

Membership **Newsletter**

Issue 2

Now is the time for innovation

Nick Pease argues that attack is the best form of defence during the current economic squeeze

It's not just history (or football commentators!) that confirms that attack is the best form of defence. Marketing studies worldwide have proved that it is the organisations which have been the most proactive and radical that emerge the strongest from recession. This applies just as much to the not-for-profit sector as to the private sector.

We are in challenging times and we all know that the disposable income of the general public is under pressure from all sides, which has implications for most membership organisations.

A time to re-evaluate?

This is therefore a time for membership organisations to be at your most active and innovative. Whether recruiting and retaining members or looking at other revenue opportunities, now may be a good time to re-evaluate your strategies.

Could you improve on existing membership benefits? Could you re-invigorate your membership recruitment programme? Could you modernise your marketing and membership literature so it more accurately reflects the aspirations and ambitions of your organisation? Could you improve your processes to reduce membership attrition, or convert more enquiries into membership? Could you search out third party partnerships to extend your reach? Could you explore new fundraising opportunities?

The organisations that stand still and do nothing leave themselves most exposed to feeling any fallout from households making economies. And once you begin to fall behind and membership income has contracted, it makes it difficult to recover lost ground.

Universal Principles of Recruitment

Your members are likely to be the very lifeblood of your organisation. You represent them and they represent you; they fund your activities, your campaigns and your research. Without them your organisation would probably not exist at all. Furthermore, the greater the number of members you have the greater your revenue and more you can achieve. Certainly, for all organisations with membership made up of individuals, attrition is inevitable and therefore membership recruitment is fundamental to your future wellbeing.

The current economic conditions are difficult and things are only likely to get worse before they get better. This makes it doubly

Inside this Issue

- **Now is the Time for Innovation**
- **Universal Principles of Recruitment**
- **Your questions answered**
- **Ramblings of an Old Stager**
- **The Wrong Database can Seriously Damage your Wealth**
- **Focus on Charities – Legacies**
- **Top Tip!**



An enhanced membership offer

The questions posed above are just some of the many options you could consider to retain and protect your existing membership base and to recruit new members.

This may be the perfect time to get an outside, independent pair of eyes to take a fresh look at what you do and give you some expert advice on how best you might introduce some innovative ideas that could make all the difference to your future. Why not talk to us today about how our special audit service? (See back page for further details)

important to make sure your recruitment strategy is working effectively.

Membership recruitment strategies do not come pre-packed in a box; they vary according to the nature of your organisation. Recruitment for the professional association, for example, is often connected to the general health of the profession to which it is attached. When the housing market is booming one would expect building and architectural associations to be thriving. For professional associations finding potential recruits is not necessarily a problem but converting these potential recruits to membership may well be more difficult.

On the other hand if you are a campaigning charity with a specialist interest it may be far
...continued overleaf

Heritage Organisations Wildlife Parks Professional Associations Unions Zoos
Environmental Campaigns Libraries Museums The Arts Learned Societies Medical Charities
Sports Associations Theatres Institutions Car Owners Clubs Alumni Associations
Fauna & Flora Conservation Guilds of Craftsmen Leisure Interest Associations
Federations Political Parties Campaigning Charities Attractions Motoring Organisations

more difficult to identify potential recruits but once you do, conversion may be easier. So, where a campaigning charity will almost certainly be investing heavily in PR & awareness campaigns to attract new members, many other membership organisations will rely on a more targeted approach. A membership organisation looking after the interests of an unusual medical condition, for example, is unlikely to get a good ROI on general advertising but will be specifically focusing on the health care profession and other more specialist targets.

However, there are some universal truths and principles of recruitment which do apply to most membership organisations. I have put together what I would consider to be ten important and almost universal principles of membership recruitment:

1. First and foremost understand your current members and their expectations of your organisation. In short, investigate what is the reason (or reasons) that they are prepared to part with their membership subscription each year
2. Segment and categorise your members accordingly. If your membership is diverse it is crucial that you have a way of recording the different aspirations of members and using the information to build future recruitment programmes
3. Make sure that your member benefits are relevant, appropriate and attractive to potential new members and that marketing materials effectively promote the benefits of membership
4. Code advertisements and promotions so you know where your new members are coming from
5. Routinely analyse new member source codes and base future recruitment decisions on the results
6. Regularly test new promotional and advertising opportunities and analyse and compare their ROI
7. Upgrade and personalise enquiry packs. Where possible ascertain at the point of enquiry any particular areas of interest and personalise the enquiry pack accordingly
8. Train and consider incentivising staff on telephone enquiry conversions
9. Add enquirers to your database and follow up those who do not immediately join
10. Ensure that your website promotes the benefits of membership and that joining online is a simple and painless experience.

