

## **Analyses for Current Members**

A typical Association Metrics member study contains all seven of the following analyses:

1. Member Needs Analysis
2. Current Benefits Performance Analysis
3. Current Benefits Awareness Analysis
4. Association Performance Analysis
5. Current Member Loyalty Analysis
6. Captive Member Analysis
7. Problem Analysis

### **Member Needs Analysis**

Members belong to associations to satisfy a variety of needs, and all members do not belong for the same reasons. Nor do they place the same importance on those reasons. The member needs analysis uncovers the reasons why members choose to belong to an association, and what motivates them to renew their membership and participate in association programs and activities. This will enable the association to develop and/or improve programs and member benefits within the framework of its mission and business model that address the specific needs of each major member segment.

This phase of the study determines if specific reasons for belonging to the association are common among member characteristics. The segmentation is based on all available member characteristics, such as:

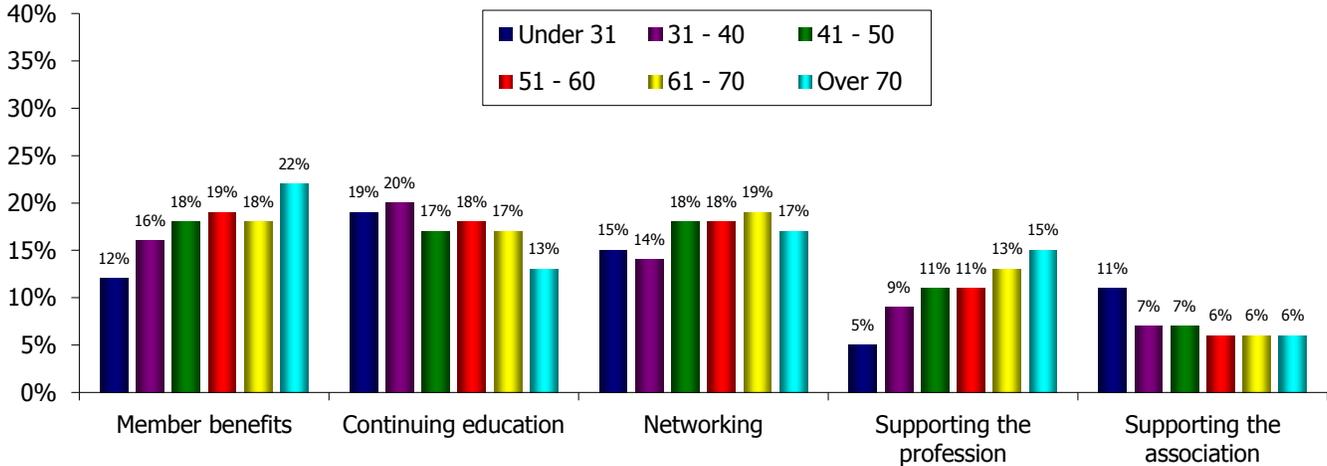
1. Type of membership
2. Geographic location
3. Age
4. Length of membership
5. Sex
6. Ethnicity
7. Formal education
8. Volunteer activity
9. Credentials held

In this analysis, bar charts (similar to the example below) are used to illustrate the prioritization of needs by each member segment. Respondents assign points to the reasons they belong to the association, assigning more points to the more important reasons.

Our focus is on why members belong to the association, rather than on why members joined the association, since members' needs change over time and the reason(s) they originally joined the association may not be the reason(s) they continue to be a member today.

The percentages in the bar graph represent the percentage of points each member segment allocated to that reason for belonging to the association. While the illustration below shows the age breakdown for only the top five reasons, a typical Association Metrics study examines 12-14 reasons members belong to an association. This analysis will be done for every major member segment.

This analysis identifies segments with different needs and enables the association to develop benefits and programs to meet the changing needs of its various member segments.



