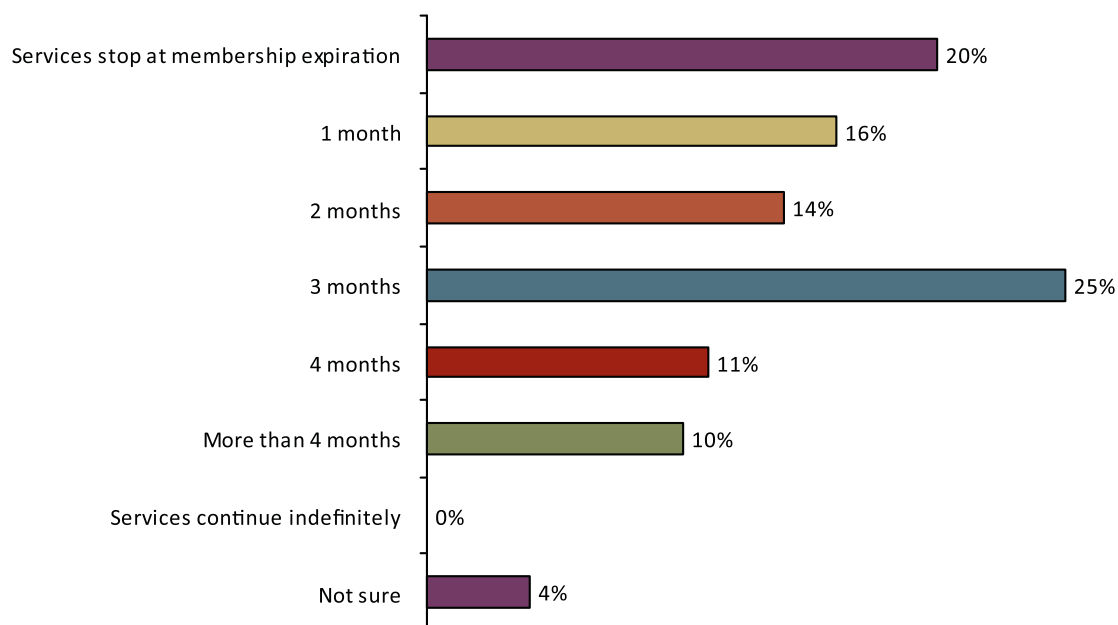
- A majority of associations incorporate direct mail (91%), email marketing (83%), and/or staff phone calls (56%) into their marketing plan for membership renewals.
- Around three in 10 associations use a more personal tactic: peer member contacts (31%) and/or board phone calls (28%).
- Interestingly, compared to associations with less than 80% renewal, associations with renewal rates of 80% or higher are significantly more likely to use the more personal methodologies for renewal efforts, such as staff phone calls (66% vs. 46%), board phone calls (34% vs. 17%), and peer member contacts (37% vs. 19%).
- Directionally, associations that improved or stayed the same with regard to their percentage of renewals over the past year are more likely to use staff phone calls and peer member contacts within their renewal strategies as well.
- When asked about the most important or successful lesson learned in the area of membership marketing, many respondents intoned that personal contact is very important. "The more personal, the better response," was what one respondent wrote. This seems to be true, as almost twice as many respondents from associations that grew over the past year echoed this sentiment, compared with associations that had declines in membership.

What do you believe is the **TOP REASON** members do not renew their membership? (N=333)



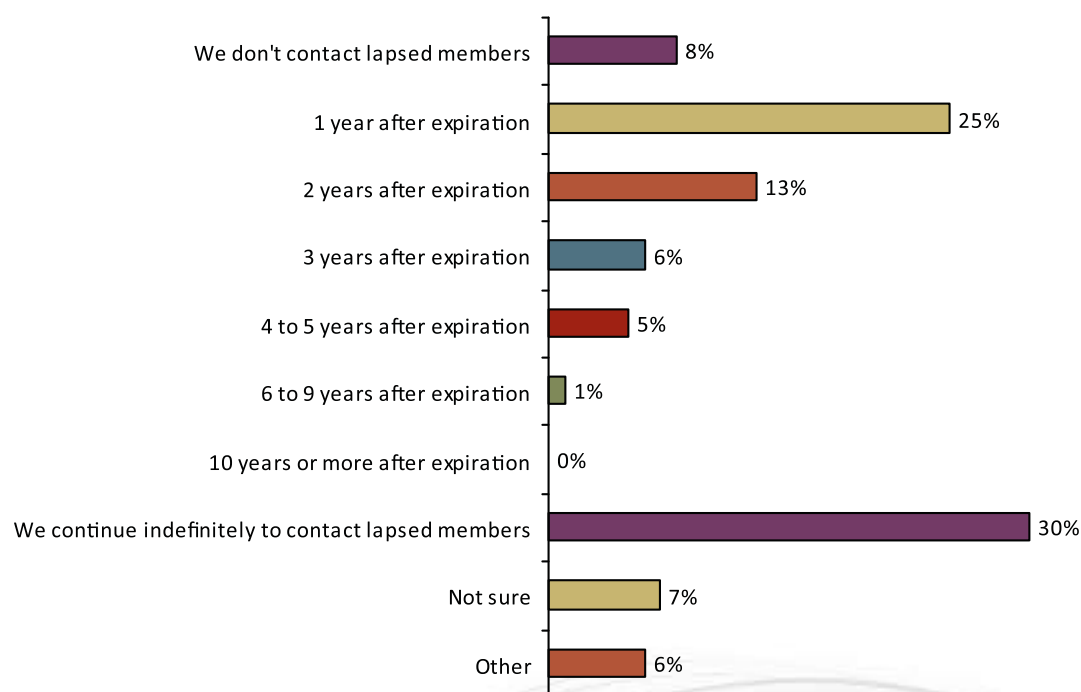
- An equal percentage of associations report that members are not renewing their membership either because the dues are too expensive or their employer doesn't pay their dues. This is the first time that employer non-payment of dues has risen to the top of the reasons for lack of renewals.
- 20% of associations indicate that members are not renewing due to a lack of perceived value in the organization.
- Associations with a renewal rate of 80% or higher report that members are significantly more likely not to renew because of price (27% vs. 12%), while associations with lower renewal rates (under 80%) are significantly more likely to indicate a lack of renewals based on a perceived lack of association value (26% vs. 17%).
- Interestingly, associations reporting an overall increase in membership are significantly more likely to report that members do not renew simply because they forgot (14% vs. 6% for associations with declines in membership).
- Directionally, as the size of the association increases so does the likelihood that members do not renew because of price or the fact that the employer is not paying their dues.

