THE ASSOCIATION RETENTION PLAYBOOK

THE 5-STEP DIY MEMBERSHIP RETENTION STRATEGY AND WORKBOOK

The Association Retention Playbook

The 5-Step DIY Membership Retention

Strategy and Workbook

TASIO

Your Association Has Impact for Good

Associations are powerful tools for change. In the United States alone, there are over 62,000 professional membership associations[1] employing nearly 1.4 million people.[2]

That's a big deal.

Still, the fight to find and retain members is real. As we have seen the economic climate destabilize, nonprofits and not-for-profit organizations have been hard hit both in funding and human resources. Only 42% of non-trade associations saw membership increases this year, and 78% of those who did had a **tactical plan** to increase engagement with their membership.[3]

94.7% of nonprofits anticipate a loss of

11-21%

mainly due to the impacts of **COVID-19**.[4]

Your Options for Member Retention

The two most pressing issues facing nonprofits and associations are **staff retention and recruitment (72%)** and **loss in revenue (48%).**[5]

There are solutions to help stop the membership bleedout, but many associations are not keeping up with technology that is proven to work. Often associations fall prey to the myth that data-driven retention strategies require complex math, a PhD in Statistics, or a complicated piece of software.

The thing is, **none of these concepts are new**, and anyone on your team—down to the newest intern—can learn how to make your organization's data more profitable. All you need is your own intuition about your members, the data you already have, and Microsoft Excel.

In this book, we're going to show you a 5-step method to better analyze your current membership data and use simple tools like Excel to make accurate predictions. We'll give you easy, DIY tools to:

- **Identify** engaged (and burned out) members of your organization
- **Decide** which incentives and programs are working or need updating
- **Calculate** the lifetime value of each member
- **Predict** with high accuracy who is going to non-renew
- **Develop** a strategy for saving the most membership dollars with the fewest marketing dollars

With just a little more information, these DIY hacks, and a few hours, you can be better in tune with the actual needs and motivations of your membership and be on your way to creating a targeted plan that uses less marketing dollars to retain more of your members.

Ready to learn? Let's go!

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Are Your Members About to Divorce You?

Dr. John Gottman, an award-winning family and marriage psychologist, became famous in the late 90s for being able to predict divorce with 93% accuracy. He identified six key areas that, when observing couples, could accurately predict whether they would stay together. This included four "horsemen of the apocalypse"—behaviors that were indicators of divorce in almost all cases.[6]
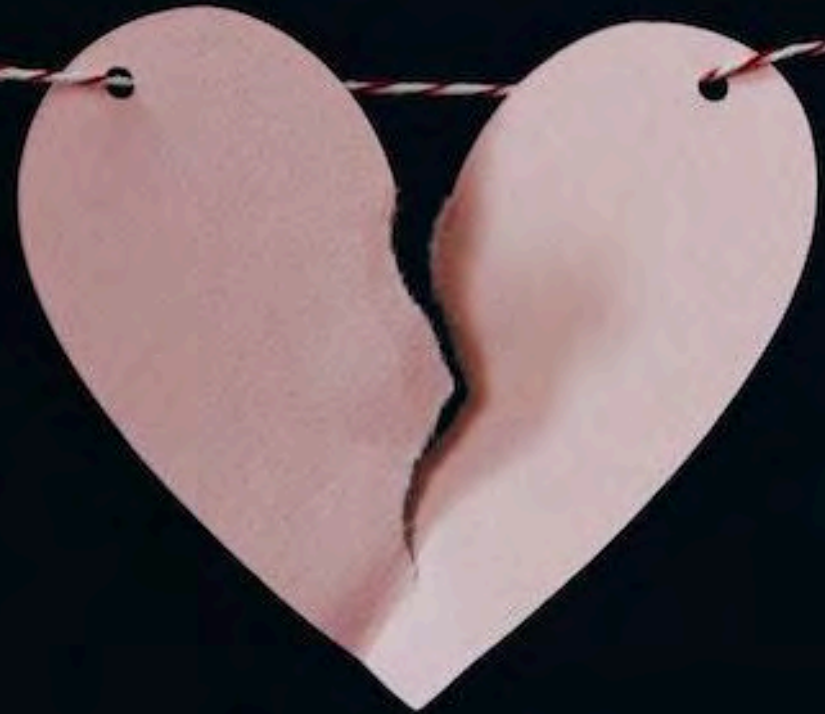
In 2020, individual membership associations lost an average of **23% of their total membership**, with trade associations losing 11%.[3]

