FORUM®

Technology Solutions
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The path to excellence: A gaps-based approach to building member loyalty

by Marcia Harrington and Charles Colby

IN THE CORPORATE WORLD, the ability to hold on to customers is linked to profitability, growth, and general vitality. In the association world, membership retention can be linked to growth and organizational vitality as well as profits.

The logic for improving membership retention is clear. Associations spend a lot of time, money, and effort building membership. It is only logical that holding on to existing members is as important as attracting new ones.

The challenge has never been harder. Members' time is scarce and many formerly association-exclusive functions are now available via other means. Witness the amount of information that can be obtained via online channels, the accreditation functions that have been taken over by state or local governments, and the involvement of the private sector in providing conferences.

Many organizations fail to keep their members because they do not understand member expectations. Specifically, they fail to close the gaps between the services they provide and what members expect. Sometimes this happens because organizations make false assumptions about what drives membership value. Our research experience shows there is a tendency to overestimate the value of highly visible tangibles (such as publications and annual meetings) and underestimate more subtle but critical intangibles (such as the association being a leader). Specifically, there are three main gaps that can exist:

1. Members' expectations of the association versus the services they actually receive

(see Excellence, page 6)

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Nothing but the truth: Make your message meaningful, memorable, and real

by Lee Earle

DEVELOPING MARKETing messages is not like the film *Field of Dreams*… "if you build it," create and write something, "they will come." Your audience will not necessarily *read* let alone *remember* what you wrote.

How often do you stop and read all your junk mail, (sorry) direct mail? How many newspaper or magazine ads do you read or merely skim? How regularly do you remember a television spot, banner ad, or e-mail the next day? Are you starting to get the picture?

(see Messages, page 8)

Expanded antitrust protection for standard-setting organizations

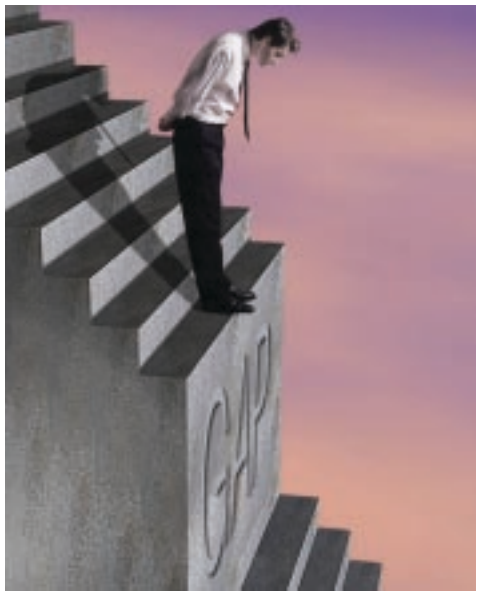
Act before September 20!

IN AN ATTEMPT TO ALLAY the fears of standard development organizations (SDOs) stemming from the threat of antitrust litigation, Congress recently adopted the "Standards Development Organization Advancement Act" (Act). The Act provides substantial benefits to SDOs. In order to qualify for the benefits, SDOs must "register" with both the Department of Justice (DOJ)

(see Protection, page 30)

EXCELLENCE

(continued from page 1)



2. What associations think members want/expect versus what they actually want/expect
3. How associations and members evaluate the actual performance of the association in various areas

The key to membership retention is defining value, finding gaps, and closing the gaps by educating internal management.

Outlined here is a comprehensive process, a five-step "Path to Excellence," for increasing member satisfaction and retention that may be part of a larger strategic initiative. It is specifically designed to win the acceptance of internal management, employees, and volunteers — an important aspect since their cooperation or resistance will determine if changes get implemented at an organizational level. Better yet, the process can also serve to energize the association as a whole.

Getting buy-in and identifying available resources internally

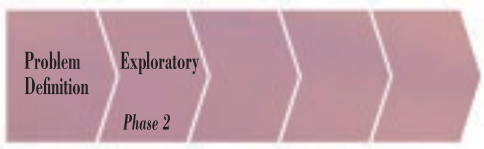
Talking to *internal stakeholders* is an essential first step. Since they will oversee and implement any recommended changes, their cooperation and buy-in to the process is critical. By including them in the research-building process from the start, organizations immeasurably increase internal interest in and commitment to the process. Stakeholders' perspectives are also useful in establishing a strategic context for the research.