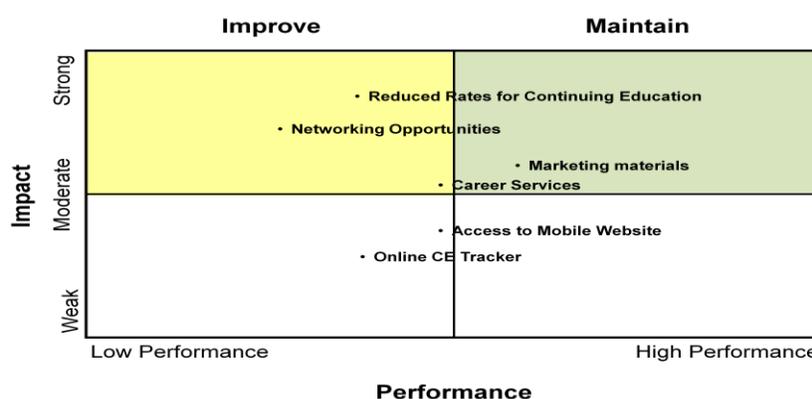
## Current Benefits Performance Analysis

Association Metrics uses a combination of multivariate statistical procedures to determine which benefits are meeting the needs of its members, and which benefits should be improved. For the benefits that should be improved, a priority listing is generated. Each current association benefit is plotted on an Improve/Maintain matrix, similar to the example below.

Those benefits that have the highest impact on members' perception of the association's benefits bundle are plotted in the upper half of the matrix, and their performance, as rated by members, is used to place those benefits into either the "Improve" or "Maintain" quadrants.

Notice that the matrix's vertical scale gauges the relative impact that each benefit has on the overall perception of the association's benefits bundle. While some researchers still ask respondents to rate importance, Association Metrics uses impact scores which are calculated using a multivariate statistical process. Impact scores provide a better measure of the effect that each individual benefit has on the overall perception of benefits, and can be accomplished with fewer survey questions, thus producing a shorter survey and minimizing respondent fatigue.

The visual aspect of the Improve/Maintain matrix enables the Board and the association's management team to interpret the research results and to develop strategic improvement plans for member benefits without requiring an in-depth knowledge of statistics, or having to sift through tables of numbers.



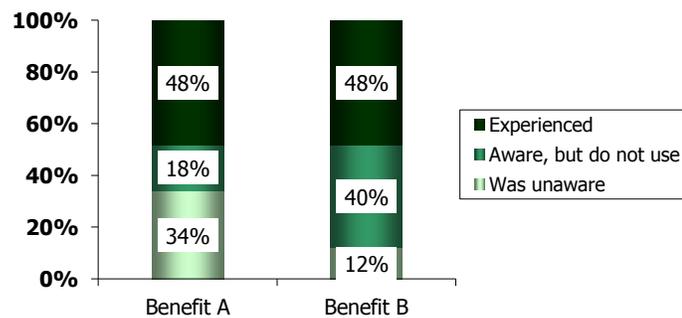
Respondents are also asked to submit suggestions for additional benefits that are not currently being offered, and which they believe will add value to their association membership.

## Current Benefits Awareness Analysis

We often find that members have a low perception of the value of their association’s benefits because they are not aware of everything that the association has to offer. In our studies, the level of use and awareness of each current benefit is tested. (This complements the performance and impact measurements in the Current Benefits Performance Analysis.)

The graph below shows the output from this analysis and the information that it provides. The top portion of each bar indicates the percentage of members who are familiar with the benefit and have used it. The middle portion indicates the percentage of members who are aware of the benefit, but have not used it, and the bottom portion shows the percentage of members who have not used the benefit, and were unaware of the benefit prior to taking the survey.

In this example, Benefit B has a higher combined level of awareness and use. Twelve percent (12%) of respondents are unaware of Benefit B, compared to 34% who are unaware of Benefit A. However, Benefit B has a higher level of non-use by those who are aware of it (40% are aware of Benefit B but choose not use it). The relatively high percentage of members who are aware of Benefit B but choose not to participate in this benefit, could signal that Benefit B is currently not a good fit for the needs of this association’s members.



Because Benefit A has a higher level of use by those members who are aware of it (only 18% are aware of Benefit A and choose not to use it), and because Benefit A has a higher level of “unawareness”, promoting Benefit A should generate additional new users without modifying the benefit.

Therefore, this analysis shows which benefits need to be improved, and which need to be promoted, in order to raise the level of awareness and use of benefits, and ultimately improve the overall perception of the association’s member benefits.