The relationship between a member and your organization is very similar. There are actions that your members are taking **right now** that are the proverbial "horsemen of the apocalypse" for your membership retention.

Benefits of the Tasio 5-Step Association Retention Playbook

Even though you may not know that your member is about to divorce you, they are already showing you in small ways that they're ready to move on.

By setting up the right kind of metrics, analyzing past member behavior, and using it to predict future behavior, you can focus your marketing and retention efforts more effectively and save those member relationships from falling apart.

The Tasio 5-Step Association Retention Playbook and Workbook will give you:

Contact Tasio for a low-cost, deep-dive audit of your membership data!

Tailored strategies. Data can highlight the metrics and programs that your members really care about, giving you insight to expand and tailor offerings.

Strengthened relationships. Identifying discontent members before they leave is the first step to anticipating their needs and shows that you care.

Smaller marketing and retention budgets. Good data analysis will show you the least expensive ways to retain the most people, eliminating "spray and pray" practices.

Simple solutions. Anyone at any level of your organization can implement this method, using only Excel. There are no apps to buy or tech tools to learn.

Payroll and time savings. This program takes just a few hours to do—no need to hire a pro.

More renewals. We can help identify members who bring value to your organization and keep them engaged.

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Keep it Simple, Genius: Understanding Predictive Analytics

In the book *The Only Rule Is It Has to Work*, statisticians Ben Lindbergh and Sam Miller did their own *Moneyball* experiment on behalf of the Minor League team, the Sonoma Stompers.

Despite their rigorous analytics, the completeness and meticulousness of their data, the owners of the Stompers made little to no changes in their management model despite clear statistical evidence that they could be winning a lot more games.

Why?

Because the data was too difficult to understand, despite its accuracy.

This is the same reason why most predictive analytics programs make association leaders uncomfortable: they are too complex, too expensive, or they give results that can't be executed on an association budget.

The 5 Steps to Predictive Analytics Success

We believe that, most of the time, your intuition is good enough to make actionable predictions to help your organization succeed.

The Tasio Predictive Analytics Workbook helps keep predictive analytics simple, understandable, and actionable. That way, your next steps toward member retention are easy to review and easier to "sell" to board members and stakeholders.

We have developed 5 easy-to-follow steps to get a predictive analytics model you can act on, with tools you already have.

> If you need statistics to understand your experiment, you ought to have done a better experiment.
>
> Ernest Rutherford, Nobel Prize-Winning Chemist

1 Brainstorm Predictive Measures

2 Gather Relevant Data

3 Visualize the Data

4 Segment the Data

5 Act On the Data

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Step 1: Developing Metrics

Imagine this: you're on a huge green field with a soccer ball in front of you, a stadium full of people watching. As players come out of the tunnels onto the field, you realize that they are carrying sticks and each one of them has a football. The game begins, and you are instantly pushed into a safety box, the crowd booing you for losing 100 points for your team.

Of course, you'd be right to say that the loss wasn't really your fault. You just didn't know what game you were playing.

The problem is, association leaders put themselves in this position all the time. They are busy playing the game that they know (soccer), completely unaware that they are in the middle of a totally different sport. They are often trying to retain members through a "spray and pray" methodology—hoping to luck into tools that will work. In some cases, associations are dealing with member loss by offering additional value or discounts at their own long-term expense.

Metrics are the ways in which we start to move through our own preconceived ideas about what games our members are playing (what they need, what is motivating them, etc.) and find out how to fully participate and win.

By developing accurate metrics, you can see the elements of your association that are really earning big scores and those that are expensive distractions.

