

Membership Newsletter

Issue 3

The Big Squeeze

The austerity measures announced by the coalition are due to start biting in earnest in 2011. Make sure that you emerge stronger for the experience by taking a creative and analytical approach to membership marketing.

2010 is likely to be remembered as the year in which the big squeeze started. The outgoing Government left with its collective tail between its legs and the new coalition's first action was to announce swingeing cuts in public services designed to reduce the country's enormous debt. Furthermore, with the rise in VAT this month, the spending power of the general public is further eroded.

So far it's been like the phoney war, plenty of talk but little real action, but in 2011 the cuts will start to bite and the effects will ripple across all sectors of society. Already the protests have started with students taking to the streets but things are due to get far tougher in the months to come.

The consequences are that it is likely to be a difficult couple of years for most membership organisations. Trade unions and associations which predominantly represent the interests of public service personnel will inevitably lose members, whilst many other medical, environmental, leisure and interest-based societies are also likely to feel the effects of the squeeze.

Economic downturns are, however, a fact of life. We have all lived through them before and no doubt we will see them again in the future. The key for most businesses and membership organisations is to ensure that your machinery is in tip-top condition and running at full capacity. There will be less room for inefficiencies, wastage and extravagance.

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You can do no more than aspire toward optimum performance; be creative and analytical in your approach and make 2011 a year to remember for the right reasons. There is no doubt that some organisations will emerge from the current economic downturn stronger for the experience. In life hardship often brings out the best in people.

We are doing our bit by putting together a package of offers to help you weather the storm and emerge stronger. We have listened to you and put together offers designed to help you improve the service you offer to your members. See page four of this newsletter, or for more information visit our website www.computastat-group.co.uk/membership-services

Telephone Reactivation

The telephone is an important weapon in the armoury of the membership marketer. It can be utilised in a recruitment campaign, for membership surveys or as part of a membership retention programme. Below we interview Sarah Reneaux who talks about her role in reactivating lapsed members. Sarah has run and managed many successful telephone-marketing campaigns for membership based organisations, charities and businesses:

Why do you think the telephone is such a good medium for membership reactivation?

The main advantage of the telephone is that it provides an immediate and two-way dialogue. It enables you to build an almost instant rapport and, crucially, it enables you to listen and respond to the issues or problems which led to the member lapsing in the first place.

Does that mean you need an in-depth understanding of the society, association or charity that you work for?

Actually no. You need to be well briefed and understand the issues, of course, but the key is to offer a sympathetic ear; staff may address specific issues at a later date.

...continued overleaf

Are there other benefits of using the telephone?

Well, a telephone call can give you so much more information than an application form. It can provide really useful intelligence to help the membership manager formulate future strategy. For example, are there any common threads connecting the reasons for members not renewing? Or do members feel that they are getting value from their membership?

What are the limitations of the telephone?

Although the telephone is a cost effective means of communicating it is still more expensive than mailing, so costs need to be considered. We always recommend a 'test' before investing in a full campaign.

How many calls constitute a test?

We normally recommend 50 or 100 completed calls. A completed call is one in which you speak to your target whether this is 'successful' or not.

What are the main prerequisites of a successful caller?

I think perhaps the number one rule is to stay relaxed and make the person on the other end of the phone feel relaxed too. I personally stay away from scripts, as it is very difficult to avoid sounding like a 'salesperson' when following a script. You must quickly relate and empathise with the person you are talking to.

You don't want to sound like a "salesperson" then?

There is inevitably a sales element to the call, but this must be very subtle and there should be no overt pressure.

What other tips would you give to telephone marketers?

Be organised and know exactly what you want to achieve from the call. Be patient and listen. Be prepared to spend a considerable time with some people who want to talk. Being a good listener is very much part of the territory!

What other things should be borne in mind?

The time you make the calls is important. For evening work we expect to call between 6.30pm and 8.30pm but be prepared for a lot of recalls, as this is dinnertime for most people! Getting hold of people is the biggest problem; we normally recommend four attempts before handing back to client.

Finally, what sort of results do you expect?

You will not be surprised when I say it depends! It depends on all sorts of things but the last two reactivation campaigns that I have been involved in gave us returns of over 25%, which was an excellent return on investment for our clients. Best advice I can give is to talk to us and we can probably give you a better idea of the results you are likely to achieve.

Your Questions **Answered**

We work very hard to recruit new members and I believe we are quite successful but, despite all the hard work we put in, membership numbers overall are pretty static as our annual attrition rate is nearly 30%. Is this attrition rate normal and how I can get it down?