How long after a **MEMBERSHIP EXPIRES** do you continue to “grace” members with services? (N=334)



- 50% of associations report that membership services end within two months of their expiration date. Another quarter report that they allow a grace period of up to three months. 21% of associations indicate that they grace lapsed members with services for four months or more.
- Not surprisingly, no associations permit services to be used indefinitely after member expiration.
- However, associations with higher renewal rates (80% or more) are significantly more likely to allow a grace period of four months or greater, compared to associations with lower renewal rates.
- Similarly, but in a directional sense, associations showing growth in overall membership, new members, and renewal rates offer extended grace periods compared to those associations that are declining in member numbers.

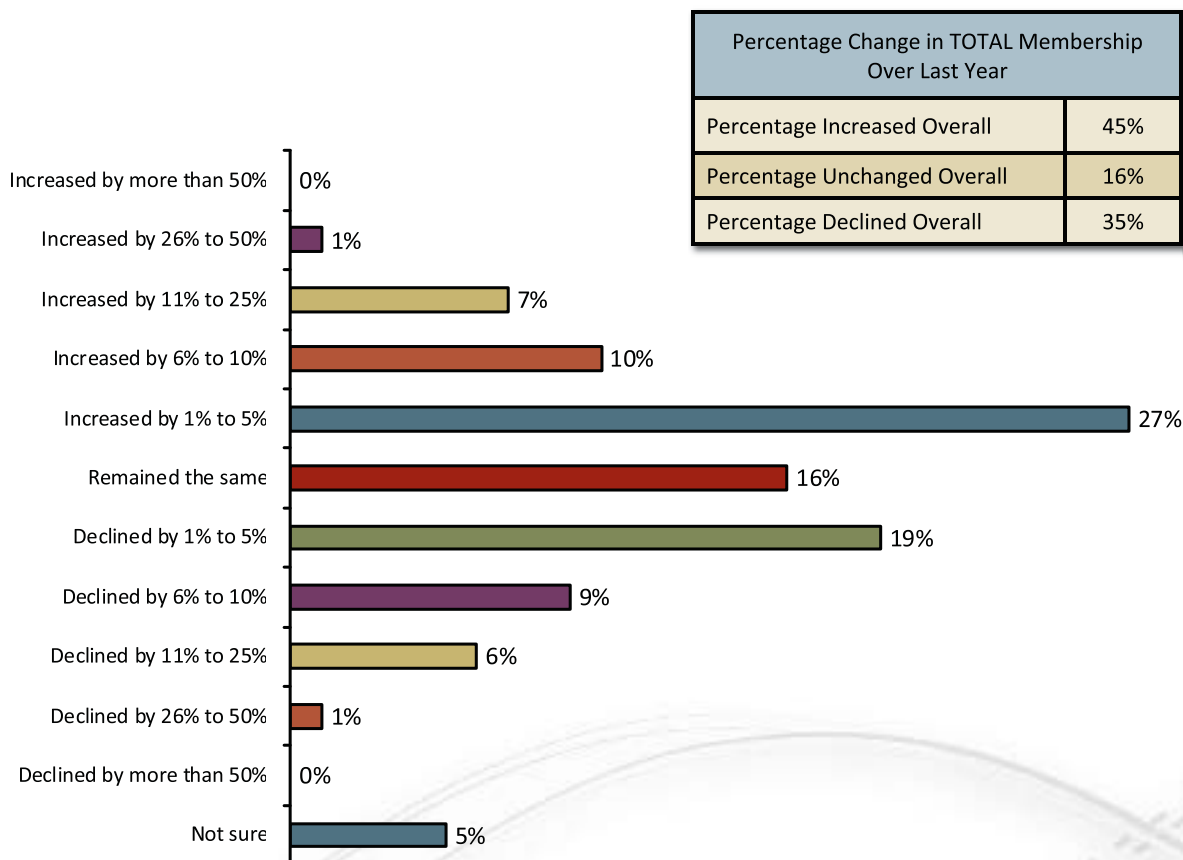
After a membership lapses or expires, how long do you continue to contact the member to invite them to **REINSTATE** their membership? (N=333)



- Close to 40% of associations report that they continue to contact lapsed members for up to two years after their membership expires. 30% of associations indicate they continue to contact lapsed members indefinitely after expiration.

- Associations with renewal rates of 80% or higher are significantly more likely to continue to contact lapsed members for an indefinite period of time (34% vs. 20%). Directionally, associations with increases in overall membership, new members and retention rates are also more likely to continue to contact lapsed members indefinitely. This finding suggests that it is a good practice to remain in contact with lapsed members over an indefinite period of time.

What was the percentage change in your **TOTAL** membership over the last year? (N=331)