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Recency, Frequency, and Monetary Metrics

When creating metrics, you want a combination of **recency, frequency,** and **monetary** goals. This includes things like time since last login (recency), number of website visits (frequency), and how much a member spent on dues last year (monetary).

What are the metrics that impact your members the most? That answer will change based on your association and its goal, and you and your team are the best judge of that. Still, our "starter pack" is a great place to consider some common, effective metrics.

RECENCY

- Days since last login
- Tenure (years/months of continuous membership)
- Days since last purchase
- Days since profile update
- Days since last contact with association
- Renewal for first year members

FREQUENCY

- Total number of logins
- Number of non-dues purchases
- Number of webinars attended
- Number of CEUs/CPEs awarded
- Ratio of unused seats to membership cost

MONETARY

- Amount spent in store
- Amount of non-dues or dues purchases
- Change in number of purchases
- Number of cancelled or returned purchases
- Ratio of usage to membership cost

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Step 2: Getting the Right Data Points

There is no "one size fits all" when it comes to making predictive analysis about your organization. But there are a few important steps to starting.

Year-Long Data. Choose metrics for which you have as complete data as possible for a year-long period.

Recent Data. The data set should be a year-long period that is as close to the current date as possible.

Known Outcomes. All data in the set should be about members where you know if they renewed or not.

Choose 5-10 Metrics. Not all of these will be winners, but use your experience and resources to find things that are impacting retention.

Leverage Your Team. Don't do this alone. Take a few hours and work with both members and leadership.

Be Creative. You can choose to change, add, or update your metrics at any time.

Before you go on with the rest of the playbook, download the Tasio Predictive Analytics Workbook here.

[DOWNLOAD]

Gather Data. Work with your IT department, marketing team, or other people who harness data for your organization.

Load Your Data. Download the Tasio Predictive Analytics Workbook from the link above and then fill in each part of the main data tab for each member. Review the illustration on the next page to see how to add this data.

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Understanding the Tasio Predictive Analytics Workbook

We'll be working heavily with the Tasio Predictive Analytics Workbook to analyze and make predictions from your data. Here are some of the key elements you need to understand as you are filling out this vital part of the Tasio Playbook.

- Add your organization's metrics to replace the default text.

- The "churn" value is whether the member failed to renew. 0 means they renewed, 1 means they were lost.

- Every member has a unique number and data set. With 100 members, you will have 100 rows.

- This is the main data tab where you should add your association metrics, members, and data.

- Each tab is connected to each metric in the order it is listed. You will need to change the names by hand.

- Cohorts automatically show trends for each metric based on the data you input on the main tab. Change the names to match your metrics.

- This tab is a manual worksheet that allows you to calculate the lifetime value of a member.

Tasio Predictive Analytics Workbook

	A	B	C	D	E	F	G	H
1	member_id	churn	logins	comments	ceus	emails		
2	1	0	37	68	71	49		
3	2	0	5	65	59	79		
4	3	1	6	67	54	1		
5	4	1	16	34	74	37		
6	5	0	45	70	77	8		
7	6	0	49	49	63	91		
8	7	0	39	30	69	48		
9	8	0	38	34	86	50		
10	9	0	39	54	98	27		
11	10	0	46	51	51	97		
12	11	0	9	75	80	91		
13	12	0	28	33	100	24		

data | logins | comments | ceus | emails | cohort1 | cohort2 | Member LTV

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Customizing Your Workbook

What is Member "Churn"?

Churn is the opposite of retention. On average, associations churn about 20% of their membership each year.

1. On the main data page, be sure to add your organization's specific metric names to replace the default options that we've created.

2. Then, change the names on the tabs below to match the new column names that you've created. They should be in the same order as on your main data tab.

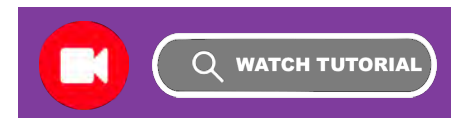3. You can also change the cohort examples to better match your individual metrics

4. Add in each member as a separate row on the main data sheet. For example, if you have 100 members, you would have 100 rows.

