

# The Path to Excellence

A Gaps-Based Approach to Building Member Loyalty



# The Path to Excellence: A Gaps-Based Approach to Building Member Loyalty

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, or conferences provided by the private sector.

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 the 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:

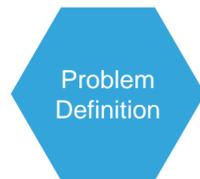
1. Members' expectations of the association versus the experiences they actually have
2. What associations think members want/expect versus what they actually want/expect
3. How associations and members evaluate the actual performance of the association in critical areas

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

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Outlined here is a comprehensive process, a five-step “Path to Excellence,” for increasing member satisfaction, retention and engagement, that should be part of a larger strategic initiative. It is specially designed to win the acceptance of leadership, staff, 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 research.

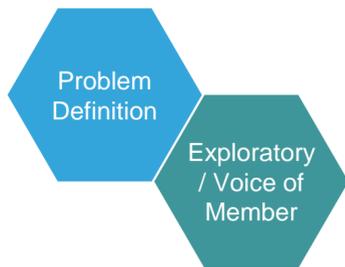
Focus groups or in-depth interviews are effective forums for collecting feedback from stakeholders. A successful process will include management (including governing boards) and, ideally, staff as well. Other groups that sometimes are brought into the process include outside advisory boards, chapter 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
- 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.*

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## Allowing members and former members to define “quality”

Once overall goals and issues have been defined by stakeholders, it falls to members themselves to articulate what they expect from the association, or what should be measured in efforts to improve satisfaction and boost retention and engagement. Note how this differs from a standard approach in which management decides what criteria will be measured to define success. Instead, through means of qualitative data gathering such as online forums, focus groups or in-depth interviews, association members can express what constitutes the value of membership. Conversations 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 members wanted success measured in hours!*

*Another time, a health-sector association that thought its career center was an auxiliary function discovered 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 observe first-hand member perspectives and rationales for defining satisfaction and overall value as they do. Topics addressed by members should generally include:

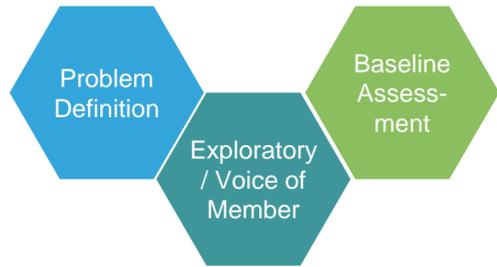
- Satisfaction and experiences with the organization

- Expectations
- An operational definition of value
- Innovative practices
- Loyalty drivers

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

*There are different ways of conducting this exploratory stage, including virtual and in-person methods. One association that wished to reach technology professionals at member organizations used a combination of interviews and focus groups at its annual meeting, focus groups at its headquarters, and telephone depth interviews. A trade association that represented technology manufacturers gathered feedback using an online forum powered by Rockbridge’s OpinionPond™ application.*

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## Establishing a performance baseline for future tracking

Using the information uncovered from the voice of the member and internal stakeholders, the next step is to design a baseline assessment 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 on the association’s performance. 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 are usually conducted online, although other methods can include by telephone, mail or in-person at conferences. The aim of the baseline assessment survey is to quantify gaps in meeting member expectations in four areas:

1. Tangibles, such as meetings, publications, certifications, and the quality of customer service in fulfilling these activities;
2. 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;
3. Value, including dues and prices for services;
4. Innovation, consisting of exhibiting leadership, creativity, and commitment to the social good.

Identifying gaps requires measuring both expectation and performance. The example below illustrates the general approach employed in an assessment. For a given expectation area, it is necessary to capture (a) the level of performance by the association as perceived by the member/constituent, and (b) the expectation of how the association should perform, framed as a description of an “excellent association”. With this two-fold approach, success is defined as the difference between performance and expectation.

### Two-fold measurement to quantify success in meeting expectations:

Performance Area: Provides industry recognized certification that helps me advance my career

(a) How well does this describe this association?

Does not describe at all      1   2   3   4   5   6   7   Describes Completely

(b) How well does this describe an excellent association?

Does not describe at all      1   2   3   4   5   6   7   Describes Completely

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Member expectations vary by the area being measured. Not all areas need to be perfect, so knowing the true level of expectation ensures more efficient allocation of resources by avoiding overdelivering.