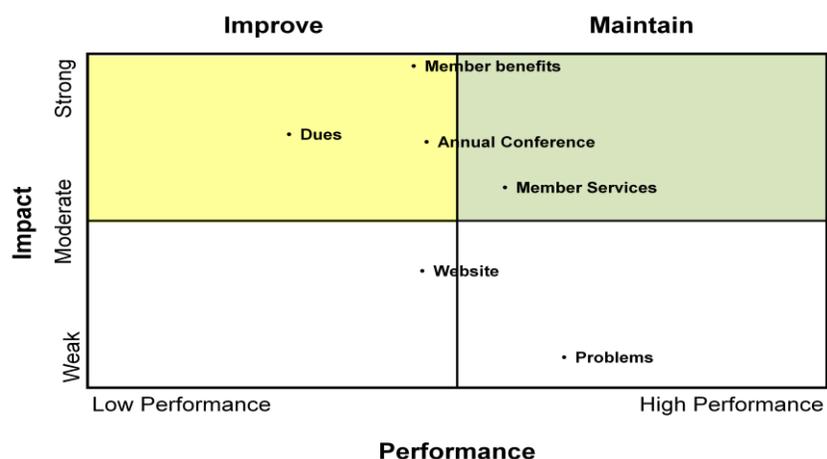
## Association Performance Analysis

In our research, we have found that the primary reason members do not renew their membership or are not engaged with the association, is because they do not feel they are getting sufficient value from the money and effort it takes to participate as a member. Our studies assess every component of the association's value proposition (e.g. dues, member benefits, education, website, publications, meetings, etc.) to determine the key drivers of membership value, as well as to determine the association's performance in each of these areas.

Just as there are a variety of reasons why members belong to the association, there are also a variety of benefits and experiences that members value from the association, and they value some experiences more than others. While some members may find more value in attending an Annual Conference, others may find more value in the association's educational programs. Members are more likely to participate in the benefits and experiences the association offers, if the association performs well in those things that members value.

Our studies examine all of the association's processes (where members interact with the association) and, through the same statistical modeling that is used in the Current Benefits Performance Analysis, develop a series of matrices similar to the one below. These matrices enable the association Board and management to focus its strategic plans on those areas that have the greatest impact on the perceived value of an the association membership and are currently underperforming (yellow quadrant) while maintaining its efforts on those key drivers that are currently meeting the needs of its members (green quadrant).

### Membership Value Matrix Example

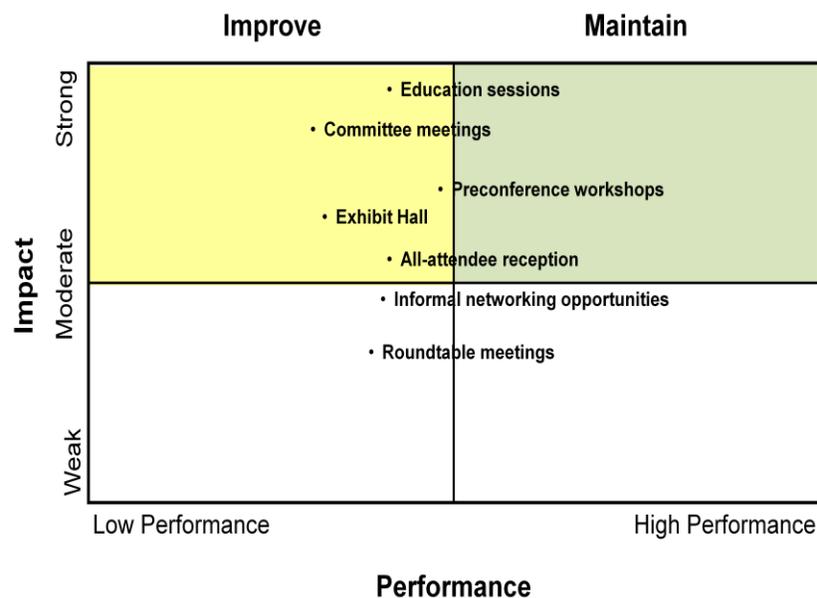


In addition to the value matrix on the previous page which shows which areas of the association should be improved, each process/experience in which members interact with the association will also have its own matrix (see the Annual Conference matrix example below).