On the face of it 30% is very high. If there is no obvious reason for such a high attrition rate I would suggest two courses of action:

1. Review your renewal process and ensure that you are doing everything you can to encourage members to renew and remind them at least twice. In most lapsed member surveys I have been party to the single most common reason for lapsing is forgetfulness! Yes, even after receiving a renewal notice and a reminder members still somehow forget to pay their subscription!
2. If this does not have the desired effect I think that a lapsed member survey would be in order. Once you understand the nature of the problem you have a far better chance of being able to solve it.

If you are looking for a long-term solution to high attrition rates try to encourage your members to pay their subscriptions by direct debit (see Top Tip on page four).

Ramblings of an Old Stager

Our members don't want us to change

I have been told, more times than I care to remember, that members are an old fashioned breed of people who resist change at all costs. A breed apart in fact, 21st century Luddites who want the status quo maintained and will wreak havoc if forced to confront new technologies. "They will scream and shout and throw their dummies out of the pram and make our lives hell," I am told. And with a final flourish, "You don't know OUR members!"

Actually, I have a great deal of sympathy with membership officers who bear the brunt of disgruntled members venting their anger and frustration. Whether justified or not, it must be hard for front line staff to take a regular ear-bashing.

But, and here's the rub, don't use the grumblings of a few members to distort your view of a simple truth. If success is measured in terms of membership numbers and revenue generation then the more professional your organisation, the better the quality of your communications the more successful you will be.

It really is that simple. If you make improvements to your membership communications, Colonel Blimp will no doubt phone you up and complain that he preferred things as they used to be and perhaps Minnie Moaner will write to your chairman expressing her views on the decline in the use of English grammar. But don't let it worry you!

I am not for a minute suggesting that you ignore valid opinions or complaints from your members, far from it. But the fact is that membership is a numbers game and the view of the vociferous few should not deflect from the silent majority. Statistics should be driving the decision-making process not the complaints of an individual member.

Members *en mass* generally behave rationally, individuals don't! Look at the cold hard facts and ignore Colonel Blimp and Moaning Minnie when making strategic decisions about your organisation. Resist the idea that your members are different and prefer the old days! Believe me they don't!

Professionalism does not mean losing the personal touch.

I think there is a general misconception that professionalism leads to a less personal approach. But this could not be further from the truth. Professional database marketing techniques promote a more personalised approach by encouraging a greater use of data.

A modern programme is all about gaining a better understanding of members through the collection and use of information. A better understanding of the interests and aspirations of your members will allow you to offer a more tailored approach to your communications.

If you have aspirations to grow your membership, my advice is that you should politely ignore Colonel Blimp and his friend and embrace change and new technologies. The very process of looking forward has a habit of improving the view!

Outsourcing

Outsourcing is a fact of life for almost all membership organisations as very few profess to be able to handle everything in-house.

The dilemma is deciding what services to outsource and what to retain in-house.



The main advantage of outsourcing is the ability to tap into expertise and resourcing that you do not have internally. Even the very largest organisations, including the Government (!), use consultants and outside agencies to help them with specialist projects. For the membership organisation outside assistance is likely to be a key component in the successful delivery of their services.

Making the right choices and managing this process is clearly an extremely important management function and is largely dependent on the mix of skills and resources you have in-house. Outsourcing may encompass more or less any organisational process from catering and cleaning to design, printing, mailing and database management. Often these days, it also includes strategic planning, marketing, fundraising and general consultancy.

Below I have listed three areas commonly outsourced by membership organisations with an assessment of the advantages and disadvantages.

Subscription Renewals and Reminders

Printing, processing and mailing of subscription renewals & reminders.

Advantages: with data transfer via the Internet so simple and secure these days many (perhaps most) membership organisations outsource the printing, processing and mailing of their subscription renewals and reminders. A specialist can produce professional and personalised renewals with membership cards and save you the hassle of doing it yourself on equipment that may not be able to cope with it. You are also likely to improve retention rates at the same time.

Membership staff can then concentrate on more useful services for their members rather than stuffing envelopes!

Disadvantages: very few organisations have serious issues with data security these days but a few may still find sending sensitive data over the internet an issue. Probably a more likely obstacle to outsourcing renewals is the feeling of "losing control" over such an important mailing. To overcome this just make sure that your selected partner is able to convince you of their capabilities! If you are unsure ask for references.

Database Administration

Receiving, collating and inputting data, banking and thanking and maintaining the membership database.