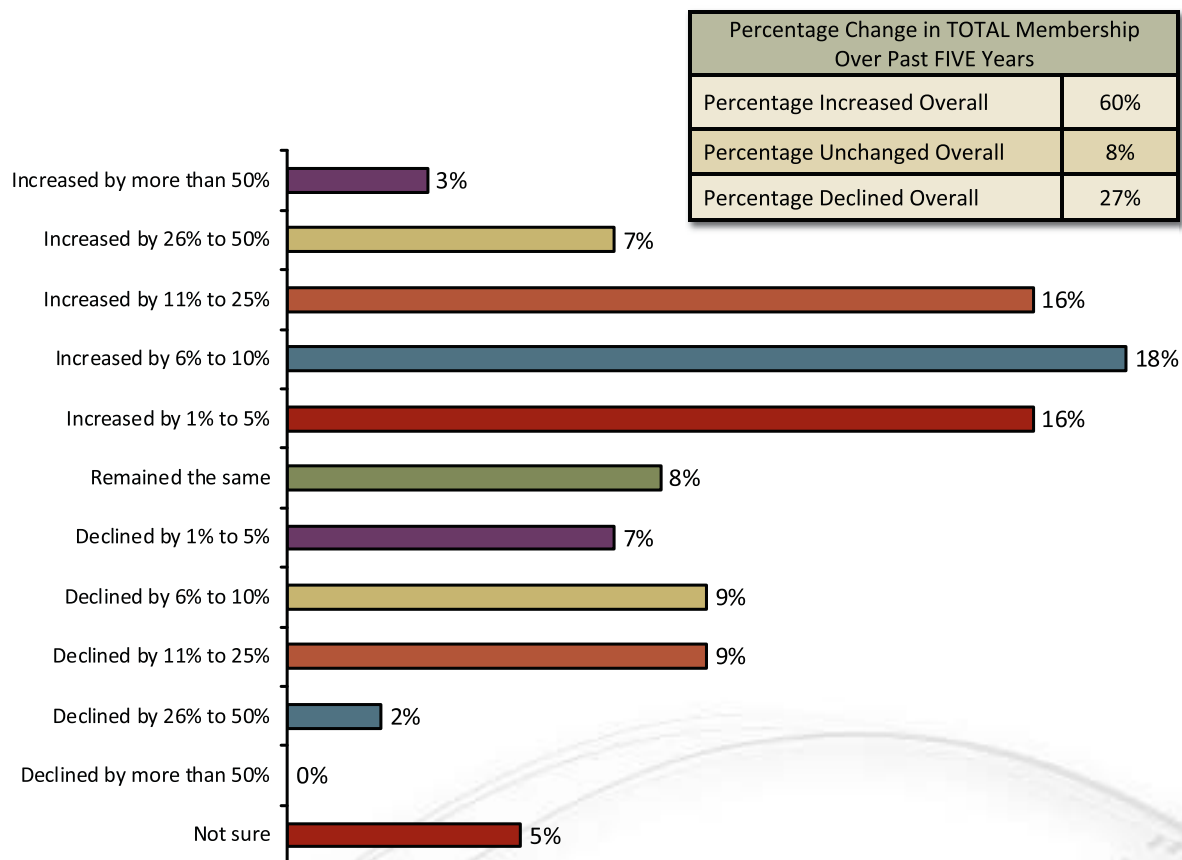


- About 45% of associations reported increases in total membership over the last year. 18% of these associations report increases of 6% up to 50%. One-quarter of those had total membership increases of up to 5%.

- 16% of associations report that their membership numbers remain unchanged over the past year.

- Just over one-third of associations indicate declines in membership totals overall (35%), with 19% dropping by up to 5% and 16% declining from 6% up to 50%.

Over the last FIVE YEARS, what do you estimate has been the total percentage change in your total membership? (N=332)

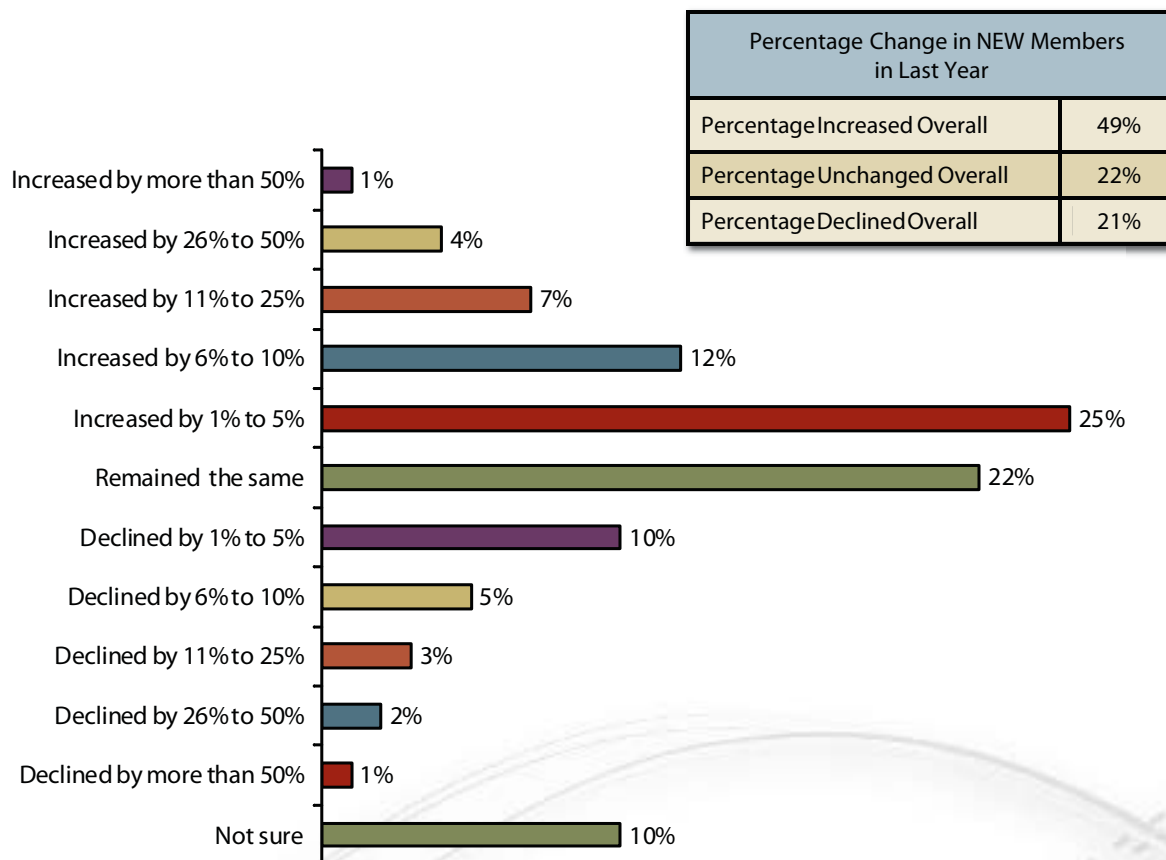


- A majority of associations have seen growth over the past five years as 60% report increases in membership, with about one-third indicating member numbers climbed by up to 10%. Just under one-quarter of these associations indicate they have grown by 11% up to 50%.

- 8% of associations indicate they have remained unchanged in overall membership numbers over the past five years.

- 27% of associations report declines in membership numbers.

In the last year, what was the percentage change in your NEW MEMBER ACQUISITION? (N=325)

