



DUTCH EMPLOYERS COOPERATION PROGRAMME



# MEMBERSHIP STRATEGIES AND POLICIES

A manual for Employers and Business Member Organizations



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International Training Centre

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**MEMBERSHIP STRATEGIES AND POLICIES** A manual for Employers and Business Member Organizations

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# MEMBERSHIP STRATEGIES AND POLICIES

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A manual for Employers and Business  
Member Organizations

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Jeanne Schmitt, Paolo Salvai, Arnout De Koster

## Foreword

This manual is an output from the ongoing close cooperation between the Employers Programme of the International Training Centre of the ILO in Turin (ITCILO ACTEMP), and the Dutch Employers Cooperation Programme (DECP). Having collaborated intensively in the field of training delivery for more than 15 years, this publication adds to the long list of joint work, which is driven by the objective and the engagement of the two organizations to strengthen Employers and Business Member Organizations (EBMOs).

It is comprised of recollections from a joint body of knowledge and practices on membership, available within ITCILO and DECP arising from many training programmes over years and from the exchange of practices on that topic with partner organizations throughout the world. Many thanks to ITCILO and DECP for supporting this initiative, and for the input of our colleagues, also from the wider ILO ACT/EMP team. We thank especially Maria Cronin and Anders Myers, who played a major role respectively in the editing of the manual and in the gathering of survey material on membership. Their help was most welcome and essential.

The objective of this manual is to gather in one place, various perspectives on membership strategies by EBMOs. Membership is the alfa and the omega for all EBMOs. EBMOs start with members, engage with members, and live or perish because organizations decide to join, to continue to be (or not to be) members and to engage with the EBMO.

In spite of all of this, a fully comprehensive publication on membership strategies and their implementation did not exist before now. This manual borrows heavily from marketing theory, which is applied to the particular case of the EBMO, and to which a practical perspective is added, by listing the many practices which exist within EBMOs and are currently applied, with varying degrees of success. It hence gives a strategic approach, combined with practical tips and actions to be undertaken. This manual is directed at a diverse audience and to different levels: the executive directors of EBMOs, who have to determine membership strategies, but who also have to monitor and decide on implementation; Board members, who may be interested in the headlines of membership strategies; the staff members of EBMOs, responsible for day to day implementation of membership actions, who may be inspired by the more global and coherent overview contained in this manual, but also by very practical examples which they can use and apply in their own organization. Finally, this manual may be of interest to, observers and scholars of industrial relations and social dialogue, for whom it may reveal some issues in membership which are important and familiar within employers' organizations, and of which academic analysis can help in understanding EBMO behaviour as social institution.



The manual gives an overview of the body of knowledge as it stands now. In the evolving landscape of industrial relations and the development of EBMOs, it is therefore just a snapshot of how membership strategies are conceived for now and the tools, practices etc. that are currently used. Further work to map these practices, and to monitor the emergence of new tools, particularly those based on new technology, would be most useful. Silver bullets or magical formulas were not discovered. Writing this manual and reading background material and examining practices has however confirmed to us that constant coherent and strategic approaches, underpinned by meticulous daily work, make a huge difference to the success of membership policies and for EBMOs themselves. We hope to contribute to this success with this manual.

### **The authors**

Jeanne Schmitt, Paolo Salvai, Arnout De Koster.

## Authors bio



### Jeanne Schmitt

is Senior Programme Officer with the Training Centre of the International Labour Organization. Having worked previously with Businesseurope at European level, as senior adviser with responsibility for social policy and industrial relations, she joined the ILO in 2008. As part of her portfolio she now designs and facilitates training activities, authors hands-on guides and manages wider development projects to respond to the needs of Employers and Business Member Organizations' staff and company members worldwide. Jeanne has worked with and for EBMOs for the last 20 years building solid expertise in the field of association management, always on the lookout for innovative ways to lead change in Africa, Asia and Europe where she works. Apart from membership strategies, skills development, industrial relations and women empowerment are fields of strong interest.



### Paolo Salvai

works as Senior Specialist for the International Labour Organization. He joined the ILO in 2007 and has been working in different duty stations including Turin, Lima, Geneva, Yangon and more recently Beirut. Paolo has a 15-year experience as trainer and advisor in governance and management of employers and business membership organizations and supported many business associations across five continents in developing their membership strategies and plans. He likes to define himself as “a global citizen well rooted in Turin region”; you might accidentally meet him and his big family on some mountain paths.



## Arnout De Koster

is since 2016 working as special advisor for the Dutch Employers Cooperation Programme (DECP) which is a joint venture of the Dutch employers confederation and the Dutch Ministry of Foreign Affairs. He is mainly working to support employers organisations in East Africa.

As such, he continues to be active in the field where he started and developed his whole career. After studies in law (Ph.D Labour Law, University Leuven) and industrial relations (M.Sc., LSE), he worked as advisor and later director of Social Affairs for the national Belgian employers' organization, and later internationally, as the manager of the employers department in the ILO Training Centre, based in Turin.

In these roles, and having worked and trained in Europe, Africa and Asia, he gained a wide experience in the organizational development of employers' organizations, and in topical issues, such as membership strategies, social dialogue, skills policies and employment policies.

He remains convinced that employers' organizations are a pivotal actor in socio economic policies, via their diverse roles of support and representation. They ensure that the private sector can play its essential role to deliver sound and sustainable growth and welfare for all.

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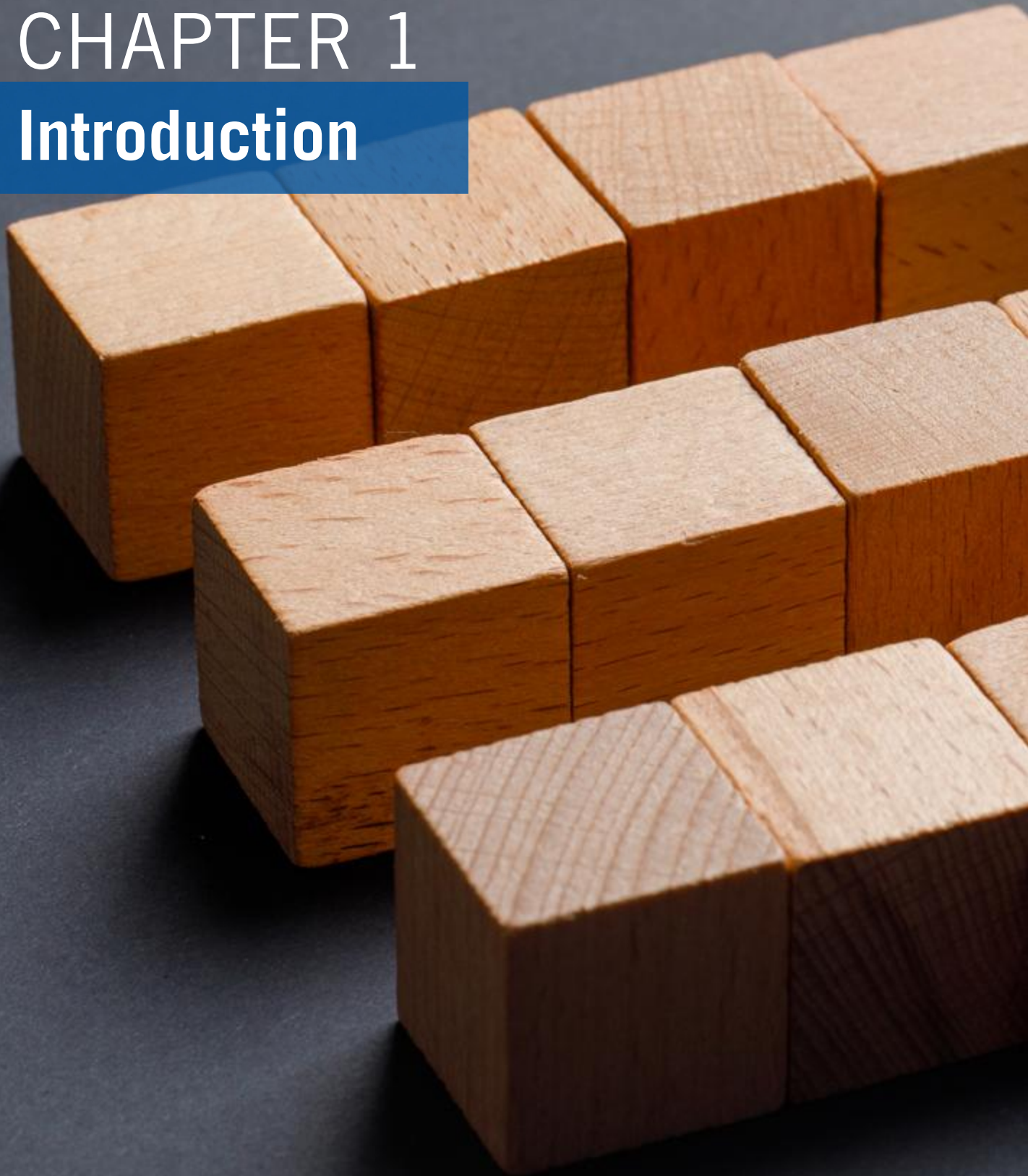
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# CHAPTER 1

## Introduction



# Introduction

## 1.1 Why members are essential

The most important asset for an Employers and Business Members Organization (EBMO) is its membership base. EBMOs are founded by, composed of and have legitimacy because of members. Crucially EBMOs have financial means from member subscriptions. Accordingly members provide the EBMO with both the status of being representative and the resources to conduct their business.

Members are the key *raison d'être* of a member organization. While some observers may think that EBMOs have a general vocation on behalf of all employers, in the first instance, EBMOs exist to advance the interests and serve the needs of its paid up members.

Accordingly members are both shareholders and clients of the EBMO. This duality has been explored by a number of researchers highlighting the uniqueness of the relationship between the EBMO and their member base. Success of the EBMO is strongly linked to its' membership rate. Without members the EBMO would simply not exist.<sup>1</sup>

These seemingly self-evident statements hide some interesting discussion points on the issue of members versus non-members and EBMOs.

### Interest

Do EBMOs exist to defend and serve members interest alone, implying a level of parochialism or do they exist to defend the common interest of all employers, including those who are not in membership?

### Free rider dilemma

How can EBMOs avoid non-members (who do not financially contribute to the organization's work and who, by deciding not to join, potentially weaken the EBMOs representative force) benefitting fully from the EBMOs efforts? In other words how can the EBMO address the free rider dilemma?

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1 Peter Sheldon and Louise Thornthwaite, *Members or Clients? Employer Associations, the Decentralization of Bargaining, and the Reorientation of Service Provision: Evidence from Europe and Australia*, 2005;

Andrés Mejía-Villa, Mónica Recalde Viana, José Antonio Alfaro Tanco, Elena Gutiérrez García, *Las asociaciones empresariales como comunidades de innovación colaborativa: desarrollo de un modelo teórico*, 2017

## EBMO Strategy

Whatever the strategy followed by the EBMO it can be concluded that (paying) members are essential for:

- **Legitimacy:** an EBMO cannot speak with legitimacy on behalf of employers unless they have members.
- **Representativeness:** The more members an EBMO has, the stronger the power behind its voice and the potential strength of its influence on members behalf. Broad industry penetration and strong member numbers enables an EBMO to operate both effectively and authoritatively in promoting employers interests.
- **Income:** an EBMO with no, or low, membership income is restricted in its professional development, which requires budget and resources. Even if income is available from other sources (e.g. paid for services, externally funded projects, external subsidies or donor support) membership income is essential to guarantee independence and give the organization a degree of stability against market variability.
- **Member ownership and impact:** substantial membership ensures that power and influence rests within the EBMO. Dependence on alternative funding streams potentially erodes the difference between the EBMO and commercial for profit organizations (for example consultants or legal firms).
- **Members as core clients:** Members are the prime beneficiaries of the EBMOs activities, and as such there should be tangible and quantifiable benefits for their engagement and payment. This may include the extent of their influence on EBMO policy (subject to the organizations rules and governance structures), the benefits enjoyed as result of successful lobbying and advocacy and access to services, networks, events or products at a reduced cost compared to non members.

## 1.2 What EBMOs do for members

The primary role of an EBMO is to influence both the policy and regulatory environment, so that they are conducive to business growth, job creation and development. EBMOs are the collective voice of business and this representational function is executed by influencing policy through their lobbying and advocacy activity and/or through participation in social dialogue.

The other main function of an EBMO is to provide services to members. Usually these services include information, advice, direct representation at appropriate third party interventions, networking, training and events. While the range and nature of services differ depending on the level of operations, most EBMOs provide some kind of services.

All EBMOs activities, whether advocacy or service provision, have an overriding objective to serve members needs. The relative priority given to the two functions by an EBMO depends on the national context and on the nature of the organization.

