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Over years of conducting numerous research programs for many types of organizations, we have found that problems weaken the relationship between an organization and its constituents, whether they be members, customers, clients, or patients. But we also know that different types of problems negatively impact the relationship to varying degrees. Some problems will only cause minimal damage to the relationship if resolved, while other types of problems must be completely eliminated and prevented from occurring.

In order to determine the negative impact problem experience has on member loyalty, there are four issues that must be addressed: (1) the prevalence of problems, (2) the percentage of problems that go unreported, (3) the extent of damage that is done to the relationship if the problem occurs but is resolved, and (4) the extent of damage that is done if problems go unresolved. By understanding the last two (damage done by resolved problems and damage done by unresolved problems) an organization can efficiently allocate its limited resources to eliminating problems where it must, and resolving problems in areas where problem elimination is not necessary.

Including the following four questions in your member satisfaction/loyalty survey will allow you to determine the impact that various types of problems have on your member relationships:

1. Have you experienced a significant problem when dealing with XYZ in the past six months?
2. Please briefly describe the nature of the problem.
3. Did you report the problem to anyone at XYZ?
4. Was the problem resolved to your satisfaction?

Prevalence of Problems
The first step in the process is to determine how prevalent problems are within the normal conduct of business. This can be accomplished in any member survey by adding a few questions aimed at uncovering problem experience.

Typically, this set of questions would open with a question to determine if the respondent had experienced a significant problem within the past six months. The word "significant" is used in this question to separate problems that are capable of weakening

a member's relationship with the association from minor problems that would be considered more of a nuisance in nature than relationship threatening. Limiting the time frame to six months focuses the attention on recent situations where respondents are more likely to be able to recall specific details. Additionally, problems that occurred in the distant past are more likely to have already been addressed through process improvements by the association.

Nature of the Problems
For respondents who have experienced a recent problem, they are then asked to briefly describe the nature of the problem. Through content analysis, problems can be categorized into the appropriate process area. In some cases, a problem can fit into multiple categories.

Frequently, a problem will originate in one area (e.g. difficulty in logging into the members only area of the association website) and carry over into another area (e.g. difficulty in getting assistance from tech support). In this example, one situation has produced two problems - a website problem and a tech support problem. Through content analysis and subsequent categorization, the frequency of problems by process area can be determined. The respondent's verbatim account of the issue adds specific details of how the situation became a problem, which can add insight into what might need to be done if the association chooses to prevent the problem from occurring.

Unreported Problems
The next question to pose to respondents who have experienced a recent problem is whether or not they reported the problem to someone at the association. The percentage of respondents who experienced a problem but did not report it, not only gives the association an indication of the percentage of unreported problems, but it can be used in conjunction with the association's internal statistics to calculate total problem incidence. For example, if 33% of respondents reported their problem, then this would indicate that problem incidence is actually three times greater than the number or problems the association is tracking.

Additionally, the association can determine if certain types of problems are more likely to go unreported. Research shows that the primary reason individuals do not report a problem is because they believe nothing will be done about it and the time spent reporting the problem will be a wasted. If, for example, a larger percentage of website problems go unreported than problems in other areas, this might point to a general feeling among members that the association is unresponsive when it comes to dealing with website issues.
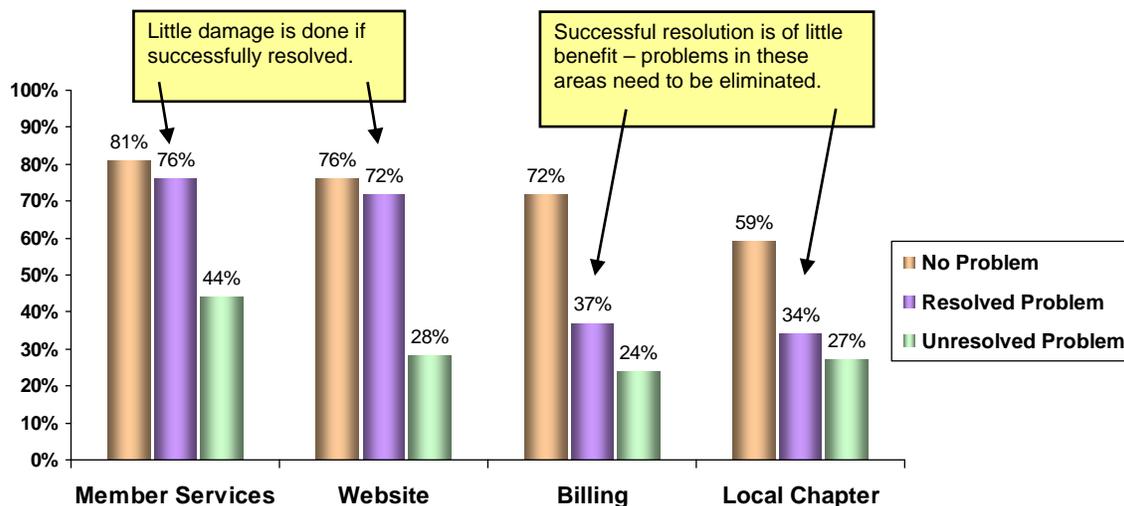
Problem Impact
In order to determine the negative impact that problem experience has on any organization, it is necessary to get an overall respondent rating for each of the processes where members have contact with the association. For example, if respondents are asked to rate the overall quality of member benefits, member services, publications, conferences, continuing education, website, etc, the impact that problems have on these areas can be calculated.

The overall quality ratings of each area from respondents who have not experienced a significant problem can be compared to the quality ratings given by respondents who have experienced a problem to determine the negative effects of problem incidence. The bar chart below illustrates this comparison.

(The percentages above each bar represent the percentage of respondents who gave overall ratings of "excellent" or "very good" for that process. For illustrative purposes, only four processes are shown.)

Respondents are segmented into three groups – those who did not experience a problem, those who experienced a significant problem in that area and had their problem resolved, and those who experienced a significant problem in that area and did not have it resolved to their satisfaction.

Notice that for member services and the website, the drop in ratings from no problem to resolved problem is minimal, while the drop in ratings from resolved problem to unresolved problem is significant. This indicates that resolving member services

problems and website problems can minimize the damage that these problems have on the association-member relationship. The additional resources needed to totally eliminate problems from ever occurring in these areas is not necessary, and would not provide a high return on investment.

However, the bar chart above tells quite a different story for billing and the local chapter experience. Notice that the drop in overall ratings from no problem to resolved problem is significant, and the drop from resolved problem to unresolved problem is minimal. This indicates that billing problems and local chapter problems must be totally eliminated, since even successful problem resolution results in a significant drop in members' evaluations.

We would recommend in this case that billing problems and local chapter problems be examined for the cause of the problems, and that resources be allocated for problem prevention, rather than problem resolution.

Our experience is that the occurrence of problems almost always has a negative impact on the relationship an organization has with its constituents. But the impact each type of problem has on the relationship can vary. By understanding which problems need only to be resolved and which problems need to be prevented, an association can allocate its problem resolution/prevention resources efficiently, while maintaining the strength of the relationship it has with its members.

About the Author

Larry J. Seibert is the President/CEO of Association Metrics. He has an earned Ph.D. from Purdue University in Retail Management and holds an MSBA from Indiana University Northwest with a concentration in Marketing. Dr. Seibert is a member of the American Society of Association Executives and the Indiana Society of Association Executives. He can be reached at larry@associationmetrics.com or by phone at 317-840-2303.