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

The assessments described here are deliberately granular to inform decision making. It is also important to gather metrics on the overall health of the relationship. These should include:

- Satisfaction
- Future plans to remain a member
- Perception of value
- Willingness to recommend, or Net Promoter Score
- Innovativeness

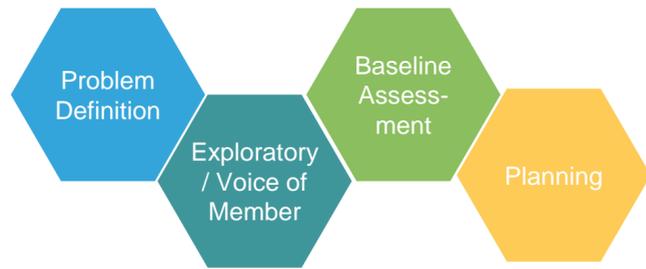
*In a study of expectations of large meetings for an association of meeting professionals, the perspective of meeting attendees were compared with meeting sponsors and meeting planners. Areas of common ground emerged, for example, all parties recognized that the agenda and content are more important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

*However, attendees felt that they were over-burdened 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.*

It matters to use best practice metrics that are widely accepted and can include benchmarks. For example, willingness to recommend should be gauged using a standard 0 to 10-point scale in order to compute a Net Promoter Score. Innovation is an increasing area of important in an era of disruption. For this area, Rockbridge has worked with academic researchers to develop metrics for gauging innovation perceptions as part of the member experience.

In sum, these metrics are essential in determining strategic priorities for the association in the planning stage to follow.

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## Setting performance goals and identifying priorities for change

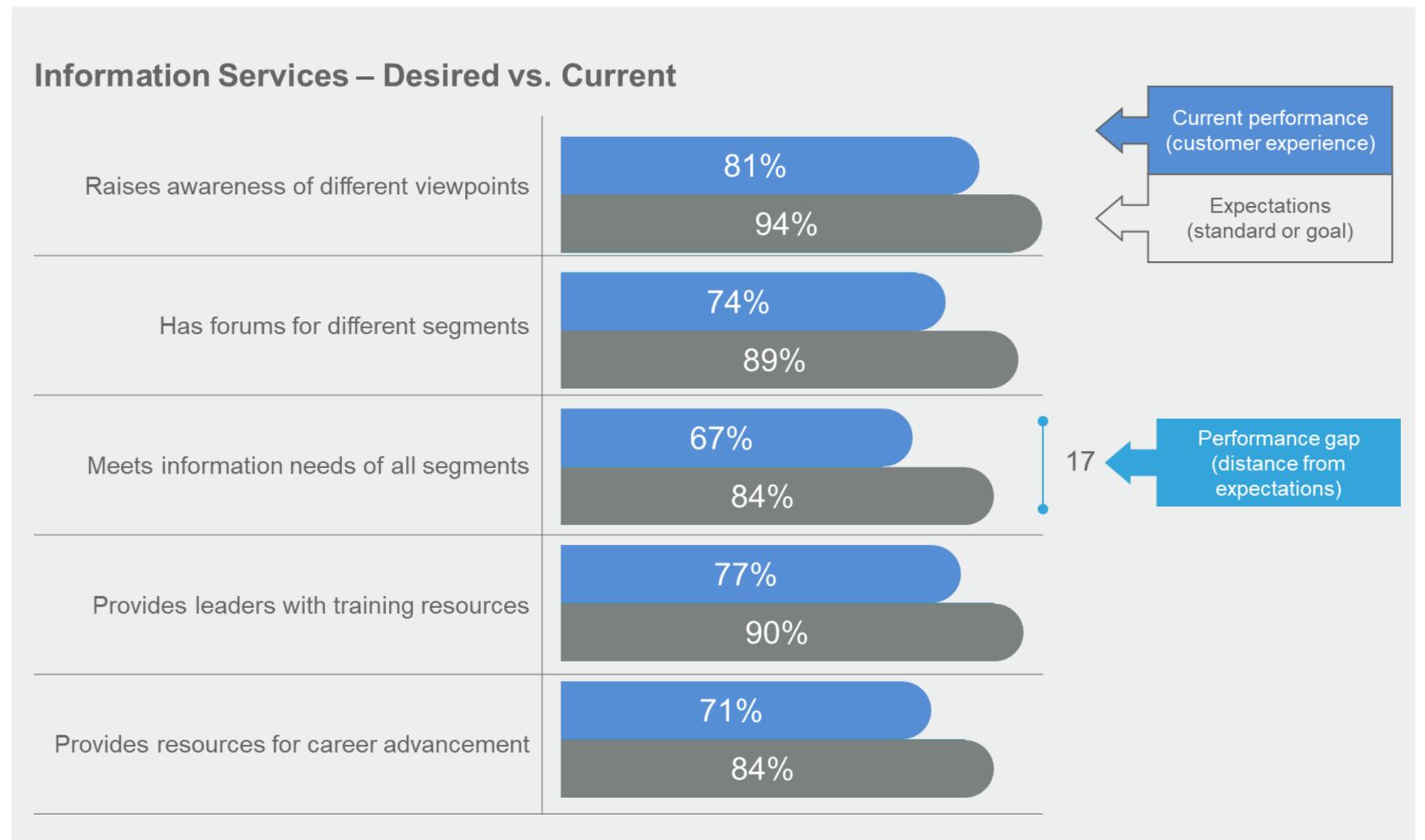
When the data comes back from the baseline study, a thorough analysis will reveal which areas drive value for members and where the biggest gaps between expectations and performance exist. This is the time to formulate a strategy for closing gaps, leading to increased satisfaction, retention and engagement 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 here depicting one of the three gaps described later: the gap between members' expectations and the actual performance of the association. Visually, the chart makes clear where the biggest service gap exists. In the example below, gaps between expected levels ("excellence") and actual levels ("current