5. Fill out the data row for each member, including adding whether they "churned" (1) or renewed (0).

It is likely you will need additional columns and tabs to help manage your unique metrics. **Watch the tutorial below to learn how.**

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Step 3: Visualizing the Data

The Tasio Workbook automates all your data into your metric analyses tabs. **You don't need to edit information** except on the main data page.

Let's click into the individual tabs for your metrics and see what we can learn.

On each of your individual metric tabs, you will see **two mini-graphs** – one on top that functions as the graph layout, and one that outlines your organization's data for the specific metric among those who have been retained and churned.

Top Mini Graph

Bottom Mini Graph

Beside each pair of graphs, you will find a visual summary of how the metric compares with the number of people who were retained and those who were churned.
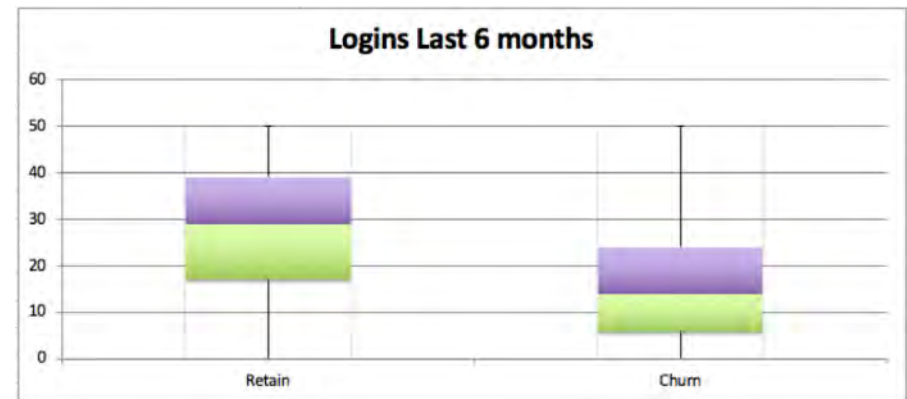
In this example, the total number of logins for members fell between 0 and 50 logins.

We focus our attention on the middle 50%, with the average being the line where the purple (upper 25%) and green (lower 25%) meet. This is the **average line**—around 29 logins for retained members and 14 logins for churned members.

Reviewing and Analyzing the Data

In the previous example metric, "logins," we can see that the average number of logins for those who were retained were **nearly twice as high** as those who were lost.

You don't have to overanalyze it.

All you have to do is go through your graphs and identify the stacks that either look the same or look significantly difference. And the more the difference, the more important it is to focus on messages targeting that metric.

The **more difference** in the averages between the two segments (retained and churned), **the more predictive** the metric is to success or failure in retention.

Let's take a look at a different example.

In the "emails" tab, the graph of both segments of our membership look almost identical. In this case, this is how many emails have been sent to both members who have been retained and those who have not renewed.

Emails Sent Last 12 Months
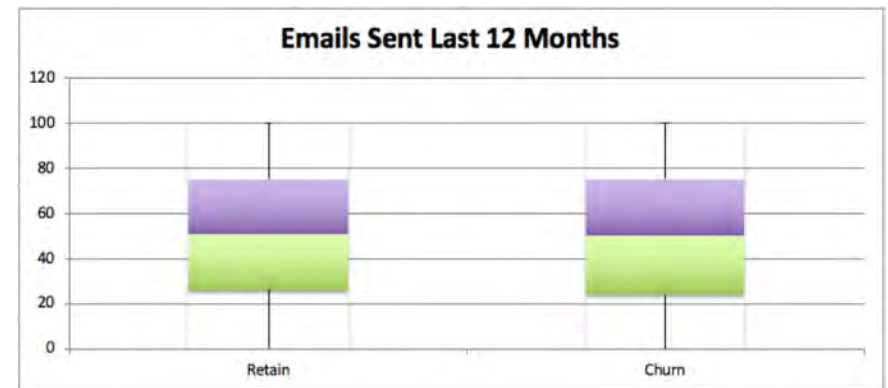
In this graph, we can see that the average number of emails sent to both retained members and churned members was nearly identical. This means that, **no matter how many emails were sent,** people left the association anyway.