The most common core ambition of a national cross sectoral employer and business members organization is the ability to have increasing influence on policy makers and opinion formers. This is intrinsically linked to EBMO representativeness. More members, either companies or lower level business representative organizations mean, for a national cross-sectorial EBMO, a broader representation of the full spectrum of economic activity. This ideally includes all the most important sectors and industries, economic units of different size and operating in different regions or provinces, with the final objective of representing a spectrum of companies contributing to the highest possible portion of the GDP and companies employing the highest number of employees in a country.

Similarly, the objective of sectoral EBMOs is to serve members needs by being an authoritative voice on sector specific matters and by providing quality services to members companies. Again, this is linked to the representativeness of sectoral EBMOs. EBMOs representing the highest possible number of sector specific companies that employ the greatest number of employees are likely to be more influential and have greater resources to hire competent staff in the secretariat. Highly capable secretariat staff are key to providing quality and relevant services to members and additionally perform the much needed research work for successful advocacy and lobbying activities. All of this can eventually attract more members, in a form of virtuous circle. On the contrary, a declining or low level of membership not only challenges the financial viability of the EBMO, it also means a weaker voice on behalf of business when engaging with government and other stakeholders. Very often policy makers, when consulting business associations and involving them in matters of importance to the business community, seek out what they perceive to be the most representative organizations.

The same applies to territorial or regional organizations.

Appreciating the key importance of membership, the fact that many EBMOs do not have formal membership development strategies resourced with the appropriate skills and competencies seems both imprudent and unwise. Despite this very few organizations adopt a professional approach to membership development.

### From the ITCILO ACTEMP Membership survey

An ITCILO ACTEMP Membership survey of 64 national cross sectoral EBMOs from Latin America, Africa, Central and South East-Asia, Eastern Europe, found that **only slightly over 10% have a formal written plan for membership development.**<sup>2</sup> When responding to challenging financial situations, EBMOs sometimes organize ad hoc initiatives aimed at recruiting new members. Few EBMOs reported having a formal, clear and resourced membership development strategy, to boost membership over the short to medium term.

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*By comparison the 2020 Membership Marketing Benchmarking Report<sup>3</sup> published by Marketing General and comparing practices of Trade Associations in the US indicates that 71% of trade associations have tactical plans for engagement.*

***Successful membership plans are developed in a professional manner and are at the core of the organizational development strategies.***

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2 The ITCILO Programme for Employers Activities (ACTEMP) performed a data excavation and analysis exercise in April 2020 based on the survey it administrated from 2017 to 2020 as part as its Membership strategies training courses. The analysis is based on the answers provided by 64 EBMOs worldwide stemming from Africa (34); America (12); Asia (13); and Europe (5). This work is referenced later as ITCILO ACTEMP Membership survey.

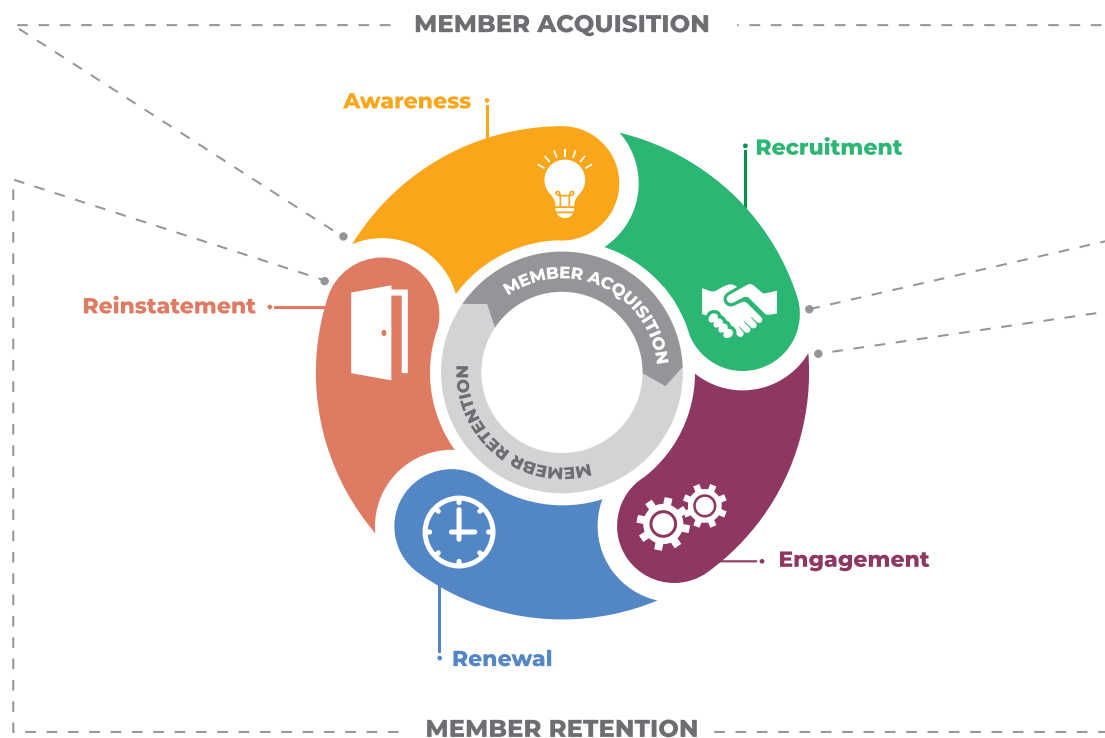
3 The Marketing General 2020 Benchmarking report can be accessed at the following link:  
<https://www.marketinggeneral.com/knowledge-bank/reports/>

## 1.3 The typical membership cycle

Membership management is more of a marathon than a sprint. Unlike other types of enterprise-client relations, where the sale of a product marks the end of the journey, membership subscription payment is just the beginning. There are different ways to represent the relations between a membership organization and its members, which we will call here “membership cycle”.

The classical membership cycle<sup>4</sup> contains different phases: member acquisition and member retention. In turn, these phases are subdivided as shown in the picture below:

### *Membership cycle*



4 The Marketing General - Membership Lifecycle can be accessed at the following link:  
<https://www.marketinggeneral.com/solutions/the-membership-lifecycle/>

Translated to the world of EBMOs, the cycle can be described as follows:

### (i) Member acquisition

**Awareness:** INTEREST – COGNITION. This is the moment when an association or individual company recognizes the EBMO to be a valuable representative organization. Such recognition can be the result of “word of mouth” recommendation or result from proactive and strategic efforts of the EBMO to raise its visibility in professional communities.

**Recruitment:** This is the moment when a potential member chooses to join an EBMO paying a membership fee for the first time. Successful recruitment of new members depends on several factors, which we will further explore and explain in later chapters.

### (ii) Member Retention

**Engagement:** In this phase, members feel they belong to the EBMO. They participate in activities and events, give inputs to build the EBMOs policy positions, interact with EBMO staff and the other members and buy additional services like training courses etc.

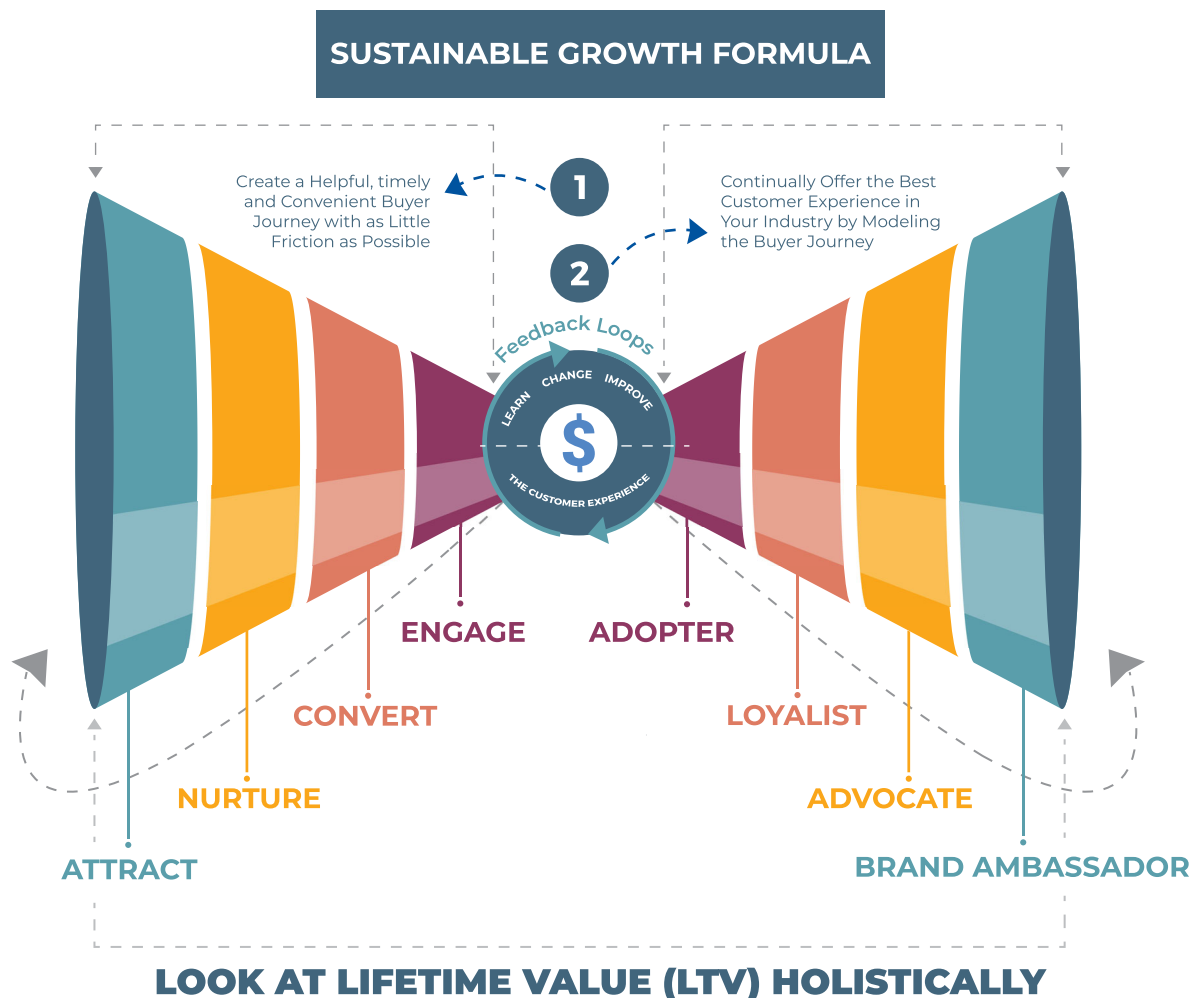
**Renewal:** This is the moment when a member pays for an additional year of membership. It is a commitment by the member to the EBMO for an additional period and therefore can be considered the most important vote of confidence a member can give an EBMO. Subscription renewal is a delicate time for EBMOs as they run the risk of losing members or having difficulty collecting fees.

**Reinstatement:** This is when a former member (who had lapsed) decides to re-join the EBMO.



Other types of membership cycles exist. They emphasize particular aspects of the organization/ member relationship.

- Some propose a membership cycle in 5 stages<sup>5</sup>: Acquisition, Onboarding, Engagement, Retention and Reactivation. It highlights the need to focus on the integration (onboarding) of new members as the key to long term success;
- The membership cycle can also be described as a bowtie sales funnel<sup>6</sup> which, instead of focussing on customer acquisition (or the “sale”), includes customer retention optimization. Deriving from marketing practice, such cycle highlights the need to gather and analyse data on members’ behaviours and preferences in order for the organization to turn potential members into satisfied members, then loyal members and then brand ambassadors, in the longer term.



5 More information can be found here: <https://www.themembershipguys.com/5-key-stages-member-lifecycle/>

6 More information can be found here: <https://beintheknow.co/bow-tie-funnel/>

Each organization may adopt the membership cycle most suited to describe its relationship with members. Any membership cycle will need to be in tune with the business model of the organization and offer responses to any “market disruptions” the EBMO may face in its own country. For example, professionals tend to be more informed and more connected today than in previous generations; this may affect the perception they have of an EBMO [Awareness] or the way they expect to communicate with an EBMO [Engagement]. Other important “market disruptions” include technological innovation, new forms of competition in the representation business or services provision, regulatory changes or new distribution channels with the rise of social networks and the network economy.

## 1.4 An overview of the structure of this manual

This manual is set out over eight chapters following this introduction (Chapter 1) and the content is supported by a comprehensive Annex which contains a range of additional details, graphs and examples. We begin to delve into membership by considering the global strategic issues which includes the reasons why a company makes the decision to join an EBMO in Chapter 2 before moving on to dig deeper into the actual value of membership in Chapter 3 where we explore the typical reasons a prospective member joins and what the EBMO can do to make the prospect of membership attractive and relevant to their target audience.

