

What Members Value Most

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Overview

For years, researchers have been using the Key Driver Analysis (KDA) to determine the key drivers of membership value for membership organizations. By understanding what drives member value, managers can focus on what matters most to members, and to prioritize their improvement efforts on those areas of the organization that will result in better recruitment, retention and engagement of its members.

The purpose of this paper is to show how the KDA can be taken to the next level – to dive deeper into the value drivers and show how segmentation can be used to discover how those things that members value most can vary by member segments, i.e. which member segments value the organization’s offerings more or less than other member segments.

Data Requirements

Since this analysis involves a deeper dive into the key drivers of member value, all of the data requirements needed to conduct the KDA of member value are also needed in this analysis. This includes members’ ratings of overall value, as well as the overall ratings for each product, service or experience provided by the organization (e.g. member benefits, member services, publications, communications, website, continuing education, conferences, advocacy, local chapter, etc.).

In order to segment responses by member type, member characteristics must also be available. These characteristics can be captured by survey questions, or retrieved from the organization’s internal member database (e.g. membership type, age, gender, formal education, certifications held, years a member of the organization, years in the profession, volunteerism, conference attendance, continuing education usage, dues reimbursement, domestic vs. international membership, full time employed in the profession vs. part time, job title, firm size, etc.).

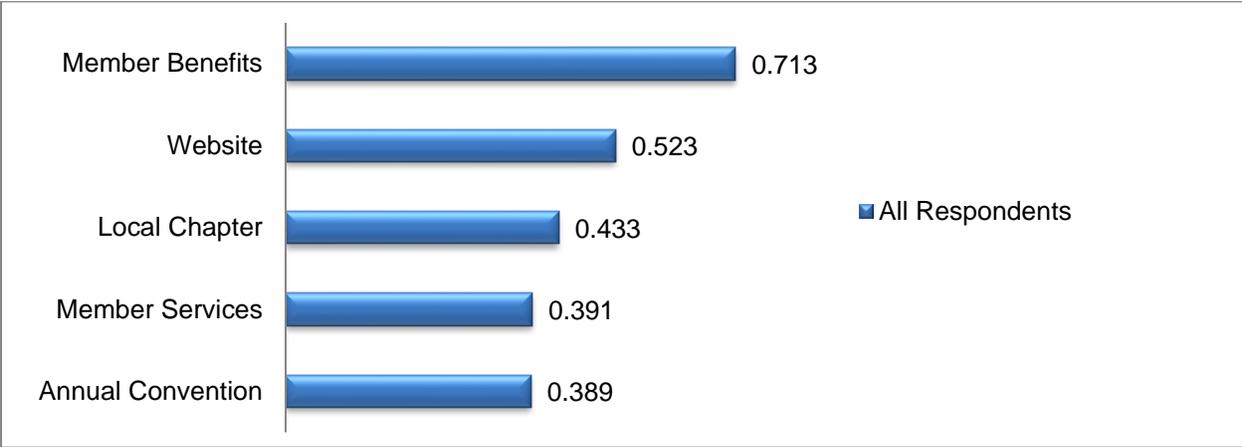
Key Driver Analysis

Illustration 1 below shows the typical output of a Key Driver Analysis for member value for a professional membership organization whose value drivers are its member benefits, website, local chapters, member services representatives, and its annual convention. The numbers shown in the graph are the correlation coefficients between the overall value rating and the overall rating of each process area of the organization. In this example, as with many professional organizations, member benefits is the key driver of member value.

(The correlation between value and each major area of the organization can be calculated using statistical software, as well as Microsoft Excel. It is beyond the scope of this paper to explain how to calculate correlation coefficients in Excel, however, numerous tutorials showing how to perform this calculation can be found on YouTube.)

Usually, the results of the Key Driver Analysis are presented alone in a report, or in combination with the performance ratings of each process area in order to prioritize areas for improvement. However, additional information can be gleaned from the data by repeating the Key Driver Analysis for each major member segment. The results of what that output might look like are presented in Illustration 2 on the following page.