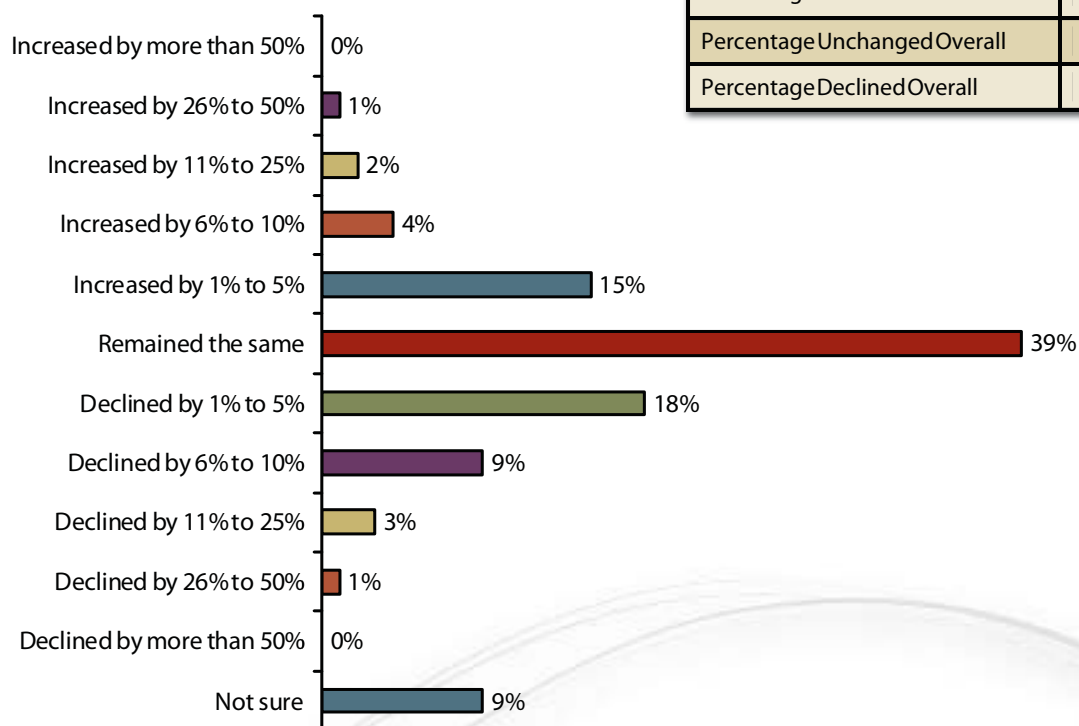


- Overall, almost one-half of associations reported increases in new member acquisitions over the past year, with 25% indicating growth of up to 5%, and 24% boasting increases of 6% and higher.

- 22% of associations report that their new member acquisitions have remained unchanged.
- 21% of associations have shown declines in new member acquisitions, with 10% reporting drops by up to 5% and 11% indicating decreases of 6% or higher.

- 10% of association respondents were unsure of the percentage change in their new member totals.

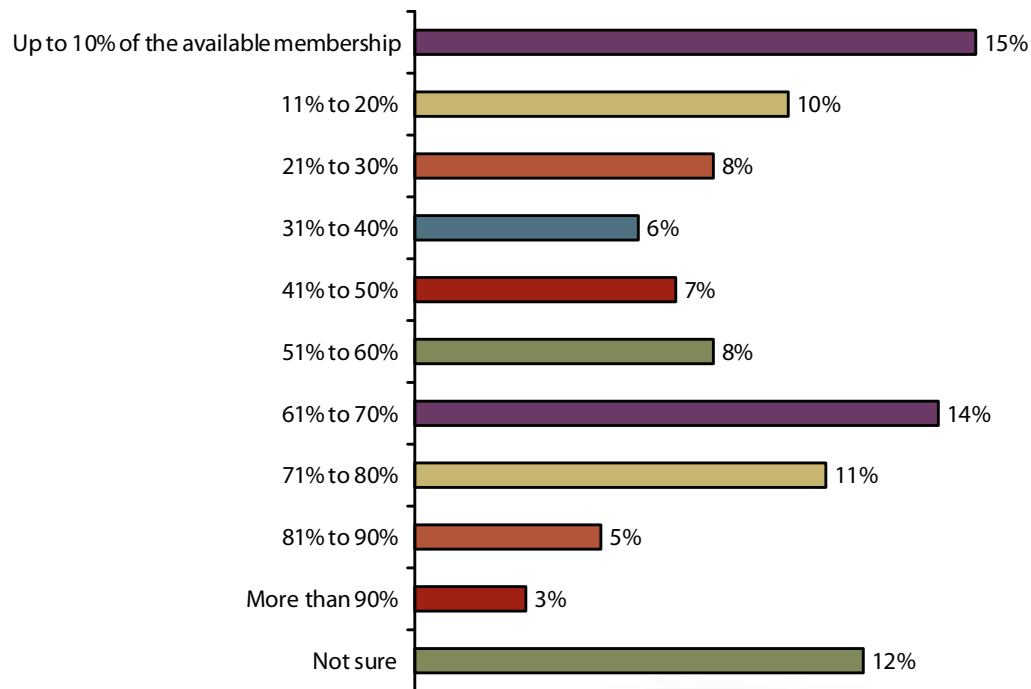
In the past year, what was the percentage change in your RENEWAL RATE? (N=326)



| Percentage Change in RENEWAL Rate in Last Year | |
|--|-----|
| Percentage Increased Overall | 22% |
| Percentage Unchanged Overall | 39% |
| Percentage Declined Overall | 31% |

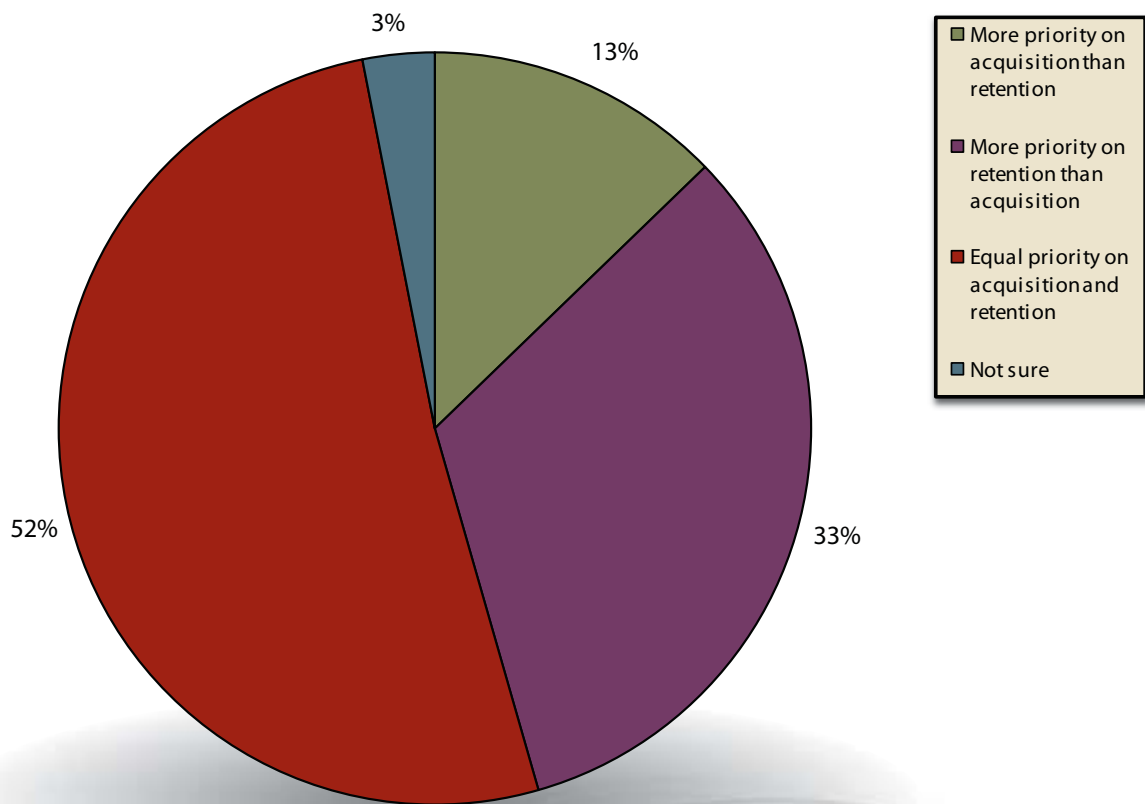
- 22% of associations indicate they have increased in renewals over the past year. 15% of those associations have grown by up to 5%, and 7% have increased by 6% or higher.
- Close to four in 10 associations report no change in the overall percentage of renewals over the past year.
- Just under one-third of associations report declines in renewals, with 18% dropping by up to 5% and 13% decreasing by 6% or more.
- 9% of associations are unsure of their overall percentage change in renewals.