Each process' matrix will show which attributes are the key drivers of the process and are currently underperforming. This enables directors to focus improvement efforts on specific underperforming attributes (rather than trying to improve the entire process) and, with the assistance of Association Metrics, develop improvement plans that are measurable and manageable.

To summarize, Association Metrics' performance analysis uncovers the underperforming key drivers of value which will enable the association's Board and management to prioritize improvement efforts for overall process areas at the strategic level. Additionally, the performance analysis uncovers the underperforming key attributes of each process or experience which provides an improvement plan for directors at the tactical level.

#### Annual Conference Matrix Example



## Current Member Loyalty Analysis

Every association has a mix of members who have a strong, moderate or weak relationship with the association. It is vital for the success of an association to understand the relationship it has with each member and to maintain a strong relationship with all of its members.

The stronger the relationship, the more likely members will be to:

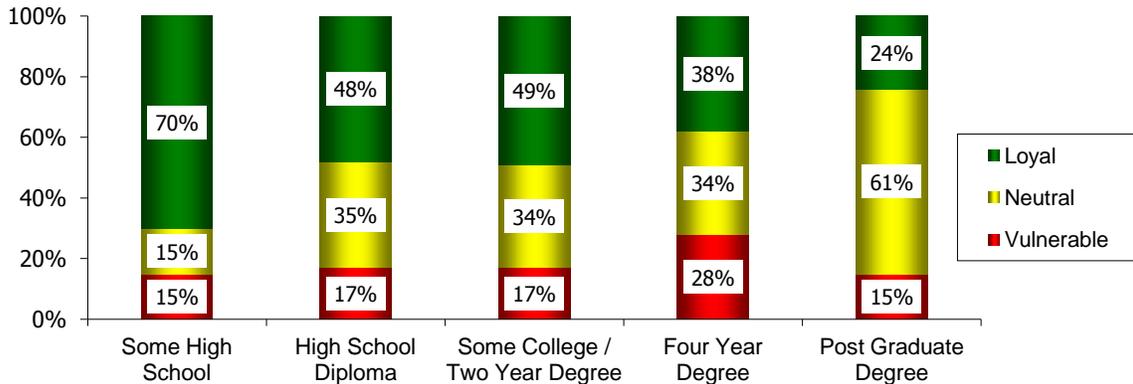
1. renew their membership;
2. recommend the association to others;
3. generate non-dues revenue by purchasing additional services;
4. be understanding when there is a dues increase;
5. be forgiving when there are fluctuations in service;
6. speak highly of the association (positive word of mouth);
7. support the association's mission and initiatives;
8. become more engaged with the association;
9. donate their time and skills to advance the association's mission through volunteerism;
10. be an advocate for the association.

Our studies calculate the association's Loyalty Score, that is, its current mix of loyal, neutral, and vulnerable members (strong, moderate, and weak relationships) and identify which members fit into each category. The percentage of members that fall into each of the three categories is used as an overall scorecard measure to see how well the association is delivering on its value proposition to its members in ways that are valued by its members.

As the association improves its processes and provides benefits and experiences that match members' needs and expectations, the percentage of loyal members should increase while the percentage of vulnerable members should decrease.

The sample bar graph on the following page shows that, in this professional membership example, formal education can be used to predict loyalty, and that members with less formal education are more likely to be loyal to the association. (This is only a hypothetical example as the results vary by association.)

As part of this analysis, all member segments will be analyzed (e.g. membership type, geography, age, sex, length of membership, credentials, etc.) to identify which member segments have a higher percentage (or a lower percentage) of loyal members.



The loyalty analysis enables associations to:

1. hone its marketing efforts to attract new members who exhibit the characteristics of its current loyal members,
2. improve the association in ways that will strengthen the relationship it has with its neutral members, and
3. target vulnerable (at-risk) members with intervention programs to minimize member defections and increase member engagement.

### Captive Member Analysis

Association Metrics has pioneered an analysis for membership associations that identifies those individuals who are captive or trapped members, i.e. they feel compelled to renew their membership even though they do not believe they are getting sufficient value for their dues. In our research, we have identified six conditions that lead to captive membership:

1. Member Benefits The number one reason why members plan to renew their membership, in spite of rating the value of their membership low, is because of member benefits. These respondents indicate that they need some of the benefits offered by the association that are required for them to practice in their profession.