In Chapter 4 the crucial issue of the membership fee is described. This chapter deals with the different EBMO membership fee models that prevail and how they can be applied in a fair and transparent way. The challenge of getting this issue right from the outset is highlighted as it is an area whereby change is notoriously challenging to implement over time.

The following three chapters bring us through the traditional membership cycle involving new member recruitment in Chapter 5, how EBMOs can best go about retaining members to create life long relationships in Chapter 6; and the important foundation for maintaining successful relationships with all members in Chapter 7 is covered in the context of member engagement.

Chapter 8 goes within the EBMO to review key membership enablers including the Board, the role of the CEO and the Membership team and the growing use of technology and CRM to professionalize best practice in member relations. Our manual concludes in Chapter 9 with a conclusion which pulls together the best guidance on developing a successful membership strategy.

## CHAPTER 2

# EBMO members: What? Who?



# EBMO members: What? Who?

## Introduction

There are many different types of Business and Employer Member Organizations and within these organizations there are different categories of membership. The type of member is defined by the formal relationship the company or association has with the EBMO as a direct consequence of being a member. In this chapter we highlight;

- **The different categories that define typical types of membership;**
- **How membership can be defined based on the timing of fee payment;**
- **Who can become a member of an EBMO;**
- **Variants of membership from free right through to compulsory arrangements.**

## 2.1 Defining members: The difference between direct and indirect members

In its simplest terms a company can be a direct member of a general cross sectoral EBMO. Or it may be a direct member of a sectoral or territorial business and employers organizations which may itself be a member of a higher level confederation. Companies are generally affiliated to the EBMO that is most relevant when it comes to representing its business interests and which is the best overall value for the membership fee. Larger companies may choose to be members of both a sectoral association in addition to a confederation and so have double membership.

Let's have a closer look at the membership composition of the national cross-sectoral EBMOs.

This largely stems from the system of how business organizations represent business.

There are four distinct systems as follows:

### (i) Fully integrated vertical system

A national cross-sectoral organization (often called an APEX or PEAK organizations) is a confederation composed of sectoral and territorial business organizations. There is no direct affiliation of individual companies to the confederation. In such a system there tends to be very little competition between EBMOs at national and sector or territorial level. Every organization has a defined market segment and the representative and financial strength of the national cross-sectoral organization comes from the lower level organizations which makes up the membership.

Within this system the different levels of membership are clearly articulated and delineated. This is the case in most Latin American and European systems.

Historically this is the way that employers organizations were formed. Towards the end of the 19th century EBMOs were first established at local level, as associations of individual owners, dealing with common challenges, for example changing attitudes with more interventionist governments creating new fiscal and trade policies plus an emerging labour movement calling for new labour legislation and regulation. At first the employers formed alliances within a locality (industrial cities) over time this developed into greater coordination of employers across their industry sector via their sector associations. In time this led to the formation of confederations which brought together all sectors under one umbrella to represent industry with a strong and unified voice when dealing with government and trade unions.

Today we can identify examples of how the levels of employers' organizations follow political and economic decision-making structures: for example

- We have EBMOs at sub regional level (e.g. FOPAO for West Africa<sup>7</sup>);
- At regional level (e.g. Business Europe<sup>8</sup>);
- At world level (IOE<sup>9</sup>).

### **Example of a fully integrated model**

*A medium size company operating in the automotive sector in the province of Verona in Italy, will most likely be affiliated to the provincial organization in Verona province and/or to the sectoral automotive organization. This company is unlikely to be a direct member of Confindustria – the national cross sectoral EBMO in Italy.<sup>10</sup> However, as the company is affiliated to a sectoral or territorial organization which itself is affiliated to Confindustria, then this medium sized automotive company is indirectly a member of Confindustria.*

### **(ii) Vertically integrated system**

In this model, the national cross-sectoral organization is a confederation composed of sectoral and territorial business organizations, but also in addition, a limited number of large corporations choose and are allowed to be direct members of the confederation. Local historic developments explain the emergence of this model where it exists.

This structure emerged in countries when some large corporations decided that they were not able to sufficiently influence the policy direction of the confederation through membership of their sectoral or territorial association. They therefore asked to join the confederation directly as a member and the confederation agreed because even without the additional membership fee, which is of course valuable, the benefit of having high profile business CEO's and board chairs actively participating in the confederation's work added to its legitimacy, profile and influence. The active participation and presence of large corporations in the work of the confederation may also help with coherence in the positions which are taken on behalf of the business community.

7 <https://fopao.pepsup.com/>

8 <https://www.businesseurope.eu/>

9 <https://www.ioe-emp.org/>

10 <https://www.confindustria.it/home>

It further avoids any temptation for government to approach a corporation directly and bypass the confederation as the official representative of the collective business voice.

Most generally where this model exists the confederation limits the number of direct members it has so as not to become a competitor of the sectoral or territorial organizations.

This is the case of VNO NL in the Netherlands<sup>11</sup>, the CGECI in Ivory Coast<sup>12</sup> and the Industrial Union in Argentina.<sup>13</sup>

### **Example of a vertically integrated model**

*A very large company operating in the construction sector in the Groningen region in the Netherlands, will most likely be affiliated to the territorial organization, VNO-NCW Noord, and/or to the construction sector association and also directly to the national cross sectoral organizations. The company will most likely have three affiliations.*

### **Case: IBEC the Irish Business and Employers Confederation.**

The Irish Business and Employers Confederation (IBEC)<sup>14</sup> was founded in 1993 when the then Federation of Irish Employers FIE (the leading Irish employers organization at that time) merged with the Confederation of Irish Industry CII (the leading confederation of business associations). Initially a company could decide to be a member of both IBEC the APEX organization plus in addition the business association relevant to their sector and in doing so they paid two membership fees, however, over time the organization brought fee paying together and now the organization has moved from being based on a vertically integrated model to being fully integrated one.

So for example a large food manufacturing company pays one comprehensive membership fee and for this they are members of IBEC the APEX organization and within IBEC they are also members of FDI – Food and Drink Ireland which is the main trade association for the food and drink industry in Ireland representing over 150 food, drink and non food grocery manufacturers and suppliers.

11 <https://www.vno-ncw.nl>

12 <https://cgeci.com/>

13 <https://www.uia.org.ar/>

14 <https://www.ibec.ie/>



### (iii) Mixed system

In this model the national cross-sectoral organization is a confederation composed by a number of sectoral and territorial EBMOs and in addition individual company members, it is therefore an option for any individual company to join the confederation directly should it wish. The confederation actively tries to recruit direct members.

In such a system, there is no vertical integration, the business of representing business tends to be less organized with several organizations competing for the same members and sectoral organizations compete for members with territorial and national cross-sectoral organizations.

#### Example of a mixed system

*In a mixed system, a big company producing electronic components in Kenya might be affiliated to the sectoral association or the national cross-sectoral organization (the Federation of Kenya Employers FKE)<sup>15</sup> or both.*

### (iv) Competitive system

We complete the analysis by citing also the system where companies not only have the choice to be a member at different levels, but also a choice between different organizations. This is because employers representation in these countries is a multi employers representation system, rather than a single employers representation system.

This competitive system is present in around half of all the countries worldwide: in these countries, employers choose to be represented by several organizations. Sometimes the differences lie in the range of activities (eg. some organizations deal with labour issues, while others focus mainly on economic matters); in the size of targeted members (especially in Europe there are often specific APEX organisations only for SMEs, which are independent from the main employers organisations) or in freedom of actions and independence (this is often the case between chambers of commerce and industry which are partially state controlled and the independent EBMOs).

#### Example of a competitive system

*A medium size company producing refrigerators might be affiliated to one of the several confederations and/or sectoral or territorial organizations.*

This is the case of the Employers Federation of Pakistan<sup>16</sup> and of the several national cross sectoral business organizations in Belarus

The outline of these 4 distinct systems of membership highlight how many EBMOs operate in competitive environments when it comes to recruiting new members. The systems also explain the common phenomenon of a company having double or triple membership.

Can we change the system of representation?

The system through which business organizations represent members is rooted in the historical context of national industrial relations; for countries, especially those in Western Europe and Latin America, with a long-standing system of industrial relations the system is generally a vertically or a fully vertically integrated.

In those countries where the industrial relations system is younger, the panorama on the business representation is generally more fragmented and there might be competing confederations and a lower level of integration amongst the sectoral and territorial level and the national cross sectoral level organizations.

Moving from one national system to another is rare and a complex process.

In established vertically integrated systems the national cross sectoral organizations is often in a quasi monopoly position as the government either by law, by regulation or simply for historic reasons recognize the established confederation as the relevant business representative stakeholder for lobbying and for national social dialogue. While there may be national dialogue with some sectoral associations on issues specific to it for the most part the position of the predominant confederation is recognized and it is rare for any new organization to emerge and challenge its position.

In emerging systems it takes a long time and frequently a lot of work for a national cross sectoral confederation to form by uniting different territorial and sectoral organizations under one umbrella and become recognized as the leading organization at national level.

There is no overriding rule, but in competitive systems, the voice of business generally appears to be more fragmented than in the vertically integrated systems. With several competing business associations, it is very difficult to speak on behalf of the private sector with a strong and influential voice, unless special collaborative platforms are created. At the same time, as a balance to this consideration, a certain level of competition amongst EBMOs could trigger innovation, stimulate improvements in quality and relevance of services and avoid the excessive bureaucratization of mature organizations.<sup>17</sup>

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16 <https://efp.org.pk/>

17 DL. Lester, Organizational life cycle: A five-stage empirical scale, 2003

Whatever the system, most national cross-sectoral EBMOs become broadly representative thanks to the affiliation of sectoral and territorial organizations and, if this is possible, by membership of big companies and brands.

When sectoral or territorial organizations join a national EBMO, it brings a “dowry” of indirect company members representing a chunk of the country’s GDP and of national employment. This is why it is so important for national cross-sectoral EBMOs to identify those sectoral and territorial EBMOs whose affiliation would add to their legitimacy and representativeness; and try to convince them to join. When very large companies join, they too bring significant benefits to the EBMO including their membership fee, the prestige of having them in membership and the expertise and experience of their senior management. All of these benefits can be tremendously useful for EBMOs.

In several countries, with very strong, dominant economic sectors, sectoral organizations might be much more resourced, influential and powerful than the national cross-sectoral organizations. This is self-evident, but it is important to find a way to connect with those powerful sectoral business organizations and to be able to offer niche added value services for them in order to convince their leaders of the benefits to joining the national cross sectoral EBMO.

## In conclusion - direct versus indirect members

When referring to members and membership, we understand that this may mean something different depending on the audience and therefore clarity is helpful.

We distinguish between:

- A direct member which is a company that pays its membership fee to an association which may be sectoral, territorial or a national confederation. The company is entitled to access whatever direct member services are available from each association it pays. The company may decide to be a direct member of more than one association.
- A direct member of a confederation may be all of the sector or territorial associations who pay a membership fee to be a direct member of that confederation. The direct member in this case is the association.
- An indirect member As a direct member of a sectoral or territorial association the individual company becomes an indirect member of the higher level representative EBMO their sectoral or territorial association is a member of. It is often unclear if any membership benefits accrue to the company as a result of such indirect membership.

For the confederation membership includes both their direct members (the associations themselves) and the indirect members. In many cases confederations omit counting their indirect members and frequently the link between confederation and indirect members is very weak – with confederations often not having even contact details for indirect members.

For all public statements or in promotional literature, however, an EBMO should count and reference total membership, both direct and indirect to explain the extent of their membership base. This figure is the accurate reflection of the organizations representational strength.

## 2.2 The difference of member status based on fee payment

- **Member** this is a paying member, who is fully up to date with fee payments.

*Example:* company A is a long standing member of EBMO X and paid its fee on January 2020, which covers their membership until 31st December 2020. For the year 2020, company A is therefore a fully paid up member of EBMO X.

- **Member in a grace period or a lapsing member** this is a member who has previously paid, but is now in its grace period to pay the new membership fee.

*Example:* company B has been a long standing member and paid its contribution for 2019. B should have paid its contribution for 2020 before the end of December 2019, but hasn't paid yet at the end of January 2020. The grace period of 3 months is running and will expire on March 31st 2020. B's membership fee will have to be paid by March 31st to remain a member. Otherwise, the company becomes a dormant member.

- **Dormant member** this is a member who did not pay on time for its renewal, but who is still in membership the year following the one in which it paid fully.

*Example:* company C is a longstanding member, having paid its fee for 2019. In 2020, it let the grace period till end March 2020 lapse, and hasn't paid yet. It is now July 2020. C is now considered to be a dormant member but it will have to pay soon, including its arrears, or it will lose fully the link with membership. In many organisations, the link is lost more rapidly after the expiry of the grace period. In such organisations, dormant members are equal to former members.

- **A former member** is a member who hasn't paid for over one year.

