WHAT’S MY SCENE: EXACTLY WHO IS THE FACE OF YOUR CLUB?

by Belinda Busoli

Belinda Busoli has been advising member based organisations around the world for over 10 years. In this article she shares some common mistakes that people make when marketing membership for their organisations. Your membership ‘face’ is part of your hidden toolbox …

1 SEGMENT APPROPRIATELY

Many clubs still rely on traditional segmentation methods (or none at all!) to drive their marketing. However the nature of modern society makes basic methods of segmentation no longer appropriate.

Consider a 41 year old woman. She could be on her first or third marriage, about to become a mother for the first time or about to become a grandmother for the fourth time, ready to exit the workforce permanently or about to start her first job. She could be active in her community and a member of many organisations or starting to get involved for the first time. Segmenting only by age and gender ignores a number of other important factors that could influence her decision to join.

It is generally understood that effective segmentation is crucial to maximise your time, spend and effectiveness. However, it becomes challenging when actually undertaking that process.

Defining your market segment is similar to cutting up a large pie. You can choose to slice a pie in many ways. It doesn’t change the content of the pie – but having the right sized pieces makes it much easier to swallow!

The basic segmentation method is age, gender, postcode and spend. Other options are to use segmentation strategies that cross-references socio-economic characteristics such as education, income and occupation. However, an even better option is to segment via the benefit the member is seeking from your club. The people in each segment you create must have similar responses to your marketing effort.

2 UNDERSTAND THE BENEFITS EACH MEMBER IS SEEKING FROM YOUR CLUB

When someone joins they are not making a donation. They are making an investment in something that is of interest to them. They may be joining a club because they want a better social life, quality family time, a refuge from the fast pace of society, or to support your cause.

In order to realise their investment they need to see certain benefits. For example, if someone is joining to support the club they may never come in and be happy to receive news updates. However, someone wanting a healthy social life will be looking for activities that enable them to achieve this. Within those activities will need to be tools that will facilitate getting people to meet and engage with each other.

You don’t need to invest thousands in market research to find out what members want. You can do it quite easily by calling a sample of active and non-active members from each segment. Ask them:
• Why they joined/renewed;
• Whether they come alone or with family or friends;
• What kind of club activities they enjoy;
• How they find out about club activities or offers;
• How they prefer to receive direct information;
• What kinds of magazines, newspapers, TV shows, internet sites and email bulletins they read; and
• Other information about their likes, dislikes, habits and lifestyle that may prove useful in your specific segment.

With this information you can start to build a ‘picture’ of your different segments and start to identify how each segment likes to receive communication and the types of benefits they are seeking.

3 POOR MEMBERSHIP FIGURES MAY BE A COMMUNICATION ISSUE

A common reaction from organisations suffering poor membership growth is to immediately start reviewing their membership offering or start adding new services. However for most organisations their membership offering is already adequate. In the majority of cases it is actually a communication failure.

Therefore when experiencing membership issues it is important not to immediately rush to add new services. Instead identify whether your problems are caused by poor communication.

Failures in the communication strategy for a specific segment can be due to issues with:

• The people engaged in the communication process;
• Your procedures and processes;
• Your positioning and branding strategy;
• Your promotional strategy; or
• A failure to effectively convey the value of your membership offering.

For example, a club with a wide scope of services was experiencing a low growth rate. They had added every service they could think of to the suite of benefits and yet membership wasn’t increasing. After conducting a member survey they found that only four services out of the potential 15 were being utilised. They then focused on promoting just those four services. By communicating just the services that existing and potential members were interested in hearing about they were able to improve their membership figures – and cut costs through shedding the services that weren’t used.

4 INSTIGATE A NEW MEMBER INTEGRATION PROGRAM

Most membership loss is in the first year or two of members. Members who stay beyond the two year period will generally stay far longer. There are two main reasons for this:

• The ‘gym’ phenomenon – This phenomenon is often seen in the plethora of people signing up to gyms at New Year. They are full of great intentions but only attend once or twice and then cancel at the end of the membership.
• The ‘fear’ factor – The first step for a member to get engaged is to get to know new people and places. Many people are shy, and attending a new place with new people opens them up to rejection and scares people. Therefore, many never take that first step even though they want to.