Your Questions Answered

I am intending to rebrand our annual passes as a membership programme as I believe membership will allow our facility to add value for annual pass holders and we will be able provide a more complete service? Are there any legal implications or tax implications that I should be aware of when setting up a membership programme?

There has been much talk in the Charity Sector press recently about membership and Governance. Many societies, clubs and associations have roots going back hundreds of years and in some cases are still operating under the same set of rules and regulations that applied when they were founded all those many years ago. It's hardly surprising that, over the passage of time, the governance of these membership organisations has become outdated and has often stifled progress. These organisations are basically 'owned' by the members and membership conveys rights and responsibilities including the right to vote.

Membership in this context should not be confused with membership in an informal sense. Informal membership is, in a legal context, no more than a contract to supply goods or services at an agreed price. As long as you are complying with the normal rules which apply to the sale of goods and services, membership should have no additional legal or tax implications.

Ramblings of an Old Stager

The Humble Membership Card

I clearly remember the murmurs of excitement as I walked through the door of our office one blustery autumn morning back in '92. The boys from estimating and the girls from project control were hunched around a picture of the gleaming new Tamarack laminating station imported from the United States. Bristling with excitement each and every one of those boys and girls knew that they were witnessing for the very first time something that would truly change their world.

Well, to be fair it wasn't quite like that but the Tamarack machine was imported from the States in the early 1990's and it did have a huge impact on our business for many years to come. The machine in question added lamination to a piece of paper with a quick release mechanism, which represented the birth of the laser compatible membership card. The laminated card was an instant success and it is still used widely today.

Most membership organisations of substance now produce personalised cards for their members. It is generally accepted that if you belong to a club, a society, an association or an institution you receive a card as an acknowledgement of your membership status. In some cases a card may add further value by providing proof of identity, access to third party concessions or a log-in to member-only areas of a website via a magnetic strip or chip.

I remember extolling the virtues of the membership card back in the 1990's and what held true then still largely applies today. There are many practical reasons why membership cards are a worthwhile investment for the membership organisation. There is no doubt they play a part in membership retention; when you look into your wallet or purse and see that you have no money at least you feel consoled that you still retain your membership of your favourite society! It is surprising how much this daily reminder can play on the subconscious mind and evidence shows that membership cards do improve retention rates.

Furthermore, the membership card is a reminder to members to provide change of address details when moving home. Up to 12% of the population move annually and for most membership organisations keeping the database up to date and accurate is time consuming and expensive. And of course, a membership card will normally carry a membership number which a member can quote over the telephone or use to gain access to members only web pages.

The Future of Membership Cards

Yes, it's perfectly possible to produce membership cards from all sorts of different plastics, metals and even wood (!) but these are essentially short-term gimmicks. Membership organisations thrive on good quality data and a real understanding of their members and the membership card of the future will surely be used as a vehicle to collect data.

Much in the same way as Tesco collects data on your shopping habits from their Clubcard, membership organisations will use cards with microchips to build member profiles. What events do they attend, what services do they subscribe to and how often do they take advantage of facilities available on your website. These and many more questions could be answered with the help of the humble membership card.

Let's see if I am right or will my prophecy turn out to be as accurate as the 'paperless office'!

Warning! The wrong database can seriously damage your wealth!

Choosing a database may well be one of the most important decisions you ever make for your organisation. Get it wrong and you may be subjected to headache, heartache and poverty (!) for years to come. The implications, both in financial terms and in terms of time wasted, should not be underestimated.

If you are considering upgrading your database system I would advise patience and plenty of homework.

To give you general advice about which route to take is difficult as it really does depend on your size, structure and resources. Raiser's Edge is the big mama of membership /fundraising databases and dominates the market but it is certainly not suitable for all. The functionality of Raiser's Edge is very impressive and it really does cater for most eventualities but it has a price tag to match.