*Example:* after full paying membership in 2019, company D has not paid anything, during the grace period in the beginning of 2020, nor in the following period throughout 2021. These members are to be considered as former members, or as a potential member, just as companies who have never been members before.

### From the ITCILO ACTEMP Membership survey<sup>18</sup>

According to our global research with data of 64 national cross-sectoral EBMOs in 4 continents:

On average only 61 per cent of members regularly pay subscription fees.

There are also important regional differences with an average of 79 per cent in Latin America, 67 per cent in Asia and down to 56 per cent in Africa and 50 per cent in Eastern Europe and Central Asia.

Only 47 per cent of EBMOs have a clear policy to deal with members not paying subscription fees.

EBMOs appear to be very reluctant to break ties with members who have not paid and often delay decisions to convert the company to being a lapsed or former member even when a long time has elapsed since their last payment. This reluctance is largely driven by a fear of losing representativeness or of appearing to government or other stakeholders to be an organization that is losing members with consequences for legitimacy and power. Given the size of this problem, some EBMOs are putting in place strategies to enable them to fully understand why the member has not paid and to act to mitigate the problem if this is possible.

Ignoring member attrition is very risky for any EBMO. If reasons for non payment are not sought and understood the EBMO risks missing opportunities to address whatever problems have given rise to the decision to leave.

In some cases, it may be that the company is facing a very real financial challenge and if this is so some flexibility is advisable, the organization is there to help those companies and not to “punish” or avoid supporting them; but an exemption without rules would clearly give space to the possibility of free riding for any enterprise, based on the principle “why should I pay if I could get the same benefits and services without paying?” This could also have a negative impact on the credibility of the organization.

## 2.3 Who can be a member?

Membership of an EBMO depends on its rules of establishment and the remit of its agenda. In most cases, membership is open to all private sector companies operating in the country including foreign-owned companies.

Some organizations only accept private sector companies and some are sector, territory or company size specific. More generalist EBMOs have a broader membership base including private and state owned companies; not for profit; micro enterprise; self employed entrepreneurs and even for some EBMOs informal enterprises.

As highlighted in the previous section in countries with a fully vertically integrated system, the national cross-sectoral organization usually does not allow individual companies become direct members.

Sectoral associations recruit members from the sector they aim to represent; and territorial organizations focus on companies whose operations are located in a certain geographic area. However, with the emergence of new technology some sector boundaries have become blurred. Some sector associations which have traditionally only focused on companies strictly from within their industry group may become open to accepting into membership companies with links to the sector. They may become a very broad sectoral association and in such cases the specific focus on sectoral issues may be through sub sectoral interest groups within the sector association. The global sector association may form itself into a mini APEX.

The same issue arises if sector associations merge (perhaps to survive) in such cases the more specific notion of the sector becomes somewhat blurred. For example in Belgium the wood and textile federations merged into one EBMO. While the links between the two sectors are not immediately evident, in practice they are functioning well as one federation.

### State owned enterprise members

Some EBMOs allow state-owned enterprises or companies with substantial public ownership into membership. This is particularly important for EBMOs in countries where excluding state-owned enterprises would mean losing access to a significant portion of economic activities. Increasing autonomy and market orientation for public sector companies makes their membership a more normal matter. In these cases, special care is taken to make sure that representatives from public companies do not exercise an undue influence on the direction and agenda of advocacy strategies and policy positions. If a state owned company representative holds power and influence within an EBMO and is less inclined to advocate against a government policy proposal than a private company representative this could possibly impact on the independence of the EBMO and ultimately their ability to do its advocacy work. This in turn could potentially damage the EBMOs reputation and impact the organizations relationship with private sector members.

An EBMO could avoid a possible conflict of interest like this arising by providing appropriate rules within the organizations bylaws. For example a state owned enterprise might be allowed into membership but their representative may not be entitled to a seat on the EBMOs board and/or the representative from the state owned company might have only limited access to the work of policy committees or working groups. The advantage of clearly spelling out the rules of engagement in the EBMOs by-laws are that the arrangement is open, transparent and understood by all. Accordingly the EBMO can have the benefit of the membership fee in addition to extending their representativeness without compromising its independence, while the state owned company gets access to the services it desires too. In some countries state-owned companies are not fully autonomous and this is a key reason for restricting their rights as members.

Employers may also be cooperatives and not-for-profit organisations. These employers are sometimes represented within general EBMOs and in a number of countries they have separate representative organisations.<sup>19</sup> There is an open debate about opportunities and challenges of having cooperatives and not for profit organizations as EBMO members. Many EBMOs specify within their statutes that such organizations are precluded from joining, this could be because of a fear that they may not share core private sector values. Or it may be a concern that they are subsidized and therefore have different pressure points and challenges to private companies. Some EBMOs have created a special category of membership for not-for-profit organizations: they may join and access EBMOs services, but they cannot sit on the Board of the organization and in some cases do not have voting rights at the General Assembly.

### **Case:** The Federation of Kenya Employers (FKE) and Employers Federation of Ceylon (EFC)

The Federation of Kenya Employers (FKE) opens its membership to a few categories of non-for profit organizations, namely Medical and Educational Institutions and Religious and charitable Institutions. They can access the wide range of services, but are not involved the policy making process of the organization.

In Sri Lanka diplomatic missions and NGOs are admitted as members of the Employers Federation of Ceylon (EFC).<sup>20</sup> As they employers, some diplomatic missions and NGOs are interested in joining EFC in order to get access to its labour services, especially in case of litigations. Nonetheless they cannot participate in policy groups and they are not admitted to the key decision making body of the organization.

19 EUROFOUND, Developments in social partner organisations – employer organisations, 2010

20 <https://employers.lk/>



## SMEs members

Sectoral and cross-sectoral EBMOs make no distinction, in the principle of membership, between companies according to their size. Nonetheless, EBMOs often build a value proposition and develop parameters to attract more specific market segments and eventually “discourage” others.

### ***Example***

*A small company producing wooden furniture located outside the capital region might join an SME Association, an EBMOs based in its province or a sectoral organization. But the company may not join to the national cross-sectoral EBMO directly.*

*Each company should feel free to “play” in any league, but will have a higher propensity to join the “league”, it has more chance to have success.*

For national and cross-sectoral organizations, it is often easier and more cost effective to target large companies as members. This may be justified by the EBMO on the grounds that this constituent group is strategically the most significant for the economy. Nonetheless, in order to be the most representative EBMO, it is important to have as broad a base as possible in terms of both size of members and geographic reach.

SMEs account for the majority of businesses worldwide and are important contributors to job creation and global economic development. They represent about 90 per cent of businesses and more than 50 per cent of employment worldwide. Formal SMEs contribute up to 40 per cent of national income (GDP) in emerging economies.<sup>21</sup> If a cross sectoral EBMO does not represent SMEs it may become known as a ‘big business’ representative and not necessarily the representative of the entire business community. At the same time it is not easy for national and cross sectoral EBMOs to offer a credible and sustainable value propositions for SMEs, and even more difficult for them to offer a meaningful proposition to micro- enterprises. Small companies are often the most demanding members and the ones paying lowest membership fees.

In some countries there are specialized business associations which group micro enterprises and SME; they are generally services-oriented organizations with a multitude of local offices because proximity tends to be valued very highly by micro and small enterprises. Although SMEs are not a uniform community, it is important for such business associations to identify common issues of special relevance to SMEs such as tax, management training and recruitment support.

Our research found very few examples of national cross sectoral EBMOs that have successfully extend their membership and develop a relevant value proposition for small and micro enterprises. In practice it seems

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21 World Bank, 2020

that it can be particularly difficult to find the formula to strike the balance between the ability to provide sustainable services and getting sufficient income (through membership fees or paying services) from the MSMEs.

The Bureau for Employers Activities of the ILO recently launched in Nepal the Programme ENCOMPASS aimed at setting up a suite of services targeting specifically micro enterprises with the aim of approaching this important segment of the economy.

The Employers Federation of Ceylon (EFC) launched a campaign in 2005 to attract micro and small enterprises (with less than 15 employees) at a reduced fee of around 250 USD per year. Around 25 companies registered and, as such, EFC was able through the participation in selected working groups of some micro enterprises to have an insight to the most difficult regulatory burdens for micro enterprises in the country. But in numerical terms, the campaign was not overly successful and after fifteen years the number of micro and small enterprises in EFC has only very moderately grown.

### **Case:** The Italian Confederation of Craft Trades and Small- and Medium-Sized Enterprises (CNA)

Founded in 1946, the CNA – the Italian Confederation of Craft Trades and Small- and Medium-Sized Enterprises<sup>22</sup> – has over 621,000 members who employ over 1.2 million people. The CNA represents artisans, business owners, professionals, self-employed and small and micro businesses in the tourism, services and industrial sectors. The broad reach of the crafts industry, in both major cities and small municipalities, is reflected by the CNA's widespread presence: over 8500 workers its 110 offices (19 regional offices and 96 local). One of the key elements of the CNA value proposition is the proximity of local offices to members, which guarantees services, consultancy and information with credibility and professionalism and with a good knowledge of the local context the members are working in.

When SME associations exist, it is very important for national cross-sectoral EBMOs to design an attractive value proposition and convince those business associations to join. Providing SMEs with a platform to voice their concerns within the national cross-sectoral EBMO, having representatives sit on the Board and relevant committees are all positive recruitment tools with the consequent SME membership base being crucial to support EBMO representativeness.

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22 <https://www.cna.it/>

## Informal enterprises

Informal enterprises are generally not accepted as EBMOs members. Nonetheless as the size of informal economy is huge in many developing and emerging countries, intermediary business associations, like EBMOs, are considered by policy makers and development agencies as potentially effective channels to reach out to informal companies and support them in the formalization processes. Recently a few EBMOs, mainly pushed by technical cooperation projects or special governmental projects, have created alliances with business associations serving the needs of informal entrepreneurs. The objective of these projects is generally to give space and voice to informal entrepreneurs and discuss policy options, which could ease the transition to formality.

### Case: Ghana Employers Association

GEA<sup>23</sup> in Ghana plays, a leading and pioneering role in organizing informal operators and has especially assisted small and informal businesses within its affiliated member, the Council for Indigenous Businesses Associations (CIBA). CIBA is an umbrella body of fifteen (15) business associations of informal entrepreneurs, comprising of hairdressers, dressmakers, garage operators, indigenous caterers, refrigeration technicians, masons among others<sup>24</sup>.

### Case: Employers' Organization's Support to the Association and Self-representation of Informal Small Enterprises in Peru

Labour and business informality in Peru is a significant part of all business. A fundamental part of the problem is the lack of adequate conditions for sustainable enterprise development, due to an overall environment that is not conducive to business. The lack of infrastructure, the high cost of access to credit, deficiencies in the provision of essential public services and the skills gaps in the workforce are some of the factors that make it difficult to reduce economic informality in Peru. Another important issue is the low productive diversification and the concentration of production and export on raw materials, particularly minerals and food.

23 <https://ghanaemployers.com.gh/>

24 For more information, please see [https://www.ilo.org/actemp/news/WCMS\\_765908/lang--en--index.htm](https://www.ilo.org/actemp/news/WCMS_765908/lang--en--index.htm)

In recent years, the National Confederation of Private Business Institutions (CONFIEP)<sup>25</sup> has started to assist small business organizations in making progress towards formalization and, in turn, supporting the process of formalization of their own members. The purpose is to give greater legitimacy to the representation of entrepreneurs in this sector vis-à-vis public authorities and private national and international institutions.

The main components of this formalization strategy included;

- a)** The creation of a **formal business association**, called Association of SME Organizations of Peru, composed of the SME organizations mentioned above, supporting the formalization process of its affiliates;
- b)** The design of an **institutional development agenda** with the purpose of increasing the affiliation and representation of Peruvian SMEs;
- c)** The creation of a **web page** to disseminate the development agenda, provide information on services to companies and increase the visibility of the Association to attract more potential member organizations.

## Self-employed

Representation of self-employed people in their role as employers is not common. Falling in-between the category of employers and employees, the self-employed are poorly accommodated by the traditional system of corporate interest representation through which the interests of employers are represented in EBMOs, and the interests of employees are represented by trade unions. For EBMOs it is difficult to reach and serve the interests of micro business. Trade unions in many countries even resisted the emergence of self-employment, fearing that these and other flexible arrangements will undermine not only secure working conditions but also union solidarity.<sup>26</sup>

The possibility of independently operating professionals such as accountants, lawyers, barristers and architects becoming members of an EBMO is varying in practice. In some countries, these professions are excluded; in others they can become member if the profession is executed under the form of a legal company; in other countries individuals operating within their profession as a company (or sole trader) can become member.