performance") 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.

The measurements of performance and expectation can be combined into a scorecard showing the overall level of performance compared to expectation.

The metrics should be converted into a 0 to 100 rating (where 100 means a perfect rating on all items). For example, the overall expectation may average to 85, while performance may average to 70, revealing a 15 point gap that should be closed in the future.



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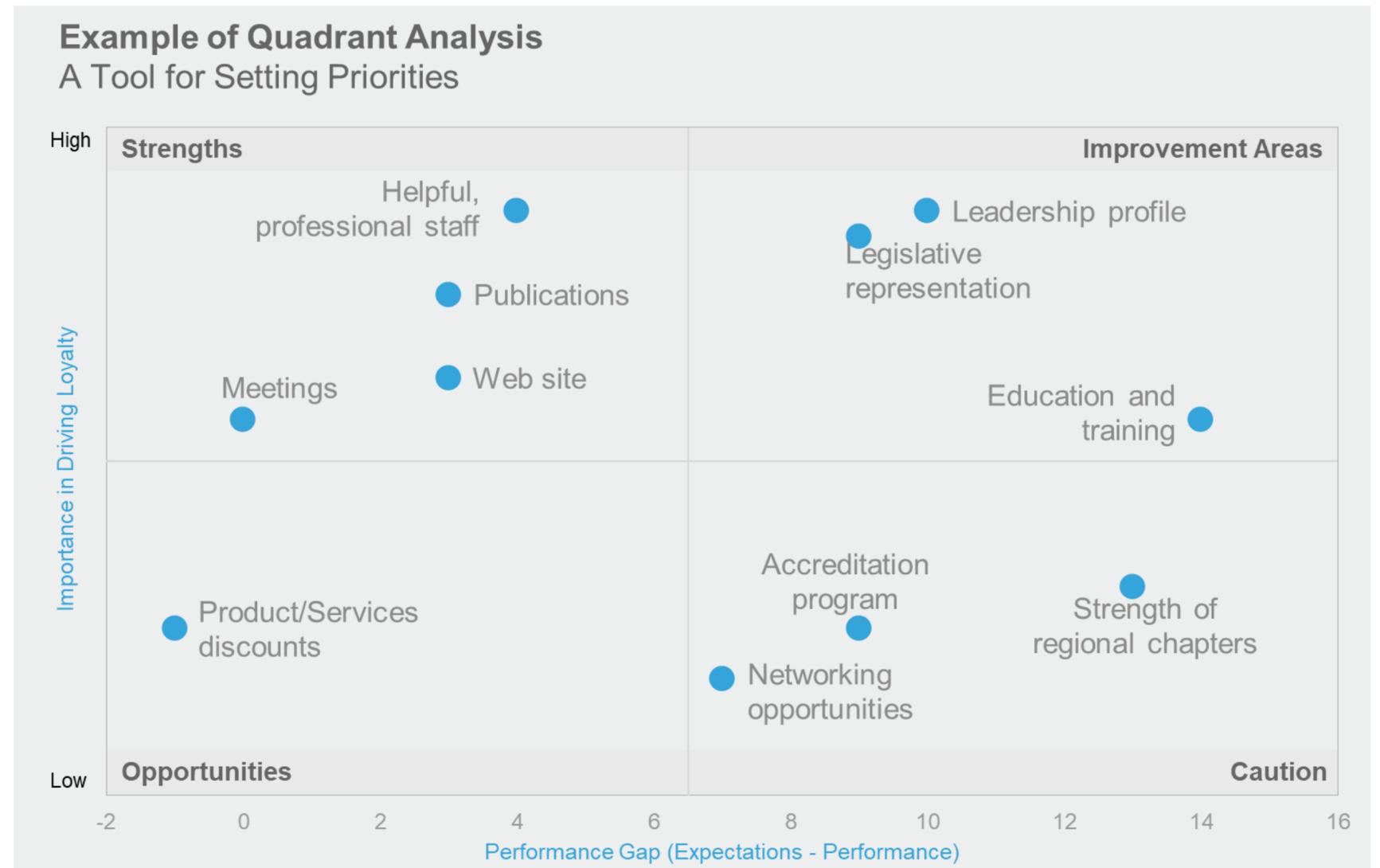
Among the tools that aid decision-making, a quadrant analysis plots the importance of an area in driving loyalty against the gap in that area. By showing which areas have high importance but large gaps, the analysis helps organizations set priorities for improvements. The quadrant's other areas show an organization's:

