



## **Identifying Controllable and Uncontrollable Factors That Affect Member Retention**

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### Overview

Generally speaking, members will renew their membership when they believe they are receiving more value from their membership than the monetary and time investments required to maintain their membership. There are a number of factors that determine the perceived value a member receives from his/her association membership.

The benefits of being an association member vary by individual, but research shows that these benefits can be a combination of personal items (e.g. career opportunities, networking opportunities, member benefits, industry information, member discounts, resume enhancement, etc.), altruistic items (e.g. supporting the profession, supporting the association, being a mentor, etc.) and miscellaneous items (e.g. employer-reimbursed dues).

Some factors are controllable by the association (e.g. benefits and experiences offered, cost of membership dues, etc.) while other factors are internal to the member and thus are uncontrollable by the association (why individual members belong, why they volunteer, or why they attend the convention, etc.).

Some of these factors affect retention, and others do not, and they vary by association and by individual member. By identifying which controllable factors affect retention, association managers can improve retention by focusing time and other resources in those areas that affect retention and are currently in need of improvement.

By identifying the uncontrollable factors that affect retention, association managers can better understand the type of member who is more likely to be a good match for the association as it currently operates, and can tailor its marketing activities to attract this type of individual. By attracting and enrolling members who are inherently a good match for the organization, less effort should be needed to retain these members.

## The Study

A study of 1,800 individuals who belong to a national professional association was conducted to determine which factors affect retention for this organization. Membership to the national association included a membership in their state chapter.

The primary source of data was survey responses from an online member survey. Additional information from internal member records (e.g. date of initial enrollment, local chapter, etc.) was appended to survey responses to provide factual information with fewer survey questions.

## Controllable Factors

Members were asked to provide an overall rating for each area of the association that impacts the membership experience (e.g. member benefits, dues, call center, website, annual convention, local chapter, continuing education, publications, communications, advocacy, etc.).

Previous research shows a correlation between the overall rating members give to the association's benefits bundle, and the number of benefits that members use. In other words, members who only use one or two benefits give a lower overall rating for member benefits. Additionally, members who use fewer benefits rate the value of their membership lower.

Therefore, in order to capture the usage and awareness of each member benefit without adding additional survey questions, the rating scale for member benefits was changed to give members the opportunity to select "did not use, but was aware of", and "was not aware of". Members who had no experience with a particular member benefit were no longer given the option of selecting "don't know", but instead would indicate if their lack of experience with the benefit was the result of a conscious decision to not use the benefit, or was the result of their lack of awareness of the benefit.

Respondents were also asked to rate various attributes of each major area of the association (e.g. local chapter, annual convention, website, etc.) in order to develop an improvement plan should the area be deemed a critical factor for retention, and in need of improvement.

For example, members were asked to provide an overall rating for their local chapter, and rate each of their chapter's offerings (meetings, welcoming attitude, website, responding to inquiries, networking opportunities, local advocacy, etc.). Rather than trying to improve the entire chapter, should the chapter need improving, a better approach would be to focus efforts on only the underperforming areas that are the most critical for retention.

Members were also asked if they had experienced any problems with the association over the past six months, and if so, to describe the nature of the problem, indicate if they had reported the problem to anyone at the association, and indicate if the problem had been resolved. These questions were used to determine the impact that problems have on retention,

determine the root causes of recent problems, and determine the types of problems that typically go unreported.

### Uncontrollable Factors

Members were asked to select the reasons why they belong to the association. While some research examines reasons why members initially joined the association, this study asks members why they belong to the association. First, the reasons why an individual joined the association twenty years ago are no longer relevant, as the members' needs, the association, and the industry have undoubtedly undergone major changes over time. Also, when members explain why they belong, they are expressing their current personal and professional needs for which they expect their membership in the association to satisfy. It is their current needs that factor into their decision to renew their membership.

Follow up questions were used to determine reasons why members made their decisions. Members who had not attended the national convention, had not attended local chapter meetings, had not volunteered, or had not donated to the foundation, were asked to check off the reasons for not doing so. For those who had attended the annual convention or who had donated to the foundation, they were asked to check off their reasons for doing so. Members were also asked to check off the reasons why they called the call center.