The main problem with the large and expensive database system is not, actually, so much the purchase price but the cost of maintenance and change. To get the most from a system like Raiser's Edge you need in-house expertise and experience by the bucket load. Without it, I suspect it would be a bit like a pilot trying to land a jumbo jet at Heathrow without air traffic control!

Choice

For the medium sized and smaller membership organisation the sensible choice may be to look for something a little easier to handle. You have the option of:

- utilising a web based system which will be remotely hosted
- purchasing membership software and installing it on your own server
- developing your own bespoke system by using Access or something similar.

Each has its own merits.

Web based system

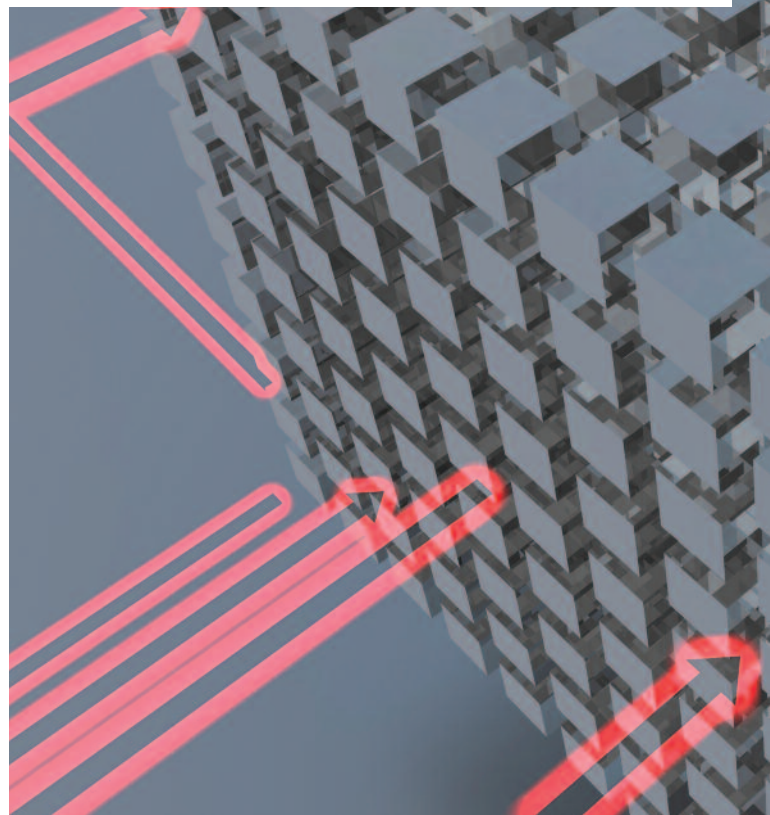
There are web based membership systems on the market which are reasonably priced and offer pretty comprehensive membership administration. You generally pay a monthly fee and don't have to worry about servers, networks or backups.

Web systems can, of course, be accessed from anywhere and are particularly handy if it is important that your members are able to log in to your site and amend their own records. The main downside of the web based system is that it is essentially a generic administration tool and will not cater for the idiosyncrasies of an individual organisation; anything out of the ordinary will have to be dealt with outside the parameters of the system.

Suitable for small and medium sized organisations with relatively straightforward membership administration needs.

Costs: ££ Features: ★★ Versatility: ★★

One to try: www.wildapricot.com



Purchase off the shelf system

For the needs of the more complex membership organisation you may well look at purchasing specialist membership software. This will be loaded onto your server and your data imported into the new system. The more sophisticated the system the greater the degree of personalisation available.

The software developers will often have spent years developing the systems and will have covered many eventualities. So unless you have a particularly unusual profile you should find a system which can cater for most of your requirements.

Software can be expensive though, particularly when you want amendments to the standard package.

Costs: ££££ Features: ★★★★★ Versatility: ★★★

One to try: www.subscriber.co.uk

Develop a bespoke system

If you are looking for anything slightly out of the ordinary you may wish to consider developing your own system. The main advantage of building your own (or having it built for you) is that you are not trying to fit a square peg into a round hole. Quite simply you are able to design it to suit the needs of your organisation.