Focus groups or in-depth interviews are the usual forums for collecting feedback from stakeholders. A successful process will include management (including governing boards) and, ideally, employees as well. Other groups that sometimes are brought in to the process include outside advisory boards, chapter representatives, or association activists.

As the goals of the research are defined, topics that can be explored with stakeholders include:

- The macro-environment (competition and trends)
- What is known about members now (regarding their background and expectations)
- Expectations from the research process
- Internal resources and obstacles
- Factors contributing to success or failure

For an educational association client, an internal stakeholder workshop among key executives provided an opportunity to discuss the core values and history of the organization, and how priorities had evolved as a result of changes in the profession. The discussion identified pertinent issues that were driving decision-making, such as the relative priority between meeting short-term revenue needs and the longer-term goals of being an advocate for the profession. The result was a constructive discussion that affected the information agenda for talking to members and former members in subsequent steps.



Allowing members and former members to define "quality"

Once overall goals and issues have been defined by stakeholders, it falls to members themselves to define what they expect from the association, or what should be measured in efforts to improve satisfaction and retention. Note how this differs from a standard approach in which management decides what criteria will be measured to define success. Instead, through means of focus groups or in-depth interviews, association members decide what constitutes the value of membership. Focus groups with former members can identify what precipitated their departure, why the association failed to meet their needs, and what can be done in the future to win them back.

This process can produce a subtle realignment or shifting of perspectives. Occasionally, earth-shaking revelations come out of this process:

In one study, a financial organization that had been measuring the success of its response times in number of days learned that its members wanted success measured in hours!

Another time, a health-sector association that thought its career center was an auxiliary function learned that members placed a lot of emphasis on it, expecting it to play a major role for those seeking jobs in related fields.

In addition to clarifying basic research premises, an exploratory step is important in another respect: it allows stakeholders to hear first-hand member perspectives and rationales for defining satisfaction and overall value as they do. Topics addressed by members should generally include:

- Satisfaction and experiences with the organization
- Expectations
- An operational definition of quality
- Loyalty drivers

If association turnover or "churning" is high, it is all the more important to get feedback from former, "defector" members as well as current members. This gives association management a perspective on motivations and behaviors that may not be found in the member population.

It should be noted that there are different ways of conducting this exploratory stage, including the Internet and telephone. An association representing nonprofit housing authorities wanted to explore issues among a relatively small, geographically dispersed member population, so focus groups were conducted successfully by teleconference.

Establishing a baseline for future measurements

Information gleaned from the previous phase is used to design a baseline survey that quantifies the issues for decision-making. Ultimately, this stage provides the basis for planning and goal-setting and is the starting point for ongoing tracking. Here, questions will be administered to a larger, randomly selected group of members and lapsed members. This will provide statistically supportable findings about the association population at large that can be used in decision-making.

The surveys can be conducted in person (e.g., at conferences), by telephone, mail or on the Internet. Generally, telephone surveys yield the highest percentage of responses for most organizations.

The aim of the baseline survey is to quantify gaps in meeting member expectations in three areas:

- Tangibles, such as meetings, publications, certification, and the quality of customer service in fulfilling these activities;
- Intangibles, such as the role of the association in influencing the prestige of an industry or profession, impact on legislation, and the prestige of being a member;
- Value, including dues and prices for services.

Identifying gaps requires measuring both *expectation* and *performance*. Two approaches to asking questions about expectations and perceptions of performance are shown below. The first example in each uses a general rating measure whereas the second example tries to get specific measurement criteria. Both have their place depending on the situation.