Conclusion? Sending emails is not a predictive metric.

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Clarifying and Cleaning Your Metrics

Now that we know what our data is telling us, it's time to make some decisions about which of these metrics is effective and which need to be tossed.

As you review with your leadership team, consider the following questions:

- What surprises did we find in the data?
- Which data points were most predictive?
- What are the next steps to connect with members in this potential loss cohort?
- Which metrics are not as effective?

Once you review the data, you'll see right away the metrics that just aren't worth pursuing.

You can also target specific issues or add in new metrics. Some of the specific metrics you could focus more intensely on are things like:

- First-year membership churn
- Churn after certain courses, instuctors, or events
- Changes to website or payment options

Remember: this is your data. Look at it with as much scrutiny as you want.

Even though it might feel intimidating at first, you will be surprised by the valuable secrets your current membership data has locked away.

STEP 2: GETTING THE RIGHT DATA POINTS

Step 4: Segmenting the Data

Now that we've figured out which metrics are valid, we're done, right?

Actually, we need to take this a step further. Not only do we need to know *which* metrics are predictive, we need to know *how to apply them* to our current membership.

Many organizations focus on retaining 100% of membership, which can be a huge waste of money and manpower. With member profiles, you can identify metric thresholds where marketing money is being thrown away on members who are likely to churn, as well as "low-hanging fruit"—members who could be retained through very little effort or marketing.

Segmented member profiles:

- Identify the members most likely to churn and why
- Focus your retention messaging to motivate your audiences
- Lower your cost of marketing by finding the easiest ways to motivate the most members indicating they're ready to leave

Through segmenting into member profiles, we can take the first steps towards using your historical data to predict the future by developing unique member profiles that will better help you target your marketing and retention efforts.

Watch a Tasio Data Specialist set up and analyze member cohorts (member segments).

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Understanding the Cohort Charts

For each metric your organization considers, there is an associated "cohort" tab. You can edit this tab to connect with the metric you've chosen to make it easier for you to navigate.

This cohort tab gives you an overview of every member who has been churned in relationship to the specific metric. Here, all of your total members have been divided into 10 equal buckets, or **deciles**, allowing you to better see trends according to the metric in question. Deciles are also essential in determining the smallest focus of probable churned members that will make the biggest impact on revenue.

Through segmenting into member profiles, we can take the first steps towards using your historical data to predict the future by developing unique member profiles that will better help you target your marketing and retention efforts.

Let's look at the Continuing Education Units (CEUs) example for key takeaways.

Understanding the Cohort Charts

In the "cohort 3" tab in the Workbook—CEUs completed over the year of data—there are several things we can learn.

- Of the 10,000 members, the bottom 9% earned only 883 CEUs—less than one per person.

- The organization lost 569 of those same low-earners.

- This bottom 9% has a churn rate of 64%, meaning that well over half of the members who earned the fewest CEUs dropped their membership.

Percentile	Churned	Total	Churn Rate	Cumulative % Churn	Cumulative % Members	Lift
50						
55	569	883	64%	23%	9%	2.65
60	537	989	54%	45%	19%	2.43
65	394	975	40%	62%	28%	2.17
70	310	989	31%	74%	38%	1.94
75	200	947	21%	83%	48%	1.73
80	174	1,065	16%	90%	58%	1.54
85	103	970	11%	94%	68%	1.38
90	70	1,011	7%	97%	78%	1.24
95	49	1,028	5%	99%	89%	1.12
100	26	1,143	2%	100%	100%	1.00
Totals	2,432	10,000				

- We can save nearly 74% of members by focusing on the lowest 40% and increasing messaging to have them take more classes.

- Of the total members that churned (2,432), 569 of them were in the bottom 9%, making up 23% of the total members that churned.