Advantages: database administration is an area which a number of smaller membership organisations outsource and it is easy to understand why. So often routine administration inhibits creativity and stifles progress; management are more tied up in dealing with day-to-day problems than actually managing and providing strategic direction. In addition, there are often cost savings to be had in outsourcing to a specialist, particularly for the smaller organisation.

Database administration may also be outsourced as an interim measure for organisations looking to reorganise or upgrade their facilities.

Disadvantages: the database is the very heartbeat of a membership organisation and for some, outsourcing would be considered sacrilegious! It is true to say that to outsource database administration does require a leap of faith and a very close relationship between the organisations concerned.

Fundraising

Advantages: people far wiser than I have written books and devoted their working life to this subject, but I have seen enough over the years to know that many membership organisations understand very little about fundraising and that to outsource to a specialist would be a very wise investment. Whether or not you are a charity, if you believe that you represent a cause worthy of accepting donations or legacies from your members fundraising should be high on your list of priorities.

Disadvantages: for some membership organisations fundraising is at the very core of their activities and therefore they may well have the expertise and experience in-house. For everyone else it is difficult to make a case for not seeking specialist help.

The Computastat Group is an outsource specialist so please talk to us if you want to know more.

Legacy Marketing Can Be Simple

Legacy marketing can be simple or it can be mind-bogglingly complicated. Of course, for charities like Cancer Research and the British Heart Foundation, which receive millions of pounds each year from bequests left to them by their supporters, marketing Legacies is almost an industry in its own right. But for smaller charities and membership organisations it really can be a simple process. If you follow these guidelines you should not go too far wrong:

- 1) Tell your members that you accept and welcome legacies.
- 2) Explain why the funds are so important and what you will do with them.
- 3) ALWAYS use response-marketing techniques so you know who is thinking about leaving you a legacy.
- 4) Ask those who have expressed an interest or requested a brochure if they would pledge to leave a legacy.
- 5) Communicate regularly with pledgers and ask them for their input.
- 6) Consider specific projects and ring-fencing money to fund them.

Most people who leave legacies to charities tend to leave to a number of different charities rather than to just one. To ensure that your organisation is given due consideration make your case strongly and convincingly...and don't skimp on the brochure!

Top Tip

With the government bale out of our high street banks still fresh in the mind it may not be the best time to sing about the virtues of a bank service!

However, if you are looking to boost your membership retention rates direct debit is probably the best place to start. A survey of our top clients showed that retention rates of members paying by direct debit averages over 90% as against 70% for cash payers.

For most membership organisations, whose membership is from the general public rather than work related, direct debit seems to reach saturation point at around 75%, i.e. usually about 75% of members are prepared, with a bit of arm twisting, to pay by direct debit.

The most obvious place to start promoting direct debits is with your renewals and you may wish to consider some sort of incentive or discount to encourage members to switch. New members should be encouraged to set up direct debits at the outset and you may even consider that it is worth restricting options to force the issue.

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



More Free Services for 2011!

After the overwhelming success of the free membership processes audit of 2010 we are extending our free services in 2011. These new services are a direct result of feedback we have received from you.

Membership Process Audit

We are retaining our very popular free membership processes and communications audit for 2011.

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.

Membership Database Systems Audit

In addition to the membership processes audit we are now offering a free audit to cover the membership database.

For the membership organisation the database is the hub around which everything else revolves. An unsatisfactory database system causes so many problems; it can suck the life out of an otherwise vibrant organisation. Without accurate and easily accessible data running a membership organisation is a lottery. To apply logic and science you need the right tools.

If you are worried that your system is holding you back why not take advantage of our new FOC audit?

Outsourcing of Subscription Renewals and Reminders

Perhaps the single most important way to reduce membership attrition is to have a professional and well-executed renewal programme which encourages members to rejoin. The Computastat Group is expert at running such programmes as we aim to maximise returns through good design and functionality.

Our outsource programme could not be easier. We will visit your premises and walk you through the process whilst referring to many examples from our current client portfolio. Whether you have 2,000 members or 200,000 we are able to help. For 2011 only, we are offering free set-up; this includes first-draft artwork, programming, proofing and testing.

At Computastat we don't just print and mail, we offer our advice and expertise to ensure that you get the best possible results from your communications. Our help and advice is included at no extra charge in prices that we quote.

If you currently outsource and are looking for a new, reliable and proactive partner or you are thinking about outsourcing for the first time please call us to arrange a meeting.

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



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