Two approaches to assessing expectations:

The Web site at XYZ association *should* contain accurate, up-to-date information

Strongly Agree 7 6 5 4 3 2 1 Strongly Disagree

To be excellent, XYZ association *should* update its Web site…

1. Every hour
2. Every day
3. Every 1-2 days
4. Every 3-6 days
5. Once a week
6. 1-3 times a month or less

Two approaches to assessing perceptions of performance:

The Web site at XYZ association contains accurate, up-to-date information

Strongly Agree 7 6 5 4 3 2 1 Strongly Disagree

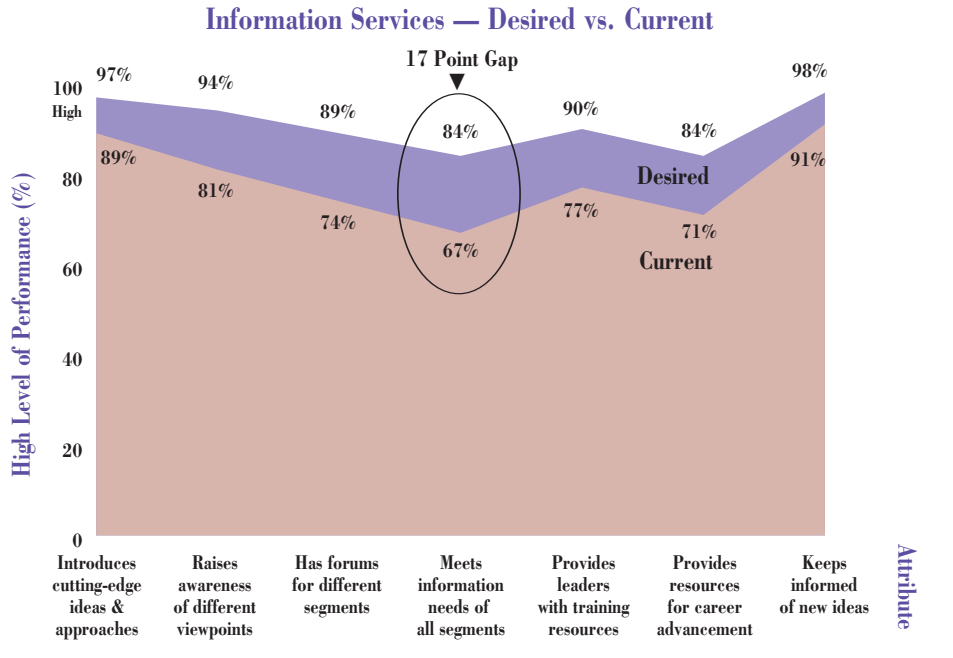
It appears that the Web site at XYZ association gets updated…

1. Every hour
2. Every day
3. Every 1-2 days
4. Every 3-6 days
5. Once a week
6. 1-3 times a month or less

By comparing expectations and performance, associations learn their relative strengths and weaknesses.

Importantly, at the time the survey is administered to members, the same survey should be given to internal stakeholders who are told to fill it out the way they think members would respond. In this way, the survey also identifies gaps between member and internal stakeholder perspectives.

In a study of expectations of large meetings for an association of meeting professionals, the perspectives of meeting attendees were compared with meeting sponsors and meeting planners. Areas of common ground emerged, for example, all parties recognized that the agenda and content are more important than the facilities and catering.



However, attendees felt that they were overburdened by a hectic pace that attempted to cram too much into the agenda, to a point where they were experiencing negative returns. Meeting planners agreed with this issue, but meeting sponsors underestimated the extent of the problem, suggesting a priority area for closing a gap through education.

These gaps are essential in determining strategic remedies for the association in the planning stage to follow.

Setting performance goals and identifying priorities for improvement

When the data comes back from the baseline study, a thorough analysis will reveal which areas drive value for members and where the biggest gaps between expectations and performance exist. This is the time to formulate an action plan for closing gaps, leading to increased satisfaction, loyalty, and retention among members.

The most critical input into the planning process is the level of gap in various performance areas. This is illustrated by the chart (bottom right, page 6) depicting one of the three gaps described earlier: the gap between members' expectations and the actual performance of the association. Visually, the chart makes very clear where the biggest service gaps exist. In the example below, gaps between expected levels ("desired") and actual levels ("current") are shown for a professional association's information services. The largest gap is how well the association is meeting the information needs of all its segments.