Members were also asked to indicate the frequency with which they participated in various activities (e.g. frequency of calling the call center, frequency of visiting the website, and the number of annual conventions or chapter meetings they attended).

Each respondent was assigned a loyalty classification (loyal, neutral, vulnerable) based on his/her responses to three survey questions (likely to recommend the association to others, likely to renew his/her membership, and the value rating of an association membership). The respondents' loyalty classification was tested in this study, in addition to the three indicator questions individually.

Demographic variables were captured from survey questions and from internal membership records (e.g. age, gender, years in the profession, years a member, certifications held, etc.).

### Data Analysis

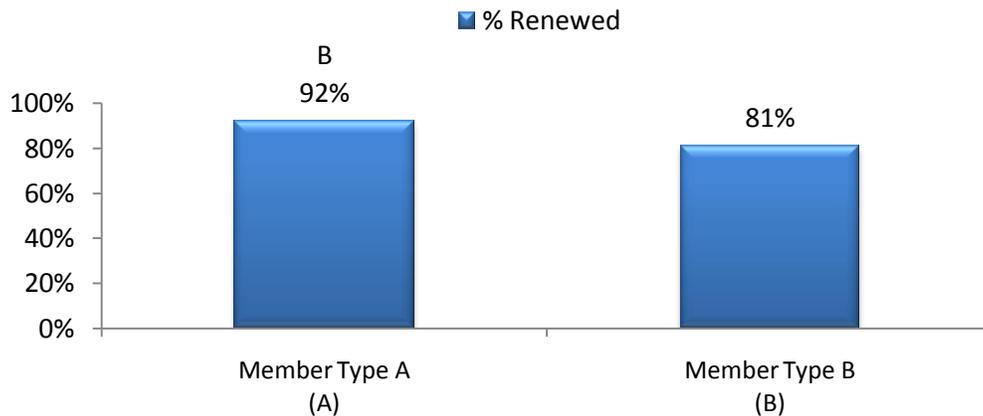
The list of members who completed the survey was compared to the list of current members one year after the survey was completed to determine which respondents had renewed their membership and which ones had not.

The retention variable was appended to the data file and was used in the cross tab calculations of all variables in the data set. A t-test was used to determine which factors had a significantly

higher (or lower) retention rate. The results of this analysis are correlational in nature and do not purport to show causality.

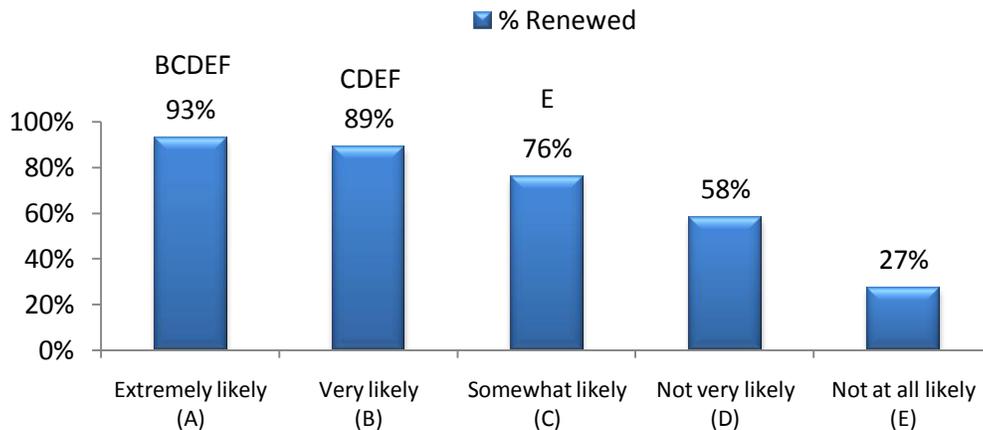
The overall retention rate in this study is 91%. The graph below provides an example of how the retention rates for the two types of membership for this association are significantly different and how this difference can be reported.

### Example 1 – Membership Type



The survey question in which members were asked their likelihood of renewing their membership, proved to be a strong predictor of retention. Interestingly, a quarter of respondents who indicated that they were not at all likely to renew their membership are still a member one year later.