Research has proven that members who are actively engaged are much more likely to renew – and more likely to have an increased spend with the organisation. Therefore it is important to develop a special program for first year members that encourages them to become actively involved over the year. Here are a few ideas:

• Top three services – Find out the three most common services or activities new members from each segment use in their first six months. Provide incentives to encourage your new members to participate in these specific activities.
• Plant members – Where possible, plant existing members to introduce themselves to new members to ensure they have a good time.
• Get them in ASAP! – Attending for the first time is the hardest step for many people. So implement activities such as discounts and special events for new members to encourage their attendance.
• **Tailor new member kits** – If sending out a welcome email or hard copy pack to new members ensure that the information is tailored to the value proposition they are seeking.

• **Drip feed new members** – Send out information and promotions in small, one message bites via email or short hardcopy mailers over the course of the year.

• **Make a welcome call** – This is a great opportunity to get the member involved and therefore more likely to renew. Perhaps arrange for an existing member to make the call.

• **Welcome event for new members** – Host a new member event to give new members a chance to meet others who are in the same position. Make sure you include some “old hand” members at the event to mingle and engage with the new members.

• **Acknowledge and further utilise recruiters** – Thank people who introduced new members and give them a bonus (or thank you gift) if the new member renews. It is helpful if that recruiter is willing to follow the new member up prior to renewal.

5 **HAVE APPROPRIATE TECHNOLOGY IN PLACE**

Many organisations invest in their marketing materials, advertising and site improvements without supporting one of the most important elements of all – the technology that supports it.

Good technology gives you a significant competitive advantage. It enables you to deliver more efficient and cost effective service and product delivery while also tracking member engagement to enable you to continue to personalise and tailor the membership experience to specific segments – which enhances member recruitment, retention and engagement.

The possibilities of technology are endless and getting more inexpensive every day. You can in-build reporting that will enable you to identify issues occurring within segments and correct them quickly.

Successful organisations should be able to keep abreast of technology improvements that enable them to deliver bigger, better and cost effective services.

Of course, as well as having appropriate technology, you also need to ensure that team members realise the importance of keeping records up-to-date, and that someone has responsibility for updating the database when this information is received.

6 **PRODUCING SEGMENTED STATISTICS**

You do not have unlimited resources to spend on recruiting and retaining members. Therefore it is vital that all your membership marketing decisions are based on factual information. The best way to get that information is to constantly review your statistics by segment so you can target your time and spend into priority areas.

At any one time different segments of your membership will be at different stages of the member recruitment and retention cycle. Some segments will have a high retention rate – indicating there may be opportunities to recruit. However others will have a low retention rate which indicates the necessity to ease off on recruitment and focus on retention initiatives.

Organisations who are able to recognise where each membership segment is on the recruitment and retention cycle, and target their resources appropriately, are the ones who are able to maximise their membership growth most powerfully.

Review the following statistics for each segment every quarter in your Board Report:

- **Retention Rate** – Number of members retained over a period of time. \( RR = \left( \frac{\# \text{Members End Period} - \# \text{Members Joined over period}}{\# \text{members at start}} \right) \times 100 \)

- **Growth Rate** – The rate at which membership is growing over a period of time. \( GR = \left( \frac{\# \text{Members End Period} - \# \text{Members Start Period}}{\# \text{Members Start}} \right) \times 100 \)

- **Loss Rate** – The percentage of members not retained over a period of time. \( LR = 1 - \text{Retention Rate} \)

- **Tenure** – The length of time, on average, that a member stays. \( T = \frac{100}{\text{Loss Rate}} \)

- **Lifetime Value** – The total average spend of a member during their membership tenure. \( LV = \left( \frac{\text{Average Dues} + \text{Average Non-Dues}}{\text{Tenure}} \right) \times \text{Tenure} \)
Armed with these statistics you can then prioritise the work you need to do. When you know these statistics you will know the segments that require urgent retention strategies, those that represent an opportunity to recruit and those you can simply monitor while you focus on more urgent areas.

**EXAMPLE**

Michael had been quite happy with his performance as the membership manager at his club. His retention rate had been at 84%. However when he broke down that figure into segments he found that his retention rate in the ‘retired’ segment was close to 98%. However his retention rate for your professionals was 45%. He immediately changed his marketing plan. He started undertaking strong recruitment work in the ‘retired’ segment – as they represented good ‘bread and butter’ funding for the club. He then did further research into the ‘young professionals’ segment to understand why they were not renewing. This led to a revision of the way they were communicating with this group as well as the addition of a few new social programs to the club. With the statistics in hand Michael was able to justify devoting the time and funds to make his campaign to turn around this segment successful.

Known for her enthusiastic style, Belinda is a frequent presenter for not-for-profit organisations. Revealing insights from personal and professional experiences, she ensures that participants walk away with practical ideas and information that can immediately be applied. For more articles and information on membership visit: www.membershipsolutions.net.au