Among the tools that aid decision-making, a quadrant analysis (below) plots the importance of a service area against member satisfaction with service delivery. By showing which areas have high importance and low satisfaction, the analysis helps organizations set priorities for improvements. The quadrant's other areas show an organization's:

- Strengths — areas of competitive advantage that can be touted and that currently bond members;
- Opportunities — areas of strength but of little value or importance to members; associations are sometimes successful in changing members' views of the importance, thereby turning the area into a competitive strength;
- Caution points — areas where both performance and importance are low; organizations should monitor these areas, for if they suddenly become important to members, the organization could find itself at a strategic disadvantage.

The quadrant is based on deriving importance statistically by linking gaps in a survey to a measure of satisfaction or loyalty. A typical finding that comes from this kind of analysis is that pricing (i.e., dues), tends to have a minimal impact on satisfaction and intent to remain a member. There may be a tendency to complain about dues, or a perception internally that this is an issue of concern to members, but members are usually more concerned about gaps in meeting basic needs or the overall value for the money.

Using the quadrant and gaps analyses, associations can establish priorities and set goals for closing gaps. Since internal stakeholders are key to closing the gaps, they need to be brought in on this process. Given their earlier involvement, they will feel a commitment to the process and the goals.

Tracking association performance and member satisfaction over time

As a result of the planning stage, an association should be ready to implement a comprehensive plan for improving services, meeting intangible needs, and enhancing value. A cross-functional team should be formed to lead the charge, creating action plans and setting goals. Ideally, this team would be involved in the early stages of the Path to Excellence identified above.

As changes are implemented, there needs to be a process for tracking success in closing gaps and achieving goals. At this point, ongoing tracking should occur, but the process can be based on a much more streamlined and cost-effective questionnaire. The analysis in the Planning stage usually identifies the most pertinent indicators of success, helping to create a pared-down tracking instrument that is a third of the length of the baseline study.

We have been involved in countless efforts to improve loyalty in an association and corporate context, but not all of them have succeeded; this is usually due to ignoring the basic lessons described here. The first lesson is that for an initiative to succeed, it must be built up from within, consulting key internal stakeholders and members in the course of development. This ensures buy-in and results that lead to action.

The second lesson is that any initiative to improve loyalty must focus on closing gaps, particularly the gap between member expectation and performance. Implicit in this gaps-based approach is a process of learning and setting goals, and benchmarking your performance against the ultimate standard of excellence, what members expect. ❐

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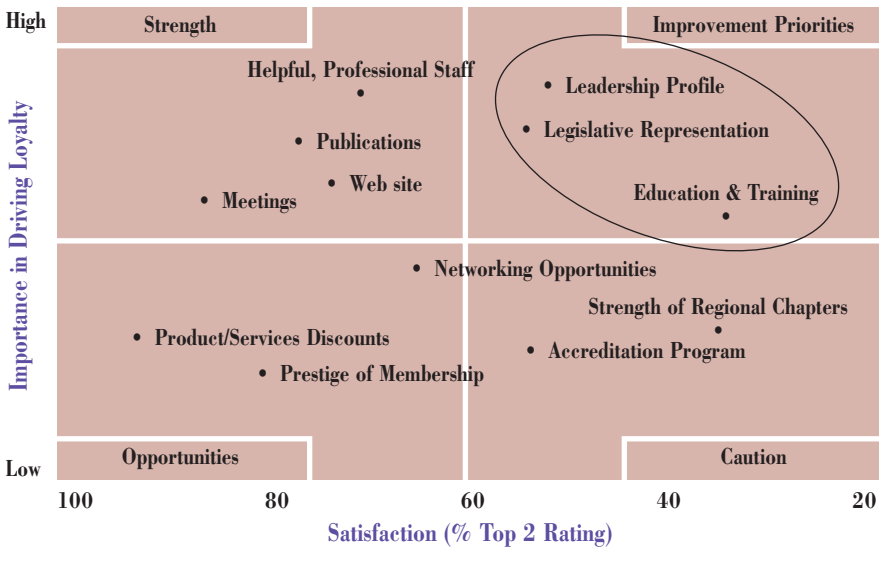
Example of Quadrant Analysis (a tool for setting priorities)