### Example 2 – Likely to Renew Membership



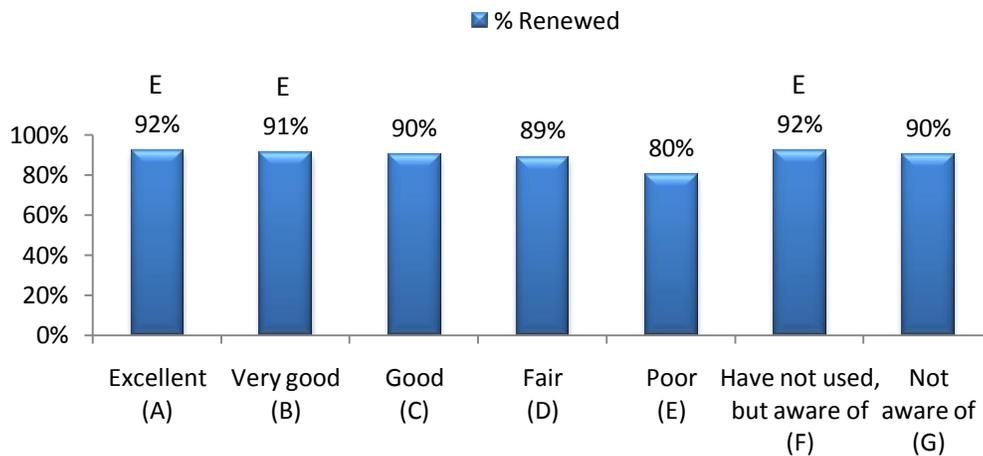
Sometimes results can appear counterintuitive and a deeper dive into the data is needed. The graph below is a perfect example of this. Members were asked to rate their association’s Job Bank. If they had no experience with the Job Bank, they were asked to select if they did not use it but were aware of it, or did not use it because they were not aware the association offered it.

Not surprisingly, those members who used the Job Bank and rated it as excellent (column A) or very good (column B), had a significantly higher retention rate than those who used the Job Bank and rated it as poor (column E). What seems strange is that respondents who were aware of the Job Bank but chose not to use it (column F), also had a significantly higher retention rate than those who gave a poor rating (column E).

Upon closer examination, the majority of those who have not used the Job Bank but were aware of it, had been association members for more than 10 years and had no need for the Job Bank. In this case, the quality of the Job Bank (controllable factor) explained the higher retention rate for users of the Job Bank, while membership tenure (uncontrollable factor) was the underlying factor for those who were aware of the Job Bank but chose not to use it.

Similar results were found among the member benefits of career guidance and mentorship, as well as the usage of the association’s social media. Because of the strong correlation between retention and membership tenure/member’s age, all factors that may be related to generational differences or career stage differences should be treated with caution.

### Example 3 – Job Bank For Members



The reasons why an individual belongs to the association can also be a critical factor in predicting retention. We found in this study that individuals who received a personal discount in membership dues, either as a result of a scholarship or because his/her dues were reimbursed through the employer, had a significantly lower retention rate.

This is consistent with academic studies that found that when individuals have a lesser personal investment, they value the product or service less. Other studies have found that members/customers gained through promotional activities are less likely to remain loyal to the organization.

We also found in this study that various marketing sources (e.g. website, literature, mailings, referrals) used to attract new members resulted in significantly different retention rates.

### Summary

This study uncovered 46 factors with significantly higher or lower retention rates. These included major areas of the association, reasons why members belong to the association, the number of years spent in the profession, the percentage of their income generated from their professional activities, annual convention attendance and the reasons for not attending, level of volunteerism, foundation donation, various aspects of their local chapter, and several demographic characteristics.

The process of identifying controllable and uncontrollable factors of retention can be accomplished using existing member survey data or by using a stand alone survey for this specific purpose.

By identifying and isolating the factors that have the greatest effect on retention, associations can improve the association in more efficient ways to increase retention, and focus their marketing efforts on individuals who have the same characteristics as members who are the most likely to renew their membership.

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