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25 <https://www.confiep.org.pe/>

26 G. Jansen, Solo self-employment and membership of interest organizations in the Netherlands: Economic, social, and political determinants, 2017

Nonetheless, EBMOs for SMEs and crafts enterprises sometimes include self-employed members and many EBMOs are currently considering opening up the possibility for self-employed persons to join their organization. The rise in the number of self-employed persons and the need for self-employed persons to have a platform for collective representation of their interests, is an attractive market opportunity for some EBMOs.<sup>27</sup>

### Case: EBMOs for self-employed

The Hellenic Confederation of Professionals, Craftsmen and Merchants, the National Federation of Traders and Caterers, the Romanian Association of Building Entrepreneurs are all examples of EBMOs accepting self-employed as members.

In Spain, a specific organisation, the Spanish Federation for the Self-Employed (Federación Española de Autonomos, CEAT), was created in 2004 within CEPYME, the SME peak association.

## 2.4 Free membership vs compulsory membership and variants

In some countries membership of the EBMO recognised by government is compulsory. This is common in the Middle East but while less common elsewhere, there are other examples of this type of compulsory arrangement across the globe. EBMOs in these countries are often known as Chamber of Commerce and Industry (CCI). In a number of countries, where there is liberal freedom of association, compulsory membership exists for the chamber of commerce. Such chambers vary in role and they may in some cases claim to be an employers organisation.

While at first glance, obligatory membership may seem like an attractive approach, guaranteeing an income stream for the EBMO this arrangement may pose serious challenges too.

Compulsory membership is often considered by companies to be an additional tax; when membership is compulsory the EBMO is considered (and in some case is) a parastatal entity which extends ministerial functions. In such situations, the EBMOs often lose their core function and value which is the capacity of properly voicing the business interest and influencing and eventually criticizing policy makers in the interest of the private sector.

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27 European Commission, Don't Gig up. State of the Art Report, 2019

**Case: Compulsory membership payment in Vanuatu**

The VCCI<sup>28</sup> in Vanuatu gets 70% of its income from a compulsory type of membership arrangement whereby companies must pay a licencing fee to Government in order to trade. Government pays 10% of this to VCCI as a membership subscription for the business. As a result most of what VCCI does for members is done without additional charge.

In countries with obligatory membership, government can revoke such a privilege at their discretion. If this happens (and this has happened recently), either the EBMO is capable of proving its value to member companies, or it simply risks going out of business. In those circumstances, the EBMO may be forced into complex restructuring processes.

**Case: From compulsory to voluntary affiliation in Slovenia**

In May 2006, the Slovenian parliament adopted a new Law on Chambers of Commerce and Industry. According to the new law, membership of the Chamber of Commerce and Industry of Slovenia which had been compulsory, became voluntary.

It took a few years for the Chamber to design a credible value proposition and build a more agile structure fitting the needs of the members.

The chamber has now 7,000 member companies of all sizes and from all regions and unites under its 24 branch associations representing all sectors of Slovenian Economy. It is a non-profit, non-governmental, independent business organization representing the interest of its members and is Slovenia's most influential business association.<sup>29</sup>

In addition to this very practical consideration, the tripartite constituents of the International Labour Organisation (ILO) have set out two requirements for both worker and employer representative organisations: Convention No 87 (1948) on Freedom of Association stipulates that membership of each such organisation must be voluntary and each must be able to act independently, subject only to the organisation's constitution and the general law of the land.<sup>30</sup>

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28 <https://vcci.vu/>

29 For more information, see <https://www.eurofound.europa.eu/>

30 For more information on the ILO Committee of Application of Standards (CAS) discussions on the freedom to

### Free but membership supported or encouraged by the state

In other countries, affiliation to an EBMO is not compulsory, but it becomes compulsory in effect for practical reasons because the EBMO has been given exclusive authority by the State to provide certain services. This is the case with certificates of origin or import licenses for example, which are needed by business in certain sectors. In such situations, companies are not joining the EBMO because they believe in the value of being part of an EBMO (having a collective employers' voice or access to a portfolio of relevant services). They join the EBMO to access to an indispensable document for their business. Like fully compulsory systems this approach poses similar risks to the EMBO. At any stage if government decides to revoke this advantage inviting competitors into the market to provide the same or a similar services, the EBMO will be forced to re-organize their value proposition in order to secure a new income stream and secure its future survival.

Some EBMOs get a portion of social security taxes collected via the social security system. In this situation, EBMOs are relatively wealthy organizations having access to funds without needing to collect the membership fees. At the same time, these organizations are often perceived to be “another tax collector” instead of an organization representing business interests and adding value for company-members.

#### **Case: Conseil National du Patronat, Togo (CNP Togo)**

In Togo, the National Employers Confederation CNP<sup>31</sup> concluded an agreement with the National Social Security Office in January 2012 through which member fees of private sector companies are collected.

Under this agreement all private sector companies in Togo must pay a contribution of 0.5 per cent of payroll declared to the National Social Security Fund (CNSS) to the Conseil National du Patronat and this represents the membership fee for CNP.

It is argued in this case that a generic payment like this is justified by the fact that the actions carried out by the EBMO, such as lobbying and advocacy for a better business environment, are beneficial to all private sector companies.

On a different note, in a number of countries EBMOs, legitimately try to find subtle ways to protect certain monopolies in its key areas of expertise. Those monopolies may end up being an important part of the EBMOs value proposition. Examples of this include the right to conclude collective bargaining agreement, or to sit on labour tribunals, or the obligatory conciliation via their EBMOs.

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31 <https://www.cnp-togo.org/>

More recently this quasi monopoly of having the right to conclude collective bargaining agreements has become a negative feature for some companies who do not wish to be part of or bound by the collective agreements. Responding to this challenge a number of EBMOs have created a special membership category for any member not wanting to be bound under the collective agreement signed by the EBMO with the respective workers' organizations.

### Case: Employers' organizations in Germany, OT-Status

In Germany the BDA<sup>32</sup> is the leading employer confederation for the private sector. The BDA itself is not a party to collective bargaining negotiations but its individual members (each one a distinct sectoral based EBMO) are.

In early 2000 sectoral EBMOs in Germany experienced a decline in their membership base.<sup>33</sup> The decline was partially attributable to the resignation of companies, who did not want to be bound by the sectoral collective agreement to which they were bound by virtue of their membership of the sectoral EBMO.

To arrest this decline in membership, many sectoral organizations introduced new forms of association by creating a membership status that excluded the binding commitment to collective agreements (the so-called *Ohne Tarifbindung Status, OT-Status*). Gesamtmetall, for example, introduced the OT-Status on 31 January 2005 and now offers two different kinds of membership: one with and one without a binding commitment to collective agreements.

In tandem with this development, employers' organizations in Germany advocated strongly for further decentralization of the collective bargaining system, giving more leeway and independence to individual firms.

The discipline of being a voluntary organization forces an EBMO to continuously strive to provide members and perspective members with useful, relevant and high quality services in order to remain relevant and for the organization to thrive.

32 <https://arbeitgeber.de/>

33 The EUROFOUND report Germany - Developments in social partner organisations: employer organisations can be found here: <https://www.eurofound.europa.eu/publications/report/2010/developments-in-social-partner-organisations-employer-organisations> Low-Wage Work in Germany, G. Bosch and C. Weinkopf, 2008, Russell Sage Foundation



## 2.5 Members nominees (representatives) in EBMOs

In accordance with the rules of each EBMO, members nominate one person to be the representative of the company for all member related business. A company can only be represented at the Annual General Meetings by its nominee or a duly authorised representative.

For most members, the nominee is the Chief Executive or another person nominated by the Chief Executive. For EBMOs with a strong labour relations focus, the HR manager is often the nominee.

Some EBMOs accept only the CEOs or company Presidents as the official nominee: this is the case of ATE (Association of Tanzania Employers) since 2020 the change was sought in order to make the Board more representative of the actual leadership of the company members. The board members must be either the CEO or President; but for committees and/or functional areas the company may be represented by an appropriate person nominated by the Chief Executive.

## 2.6 Measuring the EBMO representativeness

As we have seen in chapter 1, the more members an EBMO has, the stronger the power and strength of its voice and as a direct consequence the greater the potential strength of its influence on members behalf. Broad industry penetration and strong member numbers enable the EBMO to operate both effectively and authoritatively in promoting employers interests.

As a consequence it is important for the EBMO to regularly collect data and information about members to measure and build upon the legitimacy and strength of their representativeness.

We now explore the key indicators and approaches to measurement of EBMO representativeness with a view to communicating the organizations strength publically i.e. to government and other external stakeholders and as part of branding.

The statistics considered to be of most relevance are the number of member-companies and the GDP they represent plus in addition, the formal employment figures member-companies are responsible for.

## (i) Measuring Representativeness by Employment

*What shall we look at?*

**Employees employed by companies directly affiliated to our organization (direct affiliation) and by the companies affiliated to the business associations, which are members of our organization (indirect affiliation).**

Many EBMOs calculate membership fees based on the number of employees. The data either comes from companies themselves (self-declaration) or from social security registers when publicly accessible. It can take some effort for the EBMO to make this calculation, but it is time well spent because the results give an indication on the level of representativeness of the organization as well as indicating the road to be taken to increase representativeness.

There are (at least) two ways of measuring representativeness by employment:

### **a. In absolute numbers**

*Numbers of persons employed by companies directly affiliated to our EBMO and by companies affiliated to the associations which are members of our organization.*

#### **Example**

*Our EBMO represents companies providing jobs to 3 million employees at the end of 2020.*

### **b. As a Percentage of total private formal sector employment**

*Numbers of persons employed by companies directly affiliated to our EBMO and by the companies affiliated to the business associations which are members of our organizations / Total private sector (formal) employment.*

This indicator is slightly more complex than the previous one. The national statistics institute (or social security institutions) should be able to provide reliable data on the level of private sector formal employment in the country.

#### **Example**

*Our organization represents companies employing the 25% of the private sector formal employment.*

The formula above is applicable to national cross-sectoral organizations. Similar formulas can be used for sectoral organizations and territorial organizations. Instead of using in the denominator “Total private formal sector employment”, “Number of total private sector employment in province (or sector) ‘X’ should be used.

### **Example**

*Baseline: Our EBMO represents companies employing the 40% of formal private sector employment in the automotive sector (or in the Sindh Province).*

## **(ii) Measuring Representativeness by share of the economy**

*What shall we look at?*

**The value added generated by companies directly affiliated to our EBMO (direct affiliation) and by the companies affiliated to the business associations, which are members of our organization (indirect affiliation).**

In many countries, this data is not publically or reliably available and/or companies do not want to share their private information publically. It is frequently easier to access such data for large corporations because they tend to have more formal reporting obligations than (for example SMEs).

Estimates can help to get an idea of the size of the economy represented by the EBMO.

There are different ways to measure representativeness by share of the economy:

### **a. In absolute numbers**

*Value added generated by companies directly affiliated to our EBMO and by the companies affiliated to the associations, which are members of our organizations.*

### **Example**

*Our EBMO represents companies generating 35 billion value added annually.*

### ***b. Percentage of GDP***

*Value added generated by companies directly affiliated to our EBMO and by the companies affiliated to the associations which are members of our organization / Total country GDP.*

#### **Example**

*Our EBMO represents companies generating 30% of the GDP.*

#### **Note on company value added and GDP**

*Gross Domestic Product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of the country's economic health.*

*Value added reflects the value generated by producing goods and services, and is measured as the value of output minus the value of intermediate consumption.*

*Value added also represents the income available for the contributions of labour and capital to the production process.*

*Value added by activity (or even by each company) shows the value added created by the various industries, such as agriculture, industry, utilities, and other service activities – or even individual companies.*

*The total value added at all stages of production is what is then counted in gross domestic product, assuming that all stages occurred within the economy's borders rather than in other economies.*

The formula above is applicable to national cross-sectoral organizations. Similar formulas can be used for sectoral organizations and territorial organizations. Instead of using the term “national GDP”, it should be “total sectoral value added” or “GDP in Province X”.

Some EBMOs might want also to expand the ways of measuring and showcasing their representativeness by calculating their **share of direct and indirect members in the total exports of the country** or the **share of the tax contribution of members in relation to the total corporate taxes** raised by the government.

**(iii) Measuring Representativeness by number of company-members**

*What shall we look at?*

**Number of companies that are directly affiliated to our EBMO (direct affiliation) and the number of companies affiliated to the business associations, which are members of our organization (indirect affiliation).**

This is an “imperfect” way of measuring representativeness, as it implies there is no difference in having SMEs or large corporations in membership; but it can however give some useful indications. It is the easiest data to collect and because of this it is the metric most widely used by EBMOs.

Once again, there are different ways of measuring:

**a. In absolute numbers**

*Total number of direct and indirect members*

**Example**

*Our EBMO represents 200 companies at the end of 2020.*

**b. In percentage of registered companies**

*Members (direct + indirect) in year  $t$  / total  $n^\circ$  of registered companies in formal private sector in year  $t$ .*

From the perspective of EBMO branding this may not be the most beneficial way for an EBMO to measure its representativeness because in most countries the largest number of companies are micro enterprise and these are not necessarily a primary target market for EBMO membership.