What do you **ESTIMATE** is your market penetration? (N=326)



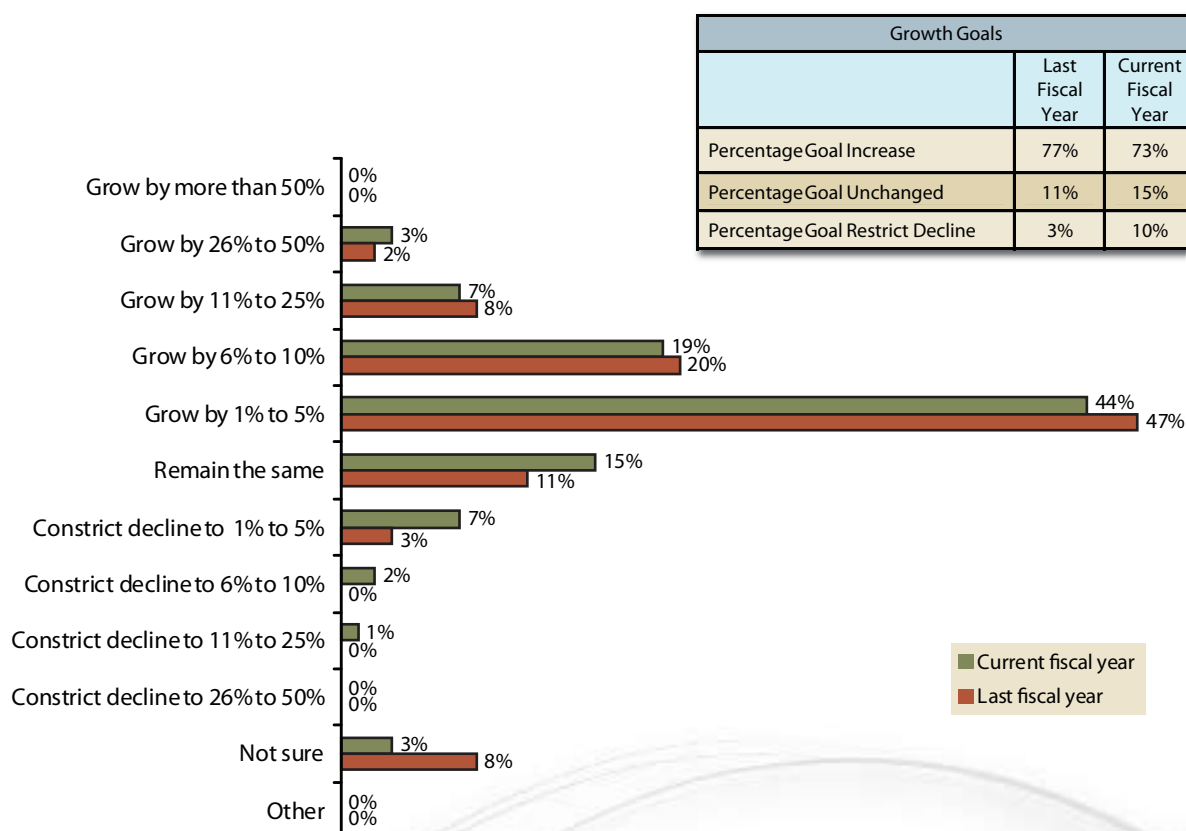
- Close to 20% of the associations indicate their market penetration is over 70% of the available universe. 22% of associations report their member market penetration is between 51% and 70%.
- 46% of the associations indicate that their market penetration is less than 50% of the available membership.
- Associations with renewal rates under 80% are significantly more likely to report that their market penetration is at most 10% of the available market. Furthermore, associations reporting declines in total membership over the past year are significantly more likely to have a penetration of no more than 10% of the available market.
- Associations reporting growth or remaining unchanged are significantly more likely to have a penetration level of over 70% of their market.
- Associations that have a renewal rate of under 80% are significantly more likely to be unsure of what their market penetration is (18% vs. 10%).

How would you characterize your **GROWTH GOALS?** (N=325)