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

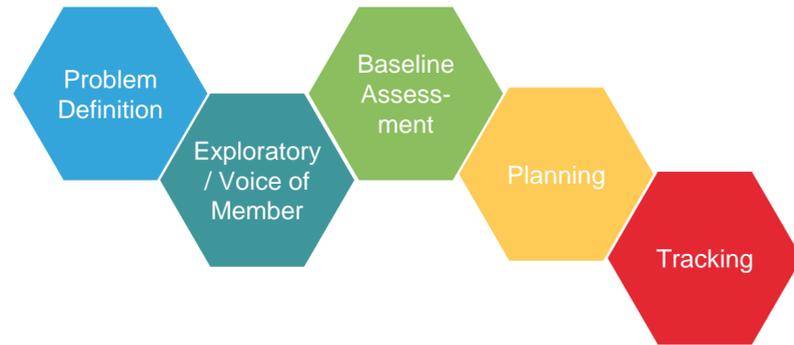
The quadrant is based on deriving importance statistically by linking gaps in a survey to a measure of loyalty. A typical

finding that comes from this kind of analysis is that pricing (i.e., dues) tends to have minimal impact on loyalty. 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, an association can establish priorities and set goals for closing gaps. Since internal stakeholders are responsible for implementing the change necessary to close 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.



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## Tracking association performance and member engagement over time

As a result of the planning stage, an association should be ready to implement a comprehensive strategy for improving services and benefits, meeting intangible needs, enhancing value and fostering innovation. 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 expectations 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.

## About The Path to Excellence

The Path to Excellence is a proven approach developed by Rockbridge to measure and track service quality. It is based on Rockbridge's MaxServ™ methodology that has been rigorously tested and verified to identify the performance gaps that most impact customer loyalty. Our approach measures both performance and expectations of the customer experience to uncover where associations need to improve and where they are currently overperforming relative to members' expectations. The result is a strategic roadmap that provides a clear picture of strengths and priority areas for improvement, based on both member expectations and impact on loyalty. Our clients can then activate improvement strategies in the areas that matter most, while preventing over-allocation of resources to areas that do not impact loyalty as much.

### About Rockbridge Associates, Inc.

Since 1992, Rockbridge has connected insights to outcomes for clients – adapting to changing landscapes and implementing innovative, proven solutions to meet clients' changing needs. Rockbridge serves a variety of industries, but focuses primarily on the services, information, and nonprofit sectors, with particular expertise in associations, financial services, technology, and travel.

Please visit [www.rockresearch.com](http://www.rockresearch.com) for more information.

### Contact Us

If you would like to talk to us about anything you have read in this whitepaper, please contact Joe Taliuaga at [jtaliuaga@rockresearch.com](mailto:jtaliuaga@rockresearch.com).