**Example**

*Our EBMO represents 8% of the total registered companies at the end of 2020.*

The formula above is applicable to national cross-sectoral organizations. Similar formulas can be used for sectoral organizations and territorial organizations. Whereby instead of using the “total number of registered companies”, the “number of companies operating in sector X” or “number of companies operating in Province Y” should be used.

The Employers Confederation of the Mexican Republic (COPARMEX)<sup>34</sup> provides a very clear example on how to use data to build a clear understanding of organizational representativeness to create an “organizational ID”. The data is showcased prominently on their website, through social media and during any public event.

### Example

*COPARMEX is a voluntary membership business organization, looking through representation in the workplace and society. Its more than **36,000 member companies across the country are responsible for 30% of GDP and 4.8 million formal jobs***

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34 <https://coparmex.org.mx/>

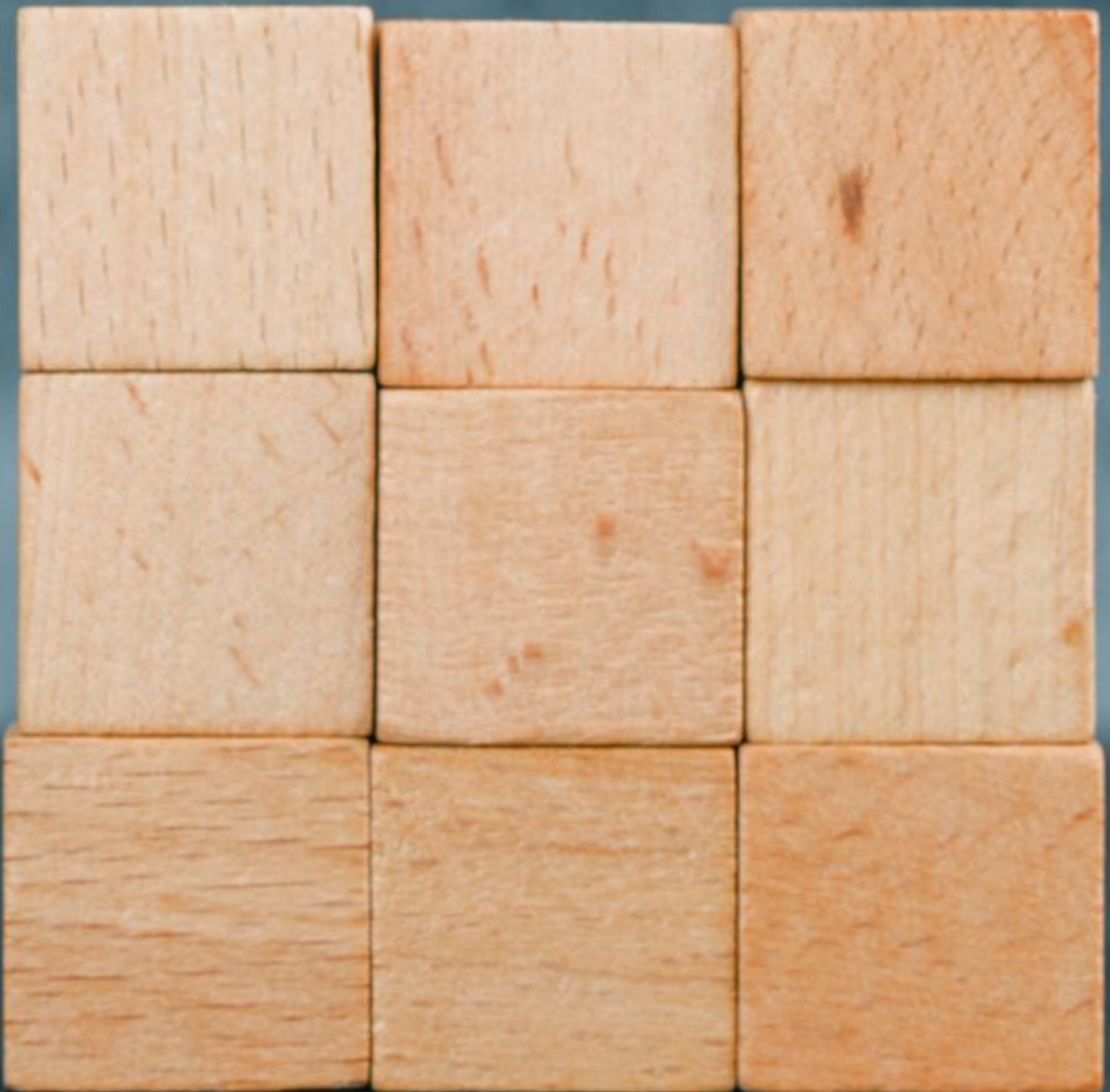
## 2.7 Conclusion

We began this chapter by highlighting the fact that membership of an EBMO is a term that covers a wide array of relationships between individual or groups of companies and their representative association. Throughout the various sections the different forms that EBMO membership can take has been explained along with their context and the general terms that apply. The structure depends on the type of EBMO, its location and the national legislative framework within which it operates. Within the membership relationship itself the EBMO may categorize its members to differentiate between those who are fully paid and up to date and those who have not yet paid or who perhaps have not paid in some considerable time.

There are further different practices when it comes to the type of company that can become a member of an EBMO and this is usually defined in the statutes of the EBMO or under its rules of association. We have also learned that while membership of an EBMO is predominantly a voluntary arrangement there are cases where national regulation dictates it to be compulsory or quasi compulsory by being essential in order to operate as a business.

# CHAPTER 3

## The value of membership





# The value of membership

## Introduction

In this chapter we review the reasons why companies make the decision to join an EBMO and we then explore how well the EBMO understands these reasons. If the reasons are known and understood it can be of great advantage to the EBMO as the most important activities can be identified and prioritized to reflect member needs.

A value proposition is the term used to describe the benefits of membership and the second part of this chapter explains how an EBMO can use best practice marketing techniques to;

- **Develop or review their value proposition;**
- **Align it to member needs to maximise potential success for member recruitment and retention;**
- **Position and brand the EBMO to maximize strength and attractiveness;**
- **To use market segmentation to appeal to a broad membership base.**

## 3.1 The key reasons for joining

Why do members join an EBMO? Most EBMO's have a diverse membership base with members joining for different reasons. If an EBMO understands the reasons why companies decide to become members this can help them to define their value proposition.

When companies are asked to give their reasons for being part of an EBMO, they respond with different answers.

The most common reasons for joining an EBMO, however, can be classified in 4 groups:<sup>35</sup>

### (i) Interest in representation and influence

Being part of an EBMO can be a way to influence legislation, policies and regulations. It may give direct or indirect access to policy makers. Even for large companies, with financial means for targeted lobbying and advocacy activities, in many instances it is more effective to work within their EBMO to contribute to influencing and building a strong collective business voice, instead of moving independently. Some companies also join EBMOs because they support the values promoted by the organization (e.g. free market, democracy, freedom, rule of law, openness, competition, transparency and accountability) and through their membership, they feel they can help to shape the economy and, in a broader sense, a society adhering to those values.

### (ii) Social dialogue

Some companies join an EBMO, specifically one specializing in industrial relations, to directly or indirectly access social dialogue institutions, for assistance in dealing with collective bargaining, to be professionally represented by the EBMO when sectoral collective agreements are discussed or when they are having an interest or rights dispute with workers or workers' organizations.

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35 Different categorization, but with some similarities can be found in "Employers' Associations in Asia Employer Collective Action" By John Beson, Ying Zhu, Howard Gospel 2017, "La contribución de las asociaciones empresariales al desarrollo de las políticas productivas" CEPAL 2020

### (iii) Access to services

For some members, the most important reason for being part of an EBMO is service provision. EBMOs may offer a suite of services (or sometimes just one core service) to solve a problem or to facilitate a process for the member. The Company might even join the EBMO for peace of mind because they do not know when they might need the service. In this case their membership gives confidence that should the need arise, they have access to professionals who have the skills and experience to give the advice and support needed.

### (iv) Networking, prestige and tradition

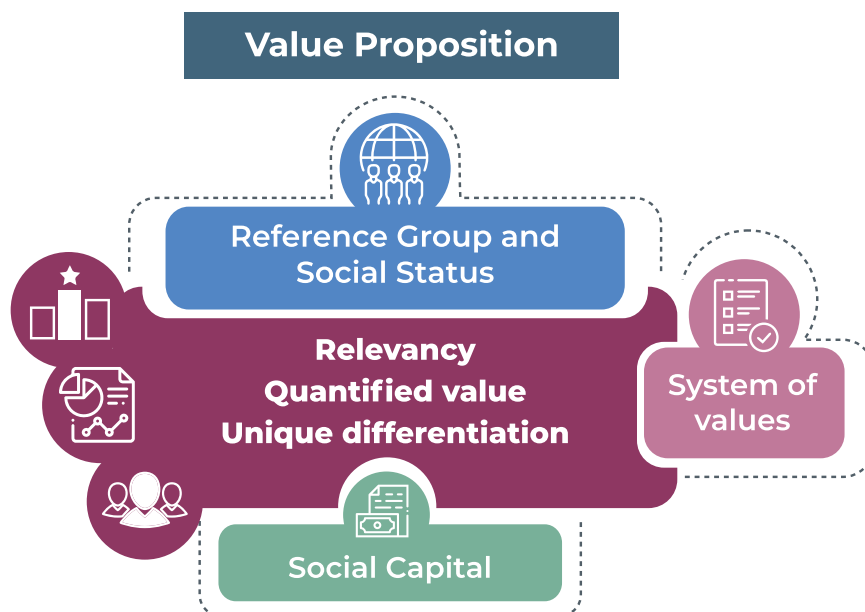
Some companies join the EBMO to access networking opportunities. EBMOs are platforms to meet new business partners and potentially expand business opportunities. For some companies, joining an EBMO is a status issue (like an exclusive club membership). “I am part of the EBMO, because of my company’s status in society”. An ambitious CEO, for example, might have interest in participating personally by becoming a board member or by entering the executive management group. This is not only to gain influence, it may be linked to building personal profile or prestige. Finally, companies might renew EBMO membership for reasons of (family) tradition.

## 3.2 What is the EBMOs value proposition?

In any strategic planning exercises, EBMOs always review their organizational mission and vision. A mission statement defines the organizations’ business, its objectives and its approach to reaching those objectives. A vision statement describes the desired future position of the organization. More recently marketing specialists have introduced the concept of value proposition which is different from a mission or vision statement. It encapsulates the reasons why a prospective member should join an EBMO – it is a collection of the most persuasive reasons why enterprises and associations should notice the organization and take the action asked for; that is, to become a member. It is a clear series of statements that explains why and how membership of a EBMO solves the members problems or improves their situation (relevancy), delivers specific benefits (quantified value), and tells the potential member why they would not get the same outcome from other service providers or business representative groups that the EBMO provides (unique differentiation).<sup>36</sup>

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36 Non-profit Marketing: Marketing Management for Charitable and Nongovernmental, Walter Wymer, Walter W.Wymer, Patricia Knowles, Roger Gomes, 2006, SAGE



A good value proposition for an EBMO should convey the message that as entrepreneurs you're not alone; that you are part of an organisation of like-minded people facing similar challenges and being given the opportunity not only to have access to EBMO staff members with expertise by virtue of their dealing with the same problems across a number of different enterprises and industries, but also to interact with other business owners and managers and be involved in broader economic or social policy issues by gaining access to decision makers and opinion formers through the EBMO.

Developing a value proposition is a must for any EBMO embarking on the development of a comprehensive membership strategy. It is a marketing tool rather than a governance document, found in the organizations constitution, by-laws or Articles of Association. The value proposition should be clearly stated on the first page of an EBMO's website so that those visiting know exactly what they can expect to receive if they become a member. The statement should also be prominent in promotional material used to recruit and retain members who may need reminding of the value the EBMO provides.

### (i) The structure of a value proposition

A value proposition is an indispensable tool for recruiting and retaining members. It must be stated clearly enough for a potential member to read and understand the value derived from membership without requiring further explanation. Formulating the value propositions is a complex task requiring specific skills. Communication professionals have skills to formulate high quality value propositions. For those organizations without specialist communication skills internally, it is worth considering engaging some external support.

A value proposition is something members are supposed to understand. It is for people to read. The best value proposition is clear: What is it? For whom? How is it useful? If those questions are answered, you're on the right path. The value proposition should be read and understood in about 5-10 seconds.<sup>37</sup>

Marketers suggest that there are four types of consumer benefits that matter and by extension only four categories of value propositions that work. It is recommended then that an EBMO's value proposition should focus on least one of these benefits:

**(a) best quality,**

**(b) best bang for the buck,**

**(c) luxury and aspiration,**

**(d) must-have.<sup>38</sup>**

A good value proposition conveys its message using the language of the customer. For the EBMO that means using language familiar to the member. "Jargon propositions" are not useful. Equally using a slogan or catch phrase is to be avoided.