2. Lack of Suitable Alternatives Some respondents continue to renew their membership because they believe there are no other alternatives. The comments range from members being unaware that other similar organizations exist, to believing that no association does a particularly good job of providing value, but this association is better than the others. Members suggest that while other associations may offer similar benefits, these captive members are well aware that there is a “preferred” association in the industry, based on the association’s longevity, prestige, and the overall image of the association. So even though the association provides low value, it is still the best one available.
3. Inertia Some members just simply don’t like change. Members plan to stay with the association because even though the benefits offered by their current association might not be the best, at least they are familiar with them, and they were unwilling to take a chance on unfamiliar benefits. Members also comment that they “have been a member since 1993, and didn’t want to break the string”. Some didn’t want their resume to reflect the “instability” that jumping from one association to another over a short period of time would indicate. Others mention that it is more convenient to renew their membership than it is to shop for another association.
4. Dues Reimbursement Some captive members intend to renew their membership because their dues are being reimbursed by their employer. Even though they find little value in the membership, it costs them nothing personally to remain a member.
5. Finish What Was Started A small number of captive members who are currently serving as association volunteers in leadership positions want to stick around long enough to finish their term or to be able to finish the work that they started.
6. Need More Time to Think About it And lastly, some captive members indicate that they plan to re-evaluate their membership and may not renew in another year. They are disappointed with the value of their membership and are considering switching, but have been too busy to give serious consideration to the decision at this time. Reevaluating their membership is something they plan to do before the next renewal.

Captive members, by definition, are highly likely to renew their membership for the next year, but our research shows that the renewal rate of these individuals for the second year is significantly lower than for members who are not classified as captive members. While they plan to remain a member in the near term, their feeling of being trapped causes them to be disgruntled. This analysis is typically conducted if a minimum of 5% of current member respondents fall into the captive members category.

## **Problem Analysis**

A typical Association Metrics study contains a four question module that (1) asks individuals if they have had any significant problems with the association in the past six months, and if so, (2) to explain the nature of their problem, (3) indicate if they reported the problem to anyone at the association, and (4) indicate if their problem has been satisfactorily resolved. Our research shows that members who experience problems with the association are less likely to be loyal to the association. This small battery of questions also provides detailed information on the root causes of problems that members have recently experienced.

### **Analyses For Lapsed Members**

Association Metrics also conducts lapsed member studies. The issues addressed by this type of research include:

1. why they originally joined the association,
2. why they left the association,
3. If they encountered any problems with the association while they were a member,
4. how likely they would be to rejoin the association,
5. what it would take for them to rejoin the association,
6. their perception of the association's benefits and processes when they were a member.

The two main objectives of a lapsed member study are to (1) understand what it would take to win back lost members, and (2) understand why members are not renewing their membership so that intervention programs can be put in place in the short term to lessen lapses and improvements can be made to the association to lessen lapses in the long term.

### **Analyses For Prospective Members**

One of the primary goals of this type of research is to better understand the attitudes and opinions of qualified individuals who are non-members in order to develop strategies for recruiting these individuals.

In this study, individuals are typically given questions regarding:

1. their awareness, perceptions, attitudes and beliefs of the association,
2. their reasons for belonging to any association,
3. their willingness to join this association.

## Research Methodology – Data Collection

Association Metrics is experienced at collecting data through web based surveys, mail surveys and telephone surveys. The most common approach currently being used is collecting responses from current, lapsed, and prospective members using a web based survey. The flat fee cost structure of a web based survey enables all the association's members and non-members with an email address to be invited to participate in the survey for the same cost as only inviting a sampling of the members to participate. Studies have shown that organizations who survey their constituents are perceived as being more "in touch" with their constituents. Conducting a web based survey in which all members are invited to participate will enable all members to voice their opinions. The larger number of completed member surveys enables the statistical results to be reported at a higher level of precision, without having to oversample small member segments.