Illustration 1 – Key Driver Analysis

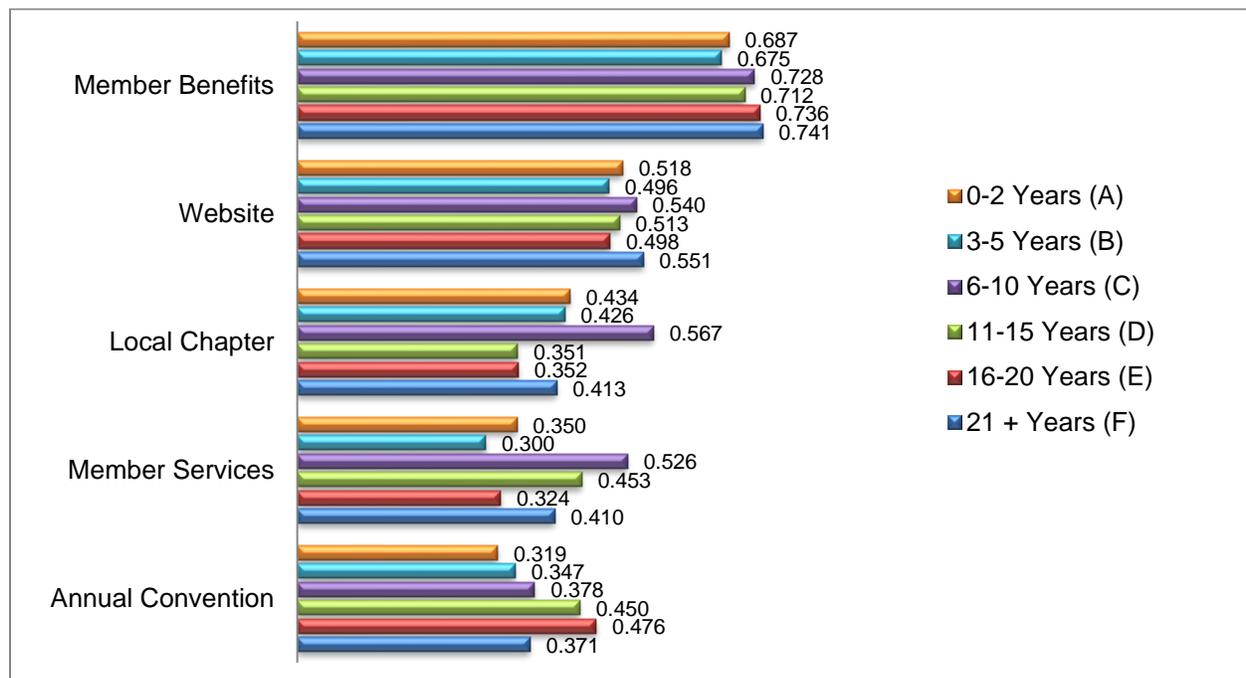


Key Driver Analysis by Member Segment

Illustration 2 below shows the correlation coefficients for overall value and each process area of the organization, by member segment. The member segmentation used in this example is based on the number of years the respondent has been a member of the organization. All other member characteristics can be done in the same way.

Statistical testing to determine significant differences is the next step in the process.

Illustration 2 – Key Driver Analysis by Member Segment



Calculating Statistical Significance

The test used to determine statistically significant differences between two correlation coefficients is the Fisher's r-to-z transformation, which transforms each correlation coefficient into a z score, which can then be compared. Fortunately, manual calculations are no longer necessary thanks to the availability of online calculators, such as the Fisher's r-to-z transformation calculator found on the Vassar Stats' website. <http://vassarstats.net/rdiff.html>

To determine if the difference between the correlation coefficients of two groups is statistically significant, all that is needed is the correlation coefficient for each group, and the number of respondents for each group.

If the difference between the correlation coefficients of two groups is statistically significant at 95% confidence, the z value in the calculator will have an absolute value of 1.6 or greater, and the one-tailed p value in the calculator will have a value of .05 or less.

Illustration 3 – Using Fisher’s r-to-z Transformation Calculator

Significance of the Difference Between Two Correlation Coefficients

Using the Fisher r-to-z transformation, this page will calculate a value of z that can be applied to assess the significance of the difference between two correlation coefficients, r_a and r_b , found in two independent samples. If r_a is greater than r_b , the resulting value of z will have a positive sign; if r_a is smaller than r_b , the sign of z will be negative.

To perform the calculation, enter the respective values of r and n for the two samples into the designated cells, then click the «Calculate» button.