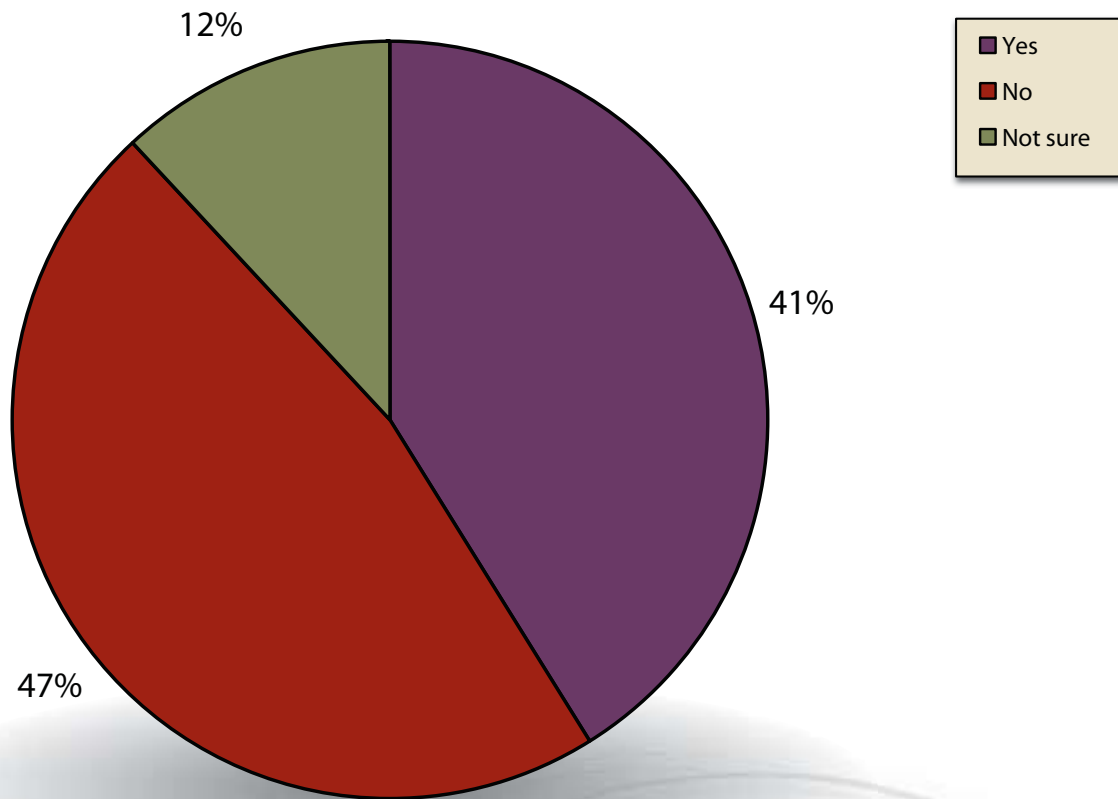
- Only 13% of associations indicate they have a priority on acquisition over retention. One-third of associations report their priority is on retention rather than acquisition. The majority of associations indicate they have an equal priority on acquisition of new members as on retention of current members.
- Associations whose initial growth goal was to increase or remain unchanged are significantly more likely to have an acquisition priority in their marketing plan. However, those associations whose goal was to constrict decline, are significantly more likely to have retention as their priority with regard to marketing.

What was your initial goal for membership growth for THIS fiscal year? (N=325)



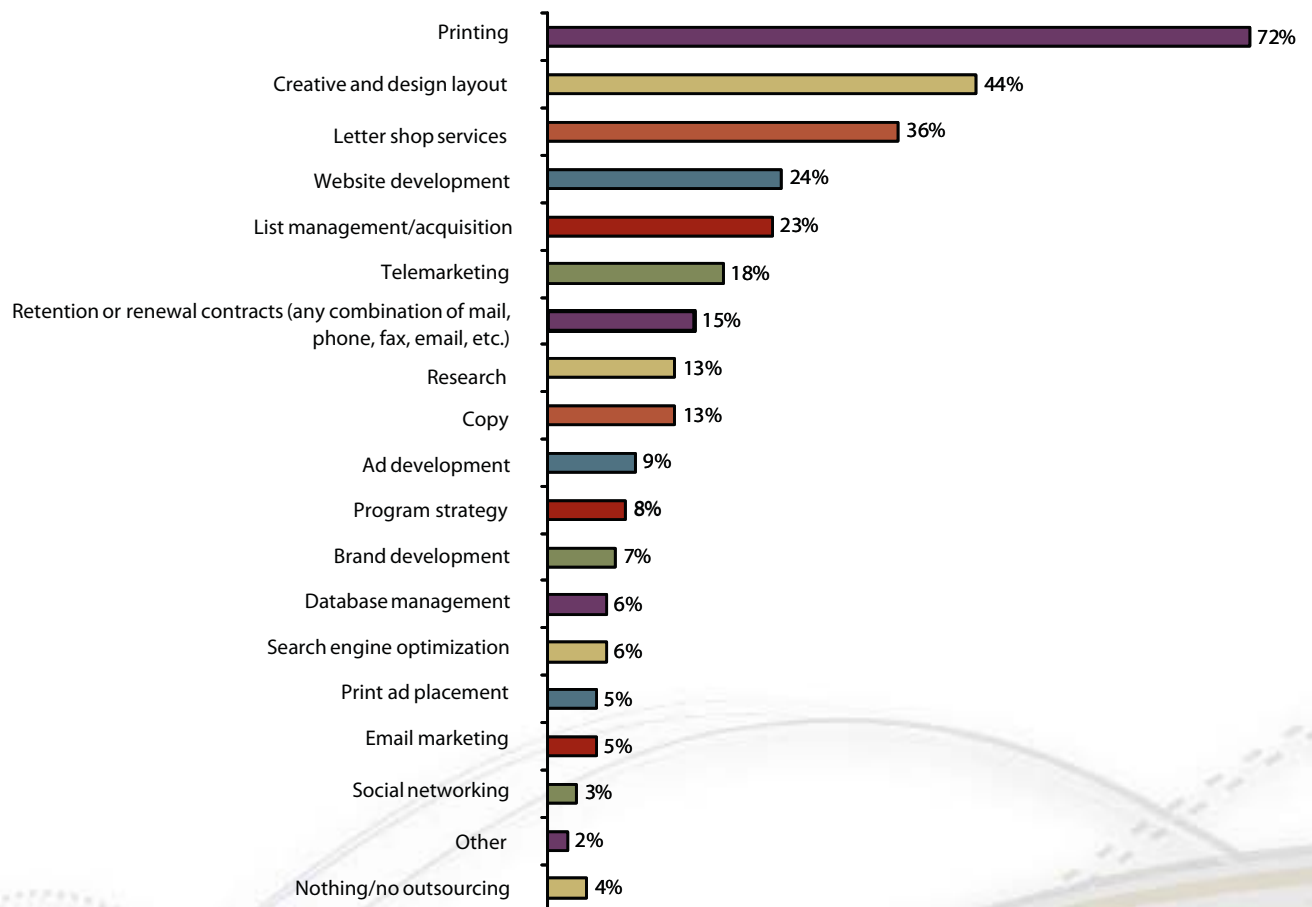
- About three-quarters of associations had an initial goal to increase membership this fiscal year. Only 10% indicate their goal during this fiscal year was to stem membership decline. Membership growth goals for the past fiscal year were slightly higher (77% increase), and only 3% of associations were concerned with constricting membership decline.
- Associations with renewal rates above 80% are significantly more likely to have had initial growth goals for this year and the previous year that were moderately set at 1% to 5%, compared to those associations that had lower renewal rates (49% vs. 34% this year; 52% vs. 39% previous year).
- Similarly, associations whose total membership grew over the past year also had modest initial growth goals for this year of 1% to 5%, compared to those associations that showed declines in overall membership (49% vs. 35%). In the previous fiscal year, associations that declined or stayed the same were significantly more likely to set their growth goal to 0%.
- Associations that increased in new members and renewals over the past year were significantly more likely to have more aggressive initial growth goals of 6% to 10% this year, compared to associations whose new members and renewals declined or remained unchanged. In the previous year, associations with increases in renewals were significantly more likely to have more modest growth goals (up to 5%) compared to those associations that saw declines in renewals.