The survey link to the online survey can be delivered via email to all current members and non-members by the association or by Association Metrics through its online survey system. When Association Metrics sends the email invitations, a unique survey link is generated for each participant. This identifies the respondent in the database and enables Association Metrics to merge the association's internal member data with survey responses in order to shorten the survey and to provide more detailed, and potentially more accurate, information. This system also enables reminder emails to be sent to only those individuals who had not yet completed the survey. In addition, any individual who is accidentally disconnected from the survey can use the same link found in his/her email to return to the partial survey without any loss of data.

Association Metrics' online survey program also allows respondents to save a partial survey and return later to finish their survey. This eliminates the need for members to complete the survey at one sitting.

To increase response rate, we typically send a total of four email messages to the member population, consisting of one pre-notification email, one survey launch email and two follow-up reminders to non-participants.

## Research Methodology – Rating Scales Used

Association Metrics uses five point fully labeled rating scales for all closed ended questions, that include the option of “Don’t know” (DK).

Question Type	Examples	Scale
Performance	Overall rating of website Overall rating of publications	Excellent, very good, good, fair, poor, DK
Value	Overall value of the association’s membership	Excellent, very good, good, marginal, poor, DK
Price	Overall rating of dues	Low, somewhat low, just right, somewhat high, high, DK
Behaviors	Likely to recommend the association Likely to renew membership	Extremely likely, very likely, somewhat likely, not very likely, not at all likely, DK

Research on rating scales has shown that fully labeled scales are more reliable, they eliminate the biases of numerical rating scales, and they provide better information. Numerical scales (e.g. 1 – 7, 1 – 10, or 1 – 100), and partial numerical scales (e.g. easy, 2, 3, 4, 5, 6, difficult) are less reliable because they allow respondents to define the scale points. That is, each respondent determines what constitutes a rating of 4 and how that is different from a rating of 5. Because numerical scales are subject to personal interpretation, one person’s 6 is frequently another person’s 8. This renders conclusions drawn from their analyses less trustworthy and dependable.

## Research Methodology – Reporting Results

While some researchers still report performance ratings as averages, Association Metrics measures performance using top 2 scores (i.e. the percentage of respondents who give one of the two best possible responses on a five point scale).

As the table on the following page illustrates, the distribution of members’ responses can vary significantly for different aspects of the association and still produce the same average rating. Averages tend to cluster in the middle because an average, by definition, is a measure of central tendency, i.e. it gives a measure of the middle of a group of responses, in which high and low responses offset each other.

Even though education and the website have the same average in this example, it would be a mistake to believe that members have the exact same perception of both, since half of the respondents are “delighted” with education and the other half are “disappointed”, while all members find the website’s performance “acceptable”.

Notice in this example that the top 2 scores are different for each area of the association. In addition to top 2 scores having the sensitivity to detect differences in response distributions, top 2 scores measure the percentage of only those members who have strong positive opinions.

In order to change attitudes and ultimately change members’ behavior, members must first exhibit a strong positive opinion of the attribute or process. Therefore, we measure the percentage of respondents who currently provide a top 2 rating, and identify ways of improving the association to increase the percentage of members giving top 2 ratings in the future.

Rating	Rating Points	Member Benefits	Education	Annual Conference	Website
Excellent	5	20	50		
Very good	4	20		10	
Good	3	20		80	100
Fair	2	20		10	
Poor	1	20	50		
Total Responses		100	100	100	100
Average Rating		3.0	3.0	3.0	3.0
Top 2 Score		40%	50%	10%	0%

## Research Methodology – Impact vs. Importance

Association Metrics calculates the impact of drivers (value, benefits, and processes) through a variety of multivariate techniques, such as multiple regression, correlation, and structural equation modeling. We do not determine importance by asking respondents to give an importance rating in the survey. Determining importance through survey questions adds to the length of the survey and introduces biases. Additionally, importance questions tend to produce results with little discrimination, that is, most responses tend to cluster at the extremes. The

majority of responses usually fall into either the “Very Important” category, or the “Not Important At All” category, with very few responses distributed among the middle ratings.

## **Project Management**

With input from the association, Association Metrics writes the questionnaires, programs the online surveys (if a web survey is used), monitors the data collection progress, provide daily progress updates to the association, and provides technical assistance to any members who might experience difficulties completing the online survey.