Sample A		Sample B		
$r_a =$	<input type="text" value=".736"/>	$r_b =$	<input type="text" value=".675"/>	<input type="button" value="Reset"/>
$n_a =$	<input type="text" value="405"/>	$n_b =$	<input type="text" value="385"/>	<input type="button" value="Calculate"/>
$z =$		<input type="text" value="1.7"/>		
P	one-tailed	<input type="text" value="0.0446"/>		
	two-tailed	<input type="text" value="0.0891"/>		

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Reporting Significant Differences

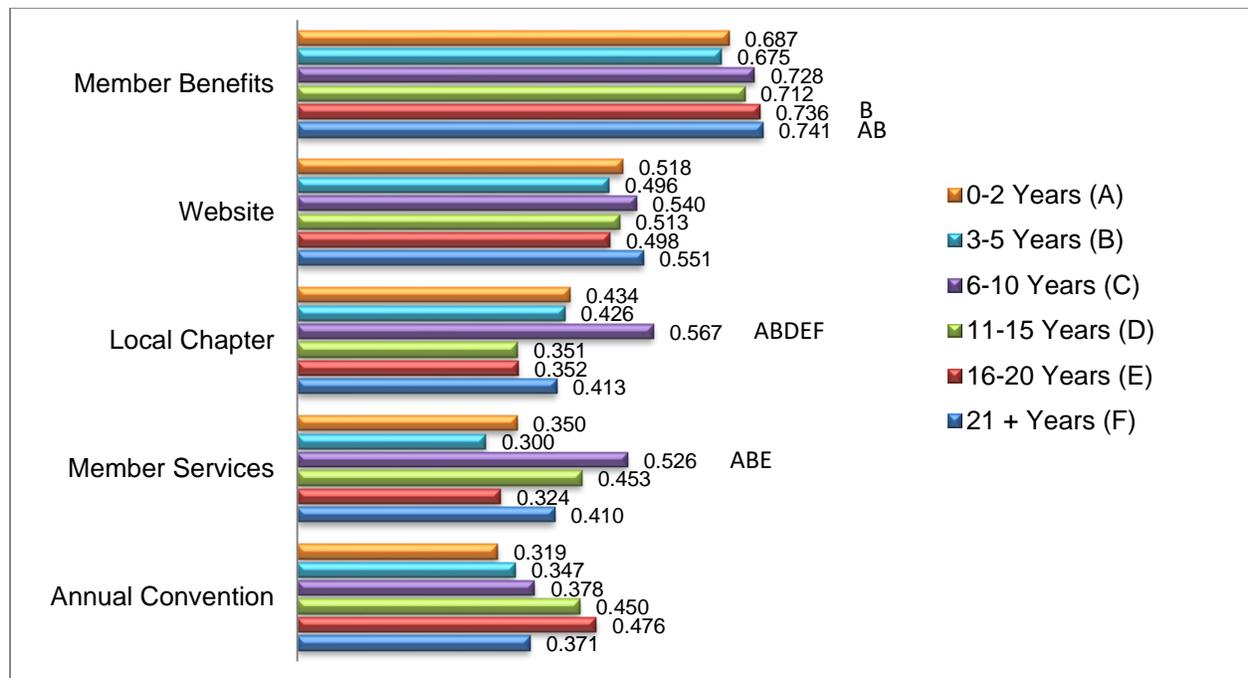
In Illustration 4 below, upper case letters have been added to the graph to indicate which pairs of correlation coefficients have significant differences at 95% confidence.

For example, in the Member Benefits bar cluster, the letter B is placed next to the correlation coefficient of 0.736 for the red bar, which is the 16-20 Years segment. This means that the 0.736 of the 16-20 Years segment is significantly greater than the 0.675 of the B segment (3-5 Years).

Also in the Member Benefits bar cluster, the 0.741 for the 21 + Years segment is significantly greater than both the 0.687 in the A segment (0-2 Years) and the 0.675 in the B segment (3-5 Years).

Significant differences can also be found in the local chapter bar cluster and the member services bar cluster.

Illustration 4 – Reporting Significant Differences in Correlation Coefficients



Drawing Conclusions

In the example on the previous page, individuals who have been a member of this organization for 16-20 years value their member benefits more than those who have been a member for 3-5 years. Also, those who have been a member for more than 20 years value their member benefits significantly more than those who have been a member for 5 years or less.

Survey respondents who have been a member of the organization for 6-10 years value their local chapter significantly more than all other respondents, and they value member services more than those who have been a member for no more than 5 years, or for 16-20 years.

Because there are no significant differences among the correlation coefficients in the website or the annual convention, one can conclude that all member segments value these two areas of the organization equally.

The relatively small number of respondents who attended the annual convention prevents any of those differences from being statistically significant.

Summary

The purpose of this analysis is to enable the organization's management to better understand members' priorities in what they value among the organization's offerings. When this analysis is used in combination with the Member Needs Analysis, and the Member Loyalty Analysis, organizations will have a more complete picture of what their members want, and how well the organization is currently meeting those needs.

The better the organization meets the needs of its individual members, the more successful the organization will be at recruiting members, retaining members and generating non-dues revenue.

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