Furthermore if you choose a universal platform, such as Microsoft Access, improvements and amendments can be handled relatively quickly and inexpensively.

Costs: ££ Features: ★★★ Versatility: ★★★★★

If you are considering investing in a new system or believe that your current system is holding you back why not give us a call and we would be delighted to talk to you about how we may be able to help.



Focus on **Charities**

Are you getting your fair share of Legacies?

If you are a charity and have a subscription based membership, Legacies should be somewhere near the top of your fundraising priority list.

It is recognised that Legacy income is the most cost effective source of income for charities that seek it. The rise in value of property in the last twenty years has largely been reflected in the increase in Legacy income and although the current credit crunch has temporarily suspended growth the long-term prognosis is still good.

The demographic make-up of the UK means that from 2112 deaths will increase and there is evidence to suggest that a greater percentage of Legacies will be left to charity.

If you fall into the category of a membership based charity you are particularly well placed to profit from Legacies. Members are often passionate supporters of a cause or lifelong enthusiasts of activities represented by an organisation to which they belong. Furthermore, you are in constant communication with them and have often built up a relationship over many years, which provides an unparalleled opportunity for you to promote Legacies.

If there were one item on your agenda to combat the blues brought on by the economic downturn I would recommend that you look to establish a legacy programme. If you have a programme already in place I recommend that you evaluate performance and upgrade if necessary.

Top Tip

I wonder how many membership organisations are truly analytical in their approach to membership retention and recruitment?

In order to build a platform for sustained growth the majority of membership organisations need to become more analytical. They need to understand why members join, why members leave and where new members are coming from.

I am not talking about a general impression here; I am talking about hard facts and statistics. My top tip is to invest time in developing a reporting system that can provide this information and using the results to establish a more scientific approach to membership development.

Our Services

- Design, Print & Mailing (including storage and distribution)
- Subscription Renewals & Reminders (full bureau service)
- Enquirer's Packs
- Welcome Packs
- Questionnaires & Surveys
- Lapsed Member Reactivation & Telephone Campaigns
- Membership Cards
- Fundraising Consultancy & Appeal Mailings
- Legacy Marketing
- Data Cleaning & Profiling
- Database Development
- Gift Aid Auditing & Promotion
- Online Print Ordering & Management
- Administration & Support Services
- Response Handling & Fulfilment
- Magazines & Newsletters
- Promotional Leaflets & Brochures

The Computastat Group specialise in membership marketing. Our focus is to help our clients to increase membership and improve on their return on investment. We have 20 years of experience working with some of the largest and most successful membership organisations in the UK as well as many smaller institutions, associations and charities.

Membership Audit

Why not take advantage of a **free of charge** Computastat Group membership audit ?

During a membership audit we analyse your membership communications processes, which covers renewals, lapsed members, enquiry handling, recruitment, Gift Aid and more. Our focus is to offer guidance and advice to help you increase your membership. Following an audit we will provide you with a written report of our findings and recommendations all FOC.

For a free consultation please contact Andrew Atiyah, on 01293 773221 or email membership@computastat-group.co.uk

Written by:

Andrew Atiyah – With a background in finance, marketing and general management and over 25 years experience of working with the not-for-profit / membership arena Andrew focuses his attention on helping clients improve their ROI. With an in-depth understanding of database marketing techniques Andrew has written and run training programmes and seminars on membership and related subjects.

Nick Pease – Communications and copywriting: Nick is a highly experienced, award-winning copywriter who has worked for some of the most creative and successful London agencies (McCann-Erickson, TBWA, Publicis, The Creative Business). Over the years Nick has worked in every business sector and every medium, from television and radio through to direct marketing, B2B and online. Within Nick's experience he has worked with a number of membership-based organisations, including Amnesty International, Greenpeace, RNLI and The Royal Photographic Society.

Published by:

Computastat Group Limited,
Smallmead House, Smallmead,
Horley, Surrey, RH6 9LW

t: 01293 773221

f: 01293 786747

membership@computastat-group.co.uk

www.computastat-group.co.uk



Disclaimer: All opinions expressed in this Newsletter are those of the authors and whilst every effort has been made to ensure the accuracy of the information contained herein, we accept no responsibility for any errors or inaccuracies.