Have you reached your **GROWTH GOAL** for this past year? (N=324)



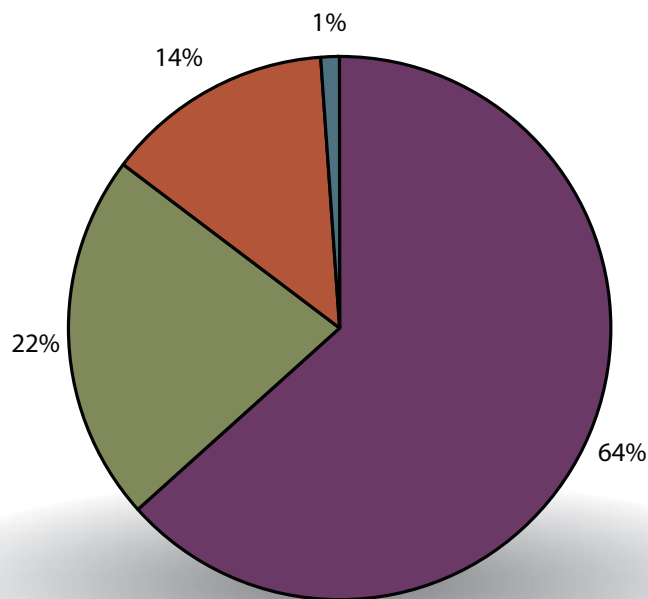
- 41% of associations report that they met their initial growth goals for this past year, while 47% indicate they did not meet those goals.
- Associations showing renewal rates above 80% are significantly more likely to have met their growth goals (48% vs. 29%), whereas associations with renewal rates under 80% are significantly more likely to have missed their goals (62% vs. 40%).
- Additionally, associations with increases in total membership, new member acquisitions, and renewals are significantly more likely to have met their growth goals for this past year.
- Associations whose initial goals were to either remain the same or constrict decline were significantly more likely to have missed their goals this past year.
- Furthermore, larger associations (over 5,000 members) were significantly more likely to have not met their growth goals this past year as well.

With regard to your membership marketing, what, if anything, do you **OUTSOURCE**? (N=260)

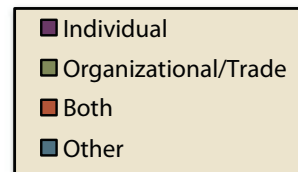


- Greater than 70% of associations outsource their printing.
- 44% of associations outsource their creative and design layout and 36% outsource their letter shop services.
- Around one-quarter of associations outsource website development and list management/acquisition.
- The largest associations (20,000 or more members) are significantly more likely to outsource capabilities, with the exception of website development, which is significantly more likely to be outsourced by the smaller associations.

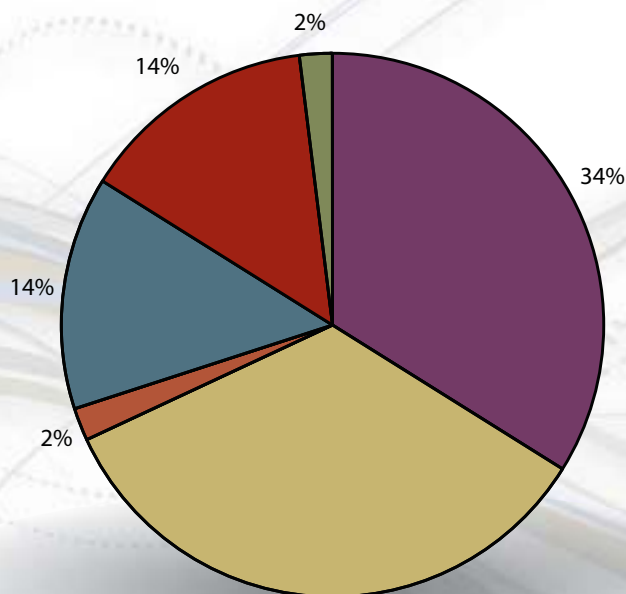
What type of membership offering BEST DESCRIBES your organization? (N=326)



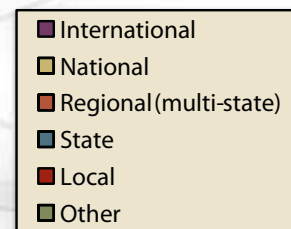
- Almost two-thirds of the associations offer predominantly or exclusively individual memberships, while 22% offer organizational or trade memberships.
- Associations boasting 5,000 members or more tend to be individual membership organizations, while those with less than 5,000 members are more often organizational/trade membership associations.