## **Deliverables and Responsibilities**

All of the materials developed in our studies remain the intellectual property of the association.

In a typical Association Metrics study, we provide to the association:

1. questionnaires for each population in the study (e.g. current members, lapsed members, and prospective members);
2. a report in Power Point with detailed analyses, conclusions and recommendations;
3. a presentation to the Board and management of the association;
4. Excel and SPSS files with the raw data;
5. Word documents with verbatim comments to all open ended questions.

The association will typically:

1. provide input to Association Metrics to assist in the questionnaire design;
2. approve the questionnaires;
3. if available, provide information to Association Metrics from internal records that can be appended to survey data for richer segmentation analyses.

## Research Program Timing

The process for a new program usually takes about 8 - 10 weeks, but that is dependent upon the length of the questionnaire approval process. Presentation of the research findings, conclusions and recommendations to the management team and/or Board can be scheduled to accommodate Board meetings.

## Primary Research Contact

The day-to-day activities of Association Metrics research programs, including writing the questionnaires, managing the data collection, analyzing the results, writing the report, providing recommendations, and presenting the findings to the association will be done directly by Larry Seibert, Ph.D., President/CEO of Association Metrics or under his direct supervision.

Dr. Seibert has an MBA from Indiana University Northwest with a concentration in Marketing, and a Ph.D. from Purdue University with a research background in consumer behavior.

His articles on member research and research methodology have been published by the American Society of Association Executives, as well as by a number of state societies of association executives, including:

1. *Association Focus* (Midwest Society of Association Executives)
2. *Association Impact* (Michigan Society of Association Executives)
3. *Association Leadership* (Texas Society of Association Executives)
4. *Association Press* (Virginia Society of Association Executives)
5. *Association Resource* (Empire State Society of Association Executives)
6. *Connections* (Georgia Society of Association Executives)
7. *Source* (Florida Society of Association Executives)
8. *Success by Association* (North Carolina Society of Association Executives)
9. *Synergy* (Indiana Society of Association Executives)
10. *The Executive* (California Society of Association Executives)
11. *Vantage Point* (Wisconsin Society of Association Executives)

## Recent Clients

American Academy of Neurology (AAN)  
American Dental Association (ADA)  
American Immigration Lawyers Association (AILA)  
American Massage Therapy Association (AMTA)  
Anderson University Alumni Association  
Association of Fraternity/Sorority Advisors (AFA)  
Connecticut State Dental Association (CSDA)  
Financial Planning Association (FPA)  
Florida Dental Association (FDA)  
International Institute of Synthetic Rubber Producers (IISRP)  
Indiana CPA Society (INCPAS)  
Indiana Society of Association Executives (ISAE)  
Infusion Nurses Society (INS)  
Institute of Management Accountants (IMA)  
Michigan Society of Association Executives (MSAE)  
Missouri Nurses Association (MONA)  
National Contract Management Association (NCMA)  
Society of American Archivists (SAA)  
Society for Nutrition Education (SNE)  
Society of Plastics Engineers (SPE)

## The Association Metrics Difference

There are several factors which differentiate Association Metrics, Inc. (AMI) from other association research consultants.

1. AMI measures performance using top 2 scores rather than averages, because averages smooth out high and low responses and mask significant differences;
2. AMI uses a three question index for measuring the strength of member relationships (member loyalty). Some researchers use a single question to measure relationship strength. A single question is less stable, less reliable, and less predictive;
3. AMI calculates the impact that organizational processes have on membership value by using multivariate statistical procedures. Some researchers ask respondents to rate importance, which lengthens the survey, provides less discrimination among responses, and introduces biases;

4. AMI reports utilize an easy to understand Impact/Performance matrix which allows the reader to see at a glance which benefits, processes, and attributes should be improved. This graphic presentation of key drivers contributes to more efficient discussions during strategic planning sessions because of the visual presentation of information presented in a non-technical format.
5. AMI is a thought leader in membership association research. We have developed a technique to determine which members are more likely to volunteer. We have also developed a process to determine which current members are captive. Our White Papers that describe our research processes can be downloaded freely from our website <http://www.associationmetrics.com/resources.html>.

## Contact Information

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