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Understanding the Cohort Charts


CEUs Last 12 Months
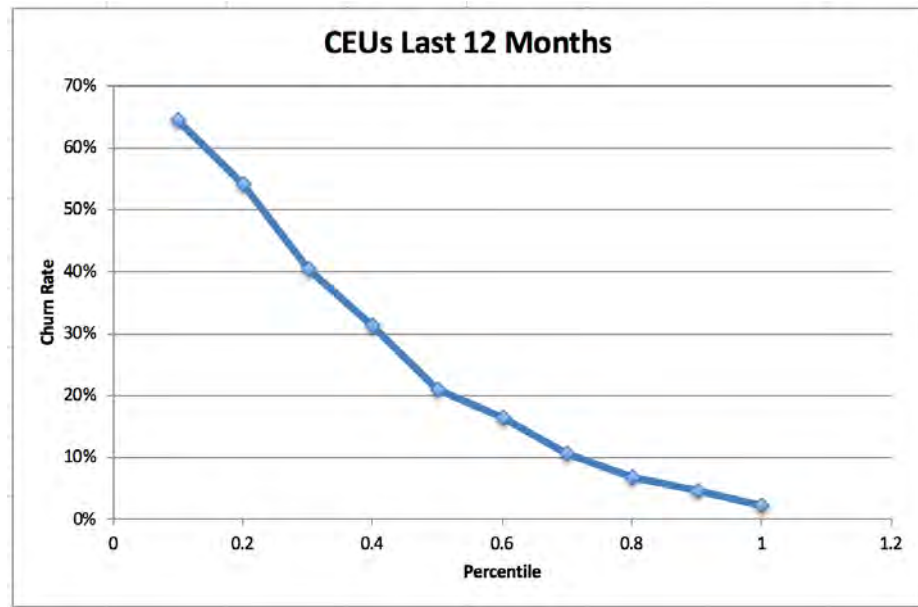
- The slope of this line gives an indication that this metric is highly predictive until we reach a little over 40% of the membership.

- After about 45%, the number of potential churned members slows significantly. This is the cutoff threshold. We don't have to worry as much about losing members above this many CEUs.

Sometimes your graph will be opposite (curving to the right) when a higher number indicates more likelihood of churn (i.e., the number of days since last login).

You might also have a u-shaped graph when membership rates ebb and flow (i.e., membership tenure).

This means you need to consider both sides of the graphs as mini-cohorts—those who are brand new to your organization and those further in their career. Each group will have different underlying needs and issues that will require different marketing strategies.

Watch a Tasio Data Specialist compare charts to find the most actionable metrics.

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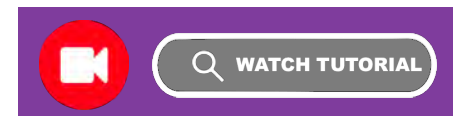
Step 5: Acting on the Data

Up until this point, everything we have looked at has been based on historical data where we knew the outcome. In order to make this a predictive model, we need to use current member data and **apply what we've learned**.

> Knowledge without action is vanity; Action without knowledge is insanity.
>
> Imam Ghazali

In the default data set, we learned that our imaginary organization had a big correlation between number of CEUs and member churn. Now, we can add in our current membership numbers to replace the historical data in our main "data" tab, and focus on how many CEUs our current membership has.

Depending on the outcome, we can make a plan to salvage these potentially rocky member relationships. Some solutions might include:

- Creating a survey to find out what courses members want to take
- Develop an email campaign highlighting new, engaging CEUs
- Add COVID-19-specific language to motivate your members to take advantage of your learn-from-home options
- Offer a discount on courses

Use your instincts and your organization insight to decide how to tackle the next steps.

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Calculating the Value of Your Members

Of course, we know that the value of a member is more than just money. Each person in your organization represents an advocate for your cause as well as a skillset that can be used to forward your goals.

Still, it **IS** important to have a rough estimate of the monetary value that a single member represents over the lifetime of their membership—especially when considering giving a discount as an incentive.

A new member brings in a yearly average of $114.32 in revenue while a **renewing member brings in 35.7% more revenue by year 5** of membership. [7]

5 Steps for Calculating Lifetime Member Value

1. Find and fill out the Member LTV tab on your Tasio Workbook.

Be sure to use your **historical data** (your year-long data set with known outcomes).