The way EBMO staff members speak about the services they offer can often be quite different from the way members describe their experience of them. This is why it is useful to talk with members to better understand how they perceive and describe EBMO services.

### **Examples of what a value proposition is not supposed to be like**

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#### ***Excessive jargon***

*"Efficiency-driven organization unleashing collaborations and increasing your productivity through the revenue cycle"*

#### ***Slogan***

*"EBMOs XYZ. Powerful, Dynamic, Influential".*

The value proposition is usually a block of text (a headline, sub-headline, and one paragraph of text), eventually with a visual (photo or graphics).

37 The Presentation of Your Value Proposition Matters, Ben Labay, CXL Institute, 2016

38 Value Propositions That Work, Anthony K. Tjan, Harvard Business Review, 2009

There is no one right way to go about it, but a possible formula could include:

- **Headline. What is the end-benefit you're offering in one short sentence? It can mention the services and/or the members. It is an attention grabber;**
- **Sub-headline or a 2–3 sentence paragraph. A specific explanation of what the EBMO does/offers, for whom, and why it's useful, why to choose your EBMO;**
- **3 bullet points with the key benefits or features;**
- **Visual. Images and videos communicate much faster than words.**

## (ii) Good value propositions in EBMOs

It is tough to find perfect value proposition examples in EBMOs. Probably because it's hard to create a great one. We have found a few good examples displaying all the ingredients of a good value proposition in Norfolk Chambers of Commerce UK and Canterbury Employers Chambers of Commerce. *The details can be found in Annex 3.1 and 3.2.*

## (iii) Is it time to refresh your EBMO value proposition?

*Does your organization have a value proposition?*

*If not is it time to create one?*

*If you have one are you sure it is effective or is it in need of review?*

Member needs and your organization's strengths can change over time. Here's how to determine if your value proposition needs a refresh, and ideas on how to go about doing it if it does.

### **a. Test the strength of your current value proposition**

**Review your value message internally:**

During your strategic planning review, formally ask board members what they believe members think are the strengths of the EBMO. From this feedback, are your strengths the ones you highlight in your value proposition?

If the feedback is (mostly) aligned to the terms of your value proposition, it is still relevant?

If feedback from the board indicates a view that is different to what is promised in the value proposition, then this needs to be reviewed so that the value message can be adjusted, or alternatively the steps can be taken to make sure that the organization is delivering on what is promised.

Test your message externally with member research (via a survey or focus groups):

- **Have trends shifted?**
- **Have your member's biggest worries or needs changed?**
- **How satisfied are members with the services that you say you do well - that your Value proposition is based on?**

**Example:** Technology was a key value point in one EBMO's value proposition

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*Their annual member survey uncovered high demand for technology but low usage and members rated the chamber low on how they deliver in that area.*

*As a response to this, the EBMO re-crafted their value proposition to focus on a different theme for their message, one that highlighted information and tools that members need, services that are relevant, and that the chamber does very well.*

*While Technology is still an area that the chamber wants to build. They are not using it as a selling point while they grow in proficiency and focus.*

**b. Decide what you need to change**

**Update the message:**

One national cross sectoral EBMOs value proposition needed to better differentiate what they deliver versus the local chambers. The focus shifted from delivering knowledge (common to all level EBMOs) to providing a wider perspective on business and the industry that the member can't get anywhere else.

**Example:** A before and after example of what the state provides:



**Update the graphics:**

Change your visuals if you significantly change your message, or freshen your graphics to get attention for the new proposition.

***c. If you think you need it, get some outside help***

If you need outside help, connect with an industry professional. They can help you research and revise your value message, draft a new message or update your graphics.<sup>39</sup>

### 3.3 Strategies to help defining the value proposition

An EMBO creating a membership strategy has a wide range of factors to consider before identifying the best combination of priorities and activities to attract, retain and satisfy their members.

A first step is to identify the target audience. For example, CEOs have different needs, priorities and decision criteria than HR Managers when it comes to EBMO membership and the EBMO message must be tailored accordingly.

**Vertically**, the literature groups marketing strategies under the 4 Ps; **(i) product; (ii) price; (iii) place and (iv) promotion**. This 4 P approach allows us to summarise the possible strategies as follows:

<sup>39</sup> More information available here: [www.chambermaster.com](http://www.chambermaster.com)



### (i) Product

Product includes quality, design, content, features, brand name, and packaging. For an EBMO, the product is generally subdivided in three parts:

- **Policy influence via advocacy, lobbying and social dialogue;**
- **Services in different fields and;**
- **Networking.**

There is an enormous range of options available to an EBMO when deciding on the best product mix to incorporate into their membership offering.

The most common product differentiators used by EBMOs are:

**Product coverage:** An EBMO may decide to limit itself to dealing mainly with HR and IR issues (labour law, HR,) as part of their membership strategy, while another may decide to extend their product offering into areas like trade, commerce, entrepreneurship, finance, tax issues, environment or any other area of interest to potential members.

**The methods** of support may differ: some EBMOs mainly concentrate on information provision, via publications and general advice; others go further and provide for personalised individual advice; while others go even further and provide services in litigation or training.

**The focus** of activities may differ: some EBMOs focus on policy influence as their main product: the access to power and influence, for a better business environment; some EBMOs focus on social dialogue as a selling point promoting good partnership with trade unions and joint influence to the government. Some EBMOs take a different approach and focus their product strategy on individual services for company members, such as training, advice and representation, deciding that satisfying the individual member needs is the most member satisfying strategy. Finally some EBMOs may focus mainly on creating a club type atmosphere making networking its main focus of activities.

The **in depth nature** of activities is another differentiating factor with which EBMOs can vary in their product strategy. Some are generalists while others have highly developed and in depth specialist skills. The agenda usually ranges from traditional fields such as labour law, to even more specialised fields like CSR, SDG's, or the environment.

**Envisaged markets** are also a factor of differentiation that may be used: some EBMOs wish to focus on a limited market like one sector, region or specific age or gender group; while other EBMOs aim to provide services to all business throughout the country.

**Packaging** may differ also. Many EBMOs offer a standard product like information but specialise in the format of delivery. Others take a customised approach in the delivery of their products and adapt to the specific situation or need of the client.

**Branding** also can be a differentiator. Some EBMOs do not brand themselves preferring a more neutral type of branding. While others look to brand in several ways: some as being the forceful defenders of employers interests; others as a more exclusive club of top end entrepreneurs; others as a very democratic mass movement of companies, ranging from SMEs to national and international companies, or hard working company leaders; and some as a group of engaged concerned business leaders; etc. etc.

In short, a product strategy gives the EBMO many options to identify its unique selling proposition. There is no correct approach or combination, what works for one EBMO may not work in a different environment. Although of course exchange on products which work is always useful as part of a product strategy, which in turn is part of a global and holistic membership strategy.

The following examples show how choices made and priorities set by the EBMO impacts the membership offering;

- In many Western European countries, APEX membership strategy centres on policy influence. This means that through EBMO membership the company can be at the heart of activities when it comes to influencing emerging legislation. In these countries a main driver of EBMO recruitment and retention policy is that memberships gives the company an opportunity to influence. An underlying assumption here is that being the voice of business is the unique role of the EBMO, all other services could potentially be provided by other organizations such as law firms, service providers, communication bureaus etc.
- Similarly many EBMOs specialize in social dialogue at sector or branch level: expertise and influence in social dialogue to conclude collective agreements, and/or prevent and solve social conflict is the major product in the value proposition for many EBMOs. In this instance the underlying assumption is that the EBMO fills a unique role as a trade union of employers.

- For other EBMOs, the main member strategy is to focus on providing services. The assumption being that members make a rational “what is in it for me” choice when deciding to pay their membership fee and that an increase in the individualised service on offer will help to both attract and retain members. In terms of these services some provide support on tax issues (for example the Association of Tanzania Employers); others provide support relating to HR projects (Uganda).
- Some EBMOs decide to improve quality rather than expand services on offer. The Employers Federation of Ceylon is a good example of this as they are considered to be an excellent source for legal services for members. The French employers organization MEDEF on the other hand combines the notion quality with targeted segmentation strategies, it does this for example when it organises the Université d’Eté, a major event for CEOs, every summer.
- For some EBMOs (for example in Botswana or Jamaica) it is important to create a membership club like experience for members via social gatherings during the AGM, or during golf events/outings.
- Some EBMOs seek to innovate through technology while others extend the range of their activities to include community involvement, sustainability and social engagement.

In conclusion development of the membership offering as a product can be an important element in an EBMOs member strategy with many options in terms of activity, priorities or ways of operating to be considered.

## (ii) Price

Pricing policy is a second major component of an EBMOs membership strategy. The approach will be different depending on the objective which may be to maximise revenue (income) or maximise representativeness (member numbers).

Price is an important part of the EBMO value proposition because the ‘value’ element is pivotal. Price may be an important factor in the decision of a member to join. A membership strategy based upon a zero price is unlikely to be sustainable because subsidies and state support are likely to jeopardise important EBMO principles like independence.

The following examples of pricing strategies illustrates some of the considerations:

- Some organizations like EBMOs in Asia adopt a low price strategy to membership sometimes at around 100 usd/year. If this is the membership strategy followed, the question becomes how to offer quality services? It may be that services must be charged for at a high rate or that the organization has other income sources such as state subsidies or large projects.
- Some organizations create a low price policy by providing companies (particularly smaller ones) with access to special member benefits. Employers organizations in countries such as New Zealand and Australia, and sector associations in the Netherlands, thrive on offering their membership large discounts in purchases such as insurance, petrol, travel etc. which result in a membership fees which is quasi re-earned via these reductions.
- Some organizations have a segmented pricing policy, which offers attractive pricing for specific groups like start ups, young entrepreneurs, women entrepreneurs, micro companies

The Covid-19 crisis is posing a challenge to pricing policy for members suffering economically. A question arises should these companies now enjoy a temporary rebate or waivers, and should retention policies reward long standing loyalty of members which are now in difficulties?

- Reductions in multi year payments are sometimes used by some EBMOs as a retention strategy.
- Introducing a system of tiered member fees and moving out of flat rates, or just increasing substantially the price of membership may equally be a strategy to reflect a more exclusive membership value proposition.

Membership strategies on the basis of price exist. They may stand alone, or be combined with other factors to contribute to a valuable membership strategy.

### (iii) Place

Place is a third major element that can be used to vary the membership strategy.

Place should be understood in the broad sense as an accessibility strategy. It comprises: the physical outlets used to reach out to members (lack of easy access to the EBMO is frequently considered to be an unattractive feature for potential members) and the channels. The underlying

assumption is that a good “localisation – placement” policy facilitates accessibility and hence attractiveness which in turn boosts demand.

Some organizations apply a regionalisation structure to their representation. This is particularly relevant in bigger countries, but it also applies in smaller countries such as the Netherlands. The effectiveness of this policy on membership has not yet been studied: The question remains, does proximity increase membership numbers? It is a well-known fact that membership, especially in developing countries, is higher in capital cities and industrial zonings than elsewhere in the country. But is the proximity of the employers organizations a factor in these cases, or are companies just predominantly based in capital cities or industry zones? From an efficiency and cost viewpoint, the issues of regionalisation and decentralisation should be investigated to assess if they might increase membership.

Some EBMOs have a member only access areas on their website with chat boxes, web portals and other forms of digital servicing. These facilities help tackle the issue of proximity and accessibility. Technology is making 24/7 member access a possibility without needing a physical staff or infrastructural presence. Planning for digitization is therefore a membership strategy based upon placement. For FKE in Kenya it is seen as a way forward to extend membership to regions and to the SME segment.

Other organizations have successfully built proximity strategies by creating subsectoral centres which combine focused service for the member with an efficiency element via mergers or other efficiency factors.

An example is the South African metalworking sector, which is a conglomerate of many subsectoral entities. It serves as a familiar anchor point for the member creating a natural peer group. Knowing that maintaining a variety of interest groups is not viable, this efficiency approach required the many subsectors to merge and treat all services commonly, whilst still maintaining the subsectoral identity.

In conclusion, while membership strategies based upon accessibility are unlikely to form a key element in the EBMOs overall membership strategy, accessibility strategies offer new membership development opportunities.

### (iv) Promotion

Many EBMOs use promotion as their membership recruitment and retention strategy. This includes a focus on promotion, communication, PR, events to increase awareness, good information on the functioning of the club, a certain engagement based on information and sharing, and a valorisation based upon achievements.

Promotion strategies have many applications.

Membership communication is a key part of any EBMO membership retention strategy. Major factors for success include frequency, the message content, tone, relevancy for membership and capacity to involve membership via interactivity. There are extensive opportunities to expand member communication including through innovation in channels (social media, podcasts, YouTube films, videos etc.); through methods of involvement, through use of emotions, or through rapidity.