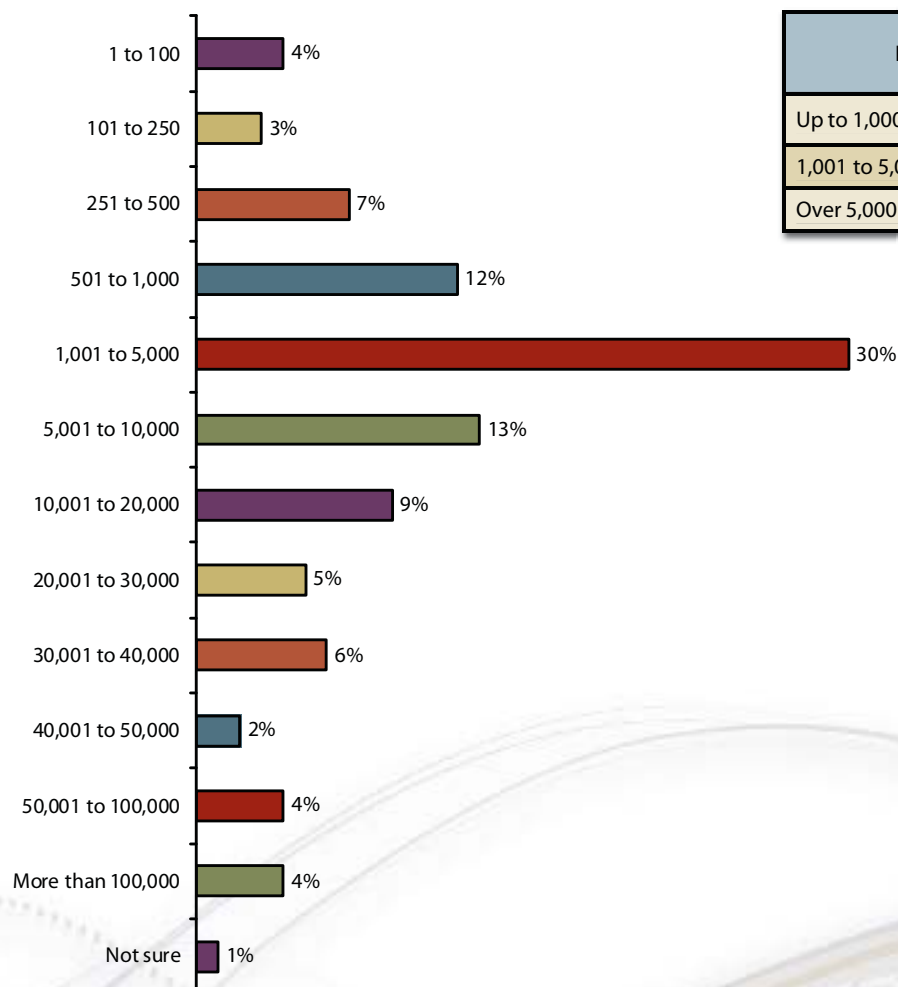
How would you DEFINE THE SCOPE of your association? (N=326)



- About one-third of the association respondents to this survey report their association scope is international or national. About 16% are regional (multi-state) or state associations and 14% are local associations.



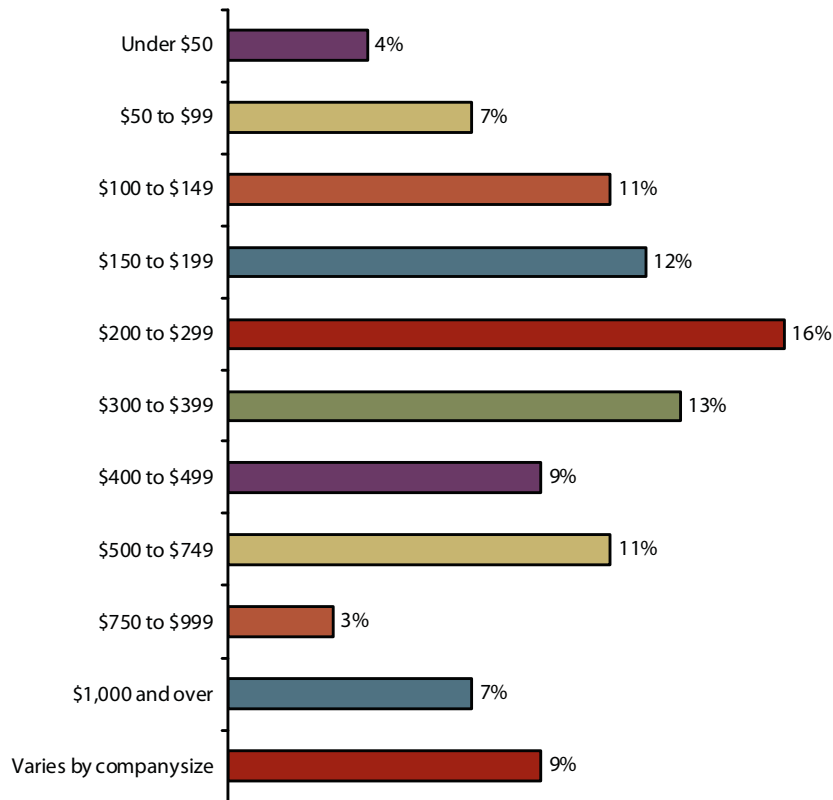
How many **PAID MEMBERS** are there in your association? (N=325)



| Number of Paid Members | |
|------------------------|-----|
| Up to 1,000 | 26% |
| 1,001 to 5,000 | 30% |
| Over 5,000 | 43% |

- One quarter of the associations have up to 1,000 paid members. 30% of the associations have 1,001 to 5,000 members, and 43% have over 5,000 members.

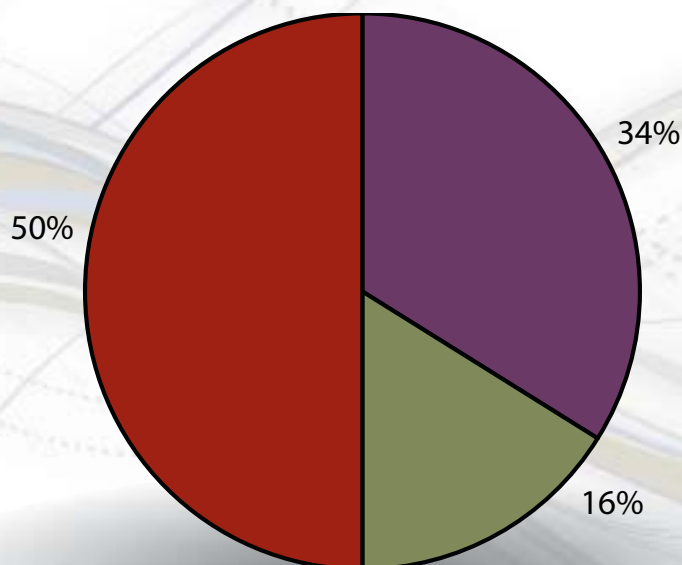
How much are your basic ANNUAL DUES? (N=324)



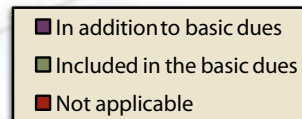
- 11% of associations' member dues are up to \$100, while 22% have membership dues that run from \$100 up to \$200.

- One-quarter of the associations have membership dues that range from \$200 up to \$400, while 30% have membership dues that are over \$400.

Are CHAPTER DUES included in basic dues? (N=324)



- 34% of associations indicate that their chapter dues are in addition to basic dues, while 16% report that chapter dues are included with basic dues.





About Marketing General Inc.

Marketing General Inc. is the nation's largest marketing agency working exclusively with associations. During the past 30 years, MGI has helped hundreds of associations increase their membership, improve retention, enhance member engagement, grow revenue, and gain new insights through member and market research and analysis. Additional information can be found at www.MarketingGeneral.com or by contacting us at 703.739.1000.



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