Discount breakeven calculations are a rough tool, and are **not intented to replace professional accounting advice!**

You will need to know a few things to complete this section:

- Total number of members
- The average member tenure
- How long members were active before they churned
- The total non-dues and dues revenue for your entire organization for the historical year-long data period
- The total cost to service a member over this period
  - This is different depending on the type of services you provide
  - It should include salary and cost of membership departments
- Publication costs
- Monetary benefits members get
- Marketing materials and retention advertising

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5 Steps for Calculating Lifetime Member Value

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2. Review the average cost per member. The worksheet will automatically calculate the cost of service a single member. In the example above, each member costs about $700 per year to maintain.

3. Calculate expected revenue over lifetime of membership. The worksheet will also calculate the lifetime expected revenue of each member. This is the average number of years in your organization multiplied by the average dues and non-dues revenue.

4. Review expected cost to service member. When we multiply the average years in your organization by the average service cost, the sheet will present a final "cost per member" prediction. Please note that this is a rough estimate, and should be used for big-picture generalized analysis rather than dollar-level considerations.

5. Review your "breakeven point." When we find the difference between the projected monetary value of each member and the cost to service them, we find a breakeven point—the point at which we can discount membership or services before your organization makes zero dollars in revenue.

	A	B
1	# of Members	10,000
2	Average Member Tenure	7
3	Total Dues Revenue Last Year	$ 3,500,000.00
4	Total Non-Dues Revenue Last Year	$ 5,000,000.00
5	Total Cost to Serve a Member Last Year	$ 7,000,000.00
6		
7	Average Dues Revenue per Member	$ 350.00
8	Average Non-Dues Revenue per Member	$ 500.00
9	Average Cost per Member	$ 700.00
10		
11	Expected LTV per Member	$ 5,950.00
12	Expected Cost per Member	$ 4,900.00
13		
14	Breakeven	$ 1,050.00
15		
16		

Not everything an association does is revenue-based. **Social return has a huge impact when calculating value.** What are some non-revenue reasons worth going over the breakeven point?

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Your Data Holds Power to Retain Members

You have the power to make your organization stronger and leaner through data. The tools that we've outlined in this Playbook are just the beginning.

As you continue to become more familiar with how to make predictions based on your members past behavior, you can build a stronger organization that provides more value to your members at less cost to you. You'll become more comfortable with creative data gathering strategies—census records, social media analytics, and even credit records can be great sources of information with insight.

What does this mean for your members? **They will have more tailored messages and motivations to remain a member.**

Thank you for investing in data-driven success for your organization. There is a world of information waiting for you to use to better understand your members and help them find fulfillment with your organization.

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About Tasio

At Tasio, we don't just predict the future, we help you change it!

Tasio takes your existing membership data and uses cutting-edge Machine Learning techniques to uncover deep patterns in member behavior. By combining state of the art AI with an intuitive and user-friendly interface, we help you put your data to work.

Armed with our predictive analytics and in-depth data auditing help, you can:

- Predict purchases and cross-selling opportunities
- Individualize member outreach programs
- Develop member segments and personas
- Chart member journey paths

Contact us to learn more about how Tasio can help strengthen your association through predictive analytics and an in-depth data audit.

Get a Low-Cost Data Audit When You Click the Link Below

The Tasio Playbook and Workbook are meant to empower you to make the kind of informed decisions that will retain more members at less cost. But there are many elements and tools that we haven't discussed here.

We are offering an in-depth audit of your organization's data at a discounted rate **for simply reading this Playbook** and gaining some of those basic skills yourself.

When you contact Tasio from the link below, we will:

- **Connect you to a dedicated Data Specialist**
- **Review your data**
- **Help define your most effective metrics**
- **Develop an action plan for the next steps to retain the most members**

> **TALK TO A PRO**

Tasio is a proud member of the **Association Success** family of businesses.

Learn more at associationsuccess.com.

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