The same opportunities can be explored for membership recruitment strategies.

Whatever promotional plan the EBMO adopts, to deliver results it is crucial that it be supported by excellent implementation.

## 3.4 From value proposition to positioning

Positioning is closely related to one of the key features of the value proposition: unique differentiation. It is the act of designing the organizations' image and value offering so that members understand and appreciate what the organization stands for in relation to their competitors. For EBMOs it mainly involves defining the expected quality of the services and the range of actions it will deal with:

- **Sectoral or cross-sectoral**
- **Local, Provincial or national**
- **Focussed on labour market or including any type of business matters**
- **Advocacy and Representation and/or direct services**

EBMOs positioning is essential both for countries with vertically integrated systems and for those with competitive systems. In a vertically integrated system, companies should be able to choose which business association could best provide the representation and services needed. The service may be at territorial,

sectoral or national cross sectoral level (assuming that national cross sectoral EBMO have direct companies as members); at the same time, companies should be aware that they are, by joining a lower level organization, also indirectly beneficiaries of services and/or representation within a higher level organization.

In a competitive model situation, it is also extremely important to convey the right messages to describe the benefits that members can receive by joining the organization. In such systems, the decision of renewing or staying in a membership organization is strongly related to the capacity of the EBMO to deliver to the companies' expectations. By the act of positioning, the EBMO sets the level of member expectation. This is similarly done in a product market where a consumer expects to get a product of higher quality if a premium price is paid and the same consumer is equally conscious that they get a lower quality product for cheaper prices. EBMOs cannot all be in the same segment of the market (upper or lower end) simultaneously.

Positioning is also being realistic about what the EBMO can offer. In this process, board members have an important responsibility, should they decide against allocating the right amount of financial resources for the recruitment and retention of talented staff in the secretariat and make the needed investment for a smooth and professional functioning of the organization, they are tacitly deciding to position the EBMO at the lower-end of the spectrum of the service providers.

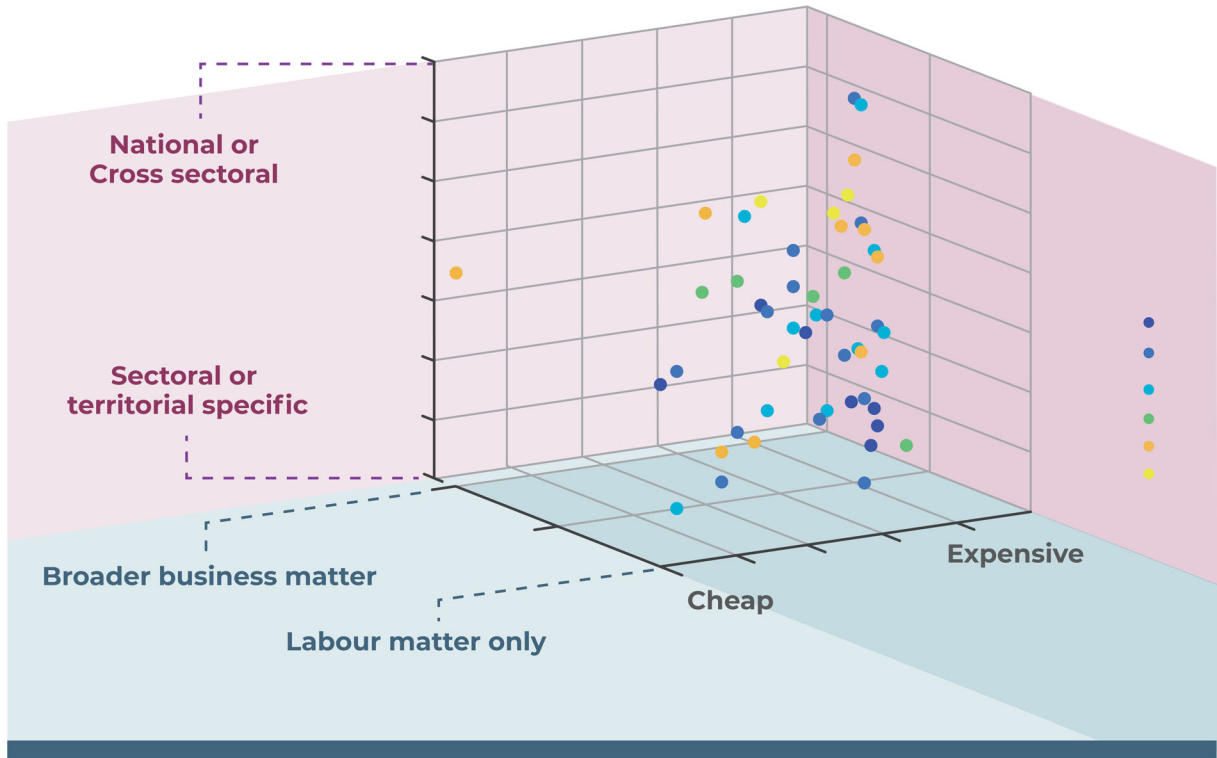
Where is your organization positioned?

By taking into consideration the key features of your organization according to the following four variables:

- **Sectoral or cross-sectoral organization (or Local, Provincial or national)**
- **Focussed on labour market or including any type of business matters**
- **Advocacy and Representation and/or direct services orientation**
- **Cheap or expansive subscription fees**

You can plot where your organization is positioned vis a vis other EBMOs in the country and eventually where your organization aims to be in the future.

### Position your EBMOs four dimension matrix



Service oriented organization

Mix of advocacy and service

Advocacy organization only



## 3.5 EBMOs branding

- **Is Brand Identity important for EBMOs?**
- **What exactly is a Brand Identity?**
- **Can a Brand Identity be explained?**

Branding is the process, which involves creating a unique name and image for a service or product in the consumers mind, mainly through advertising campaigns with a consistent theme. Branding gives people a mental impression of your EBMO. It makes your organization both recognizable and memorable.

With so many different associations competing for members – many within the same industry and with similar benefits and service offerings – it can be hard for an EBMO to stand out and differentiate itself in the eyes of potential members. Good branding can separate one association from others, and by doing so receive more attention and more members.

But branding is much more than a logo design and colour scheme. A good brands tells potential members what your EBMO stands for, giving meaning to your product or service. Simply put, it's how you want your members, potential members and public at large to see you.

Association marketing specialists identify the following as crucial branding elements:

### (i) Graphics

Symbols, logos and colours are important cues for associations. They add recognition and help form a perception about what the association does and what it stands for. A well-designed logo can represent the professionalism of an association, leave a greater impression on members and potential members and can even demonstrate the type of services that the association offers. The consistency in all the communication with internal and external stakeholders, the reiteration through emails, newsletters, website, social media and any communication channel (in jargon the brand touchpoints) of the visual identity and the core values of the organization are key ingredient in the process of brand building. For branding to have its maximum effect, all staff must understand and engage in the association's brand to ensure the message is clear and consistent.

## **(ii) Identity**

This relates to how the association wants the brand to be perceived. For example, an EBMO may believe in providing outstanding service, which they demonstrate through being available at any time. Or, an association may wish to stand for innovation via its services that are featured in their advertising, with all language focusing on innovation. Identity helps establish a relationship between the member and the association.

## **(iii) Personality**

Brands have human-like characteristics that personify the association. Having a strong and understandable brand personality will help an association portray itself more clearly in marketing material and advertising, and build a stronger message. The clearer and more coherent the brand portrayal is, the better potential members (and other stakeholders) will recognise and recall the association.

The EBMO is best seen as an Organization and not as a collection of individuals. The same personality (and quality of services) should be expected whatever officer is serving the member. Some strategic orientations can be slightly modified by changes in the leadership, but the core values, the personality enshrined in the constitution of the organization should not be modified.

## **(iv) Rationality and emotions**

The branding process includes the packaging of a mix of rational and emotional arguments the EBMO wants members to feel and associate with being part of the EBMO. By addressing both the rational and irrational spheres the EBMO is trying to make their core message stick to their target audience (particularly members or potential members). Those arguments could for example be: success, confidentiality, authority, transparency, security and cost saving.

## Your EBMO brand<sup>40</sup>

### Define EBMO Brand

Defining your EBMO's brand can be as simple or complex as you want to make it. The easiest way is to ask yourself the following questions:

- What are the benefits, features, and unique aspects of your EBMO's products or services?
- What do your members and prospective members already think of your EBMO?
- What qualities do you want them to associate with your EBMO?

Don't be intimidated. It's really not as complicated as it sounds. Be honest in your answers. Authenticity is key in reaching your target market. Your members' core values and goals should be at the forefront of your effort.

So, where do you go from here? You've successfully defined your brand, the next step is to capture that definition with a brand identity.

### Establish Your Brand Identity

A brand identity should communicate your EBMO's promise, look, attributes, and personality. Yes, even personality.

Business may be the name of the game, but don't forget that businesses are made up of people and people inherently operate on an emotional level. Your brand stands for what you are. It should represent the sum of all of your marketing efforts. Creating a brand identity begins with a variety of elements:

- Name: the word or words;
- Logo: the visual trademark;
- Tagline: a catchphrase or slogan;
- Graphics and colours: a clear and effective picture;
- Sounds: a set of notes denoting a brand.

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40 More information available here: [www.chambermaster.com](http://www.chambermaster.com)

Remember, your EBMO's brand will be frequently communicated in multiple arenas. Consistency is key. Defining a brand identity creates the foundation for the rest of your marketing and brand strategy.

There is a challenge in defining your EBMOs identity. It's easy to emulate what others have done, and that's always a safe bet. It worked for them. But, that is them. Remember, personality and authenticity are key. You may think your target market is very similar to theirs, and that could be true. But similar is still different. The differences may be subtle, but they are unique. Your EBMO's brand should be unique, too. Don't be afraid to forge your own path.

## 3.6 What is segmentation?

EBMOs unite and represent very diversified members. The diversity stems from the sector of industry, the size of the company, the location of the plants, the type of companies, the age of CEOs and many other different features.

Especially in national cross-sectoral EBMOs, members might have very little in common.

When an EBMO has a very diversified *clientele*, it is not always easy to offer adequate representation and relevant services for each group. This may be easier for sectoral associations, with members from a "more uniform and cohesive" group whose needs and demands can be more easily identified and *clusterized*. Similarly, a business association focused on SMEs only might more easily try to put together a relevant service portfolio for such group.

This is an especially hard task for the national cross-sectoral EBMO, which should be able to represent and offer support to the entire spectrum of the private sector economic activity. In such a context, it can be challenging to figure out just how to reconcile, the interests and needs of (for example) the tourism business associations and a large automotive company? Or another common example is how to simultaneously provide guidance and support to multinationals and SMEs?

This brings us back to the matters raised before: we must know who our members are in order to design a credible value proposition or value propositions for different groups.

Some sophisticated organizations with a highly diversified membership base develop different value propositions in order to demonstrate their relevance and unique value to different member segments. In such cases, it is a good practice to have a general value proposition statement which encompasses compelling reasons

for joining the EBMO that are relevant to a diverse membership and then illustrate differently the benefits for the different target group. For example, what's in membership for an SME owner, a leader of a big corporation, a young entrepreneur, the CEO<sup>41</sup> of a sectoral business association?

### **Example**

*In the video <https://www.youtube.com/watch?v=ECKJOF-HTSw> illustrating the value proposition of the British Chambers of Commerce it is clear that the Chambers can both help new entrepreneurs in starting up their business, support SMEs in expanding their operations and mature firms in influencing the broader business environment and take up global opportunities.*

### **Key words: - What's in it for...**

***Startupper:** reply to basic answers, networking, discounts, infrastructure;*

***SMEs:** raising profile, broaden horizon, specialized training, new clients and suppliers;*

***Big companies:** have a national voice, influence, international trade and new opportunities.*

### ***But how to identify the different groups within the membership? And develop specific value propositions for each segment?***

In this process, a workable strategy is to segment the membership; member segmentation is the division of the total "market" into smaller, relatively homogenous groups. Given the limited EBMO resources, it is impossible to segment the membership in too many categories, but there are a number of good practices, which can be followed to be successful in this endeavour.

As general rule, the members segment must be easily measurable, sufficiently large to be potentially profitable and the number of segments must match the organizations' capabilities (having many segments will require many different offerings and supporting staff with different competencies).

### **(i) Segmentation 1: Associations and companies**

The needs of companies and the needs of associations are different; therefore, the value proposition for each should be different. In vertically integrated systems, it is particularly important for national cross-sectoral EBMOs to define a credible and relevant value propositions for association members.

41 The head of EBMO's Secretariat reports directly to the Board and is referred to as the Director General (DG), the Executive Director (ED), The Secretary General (SG) or the Chief Executive Officer (CEO) throughout this manual reflecting the variety of terms used for this role by different EBMOs."

Sectoral and territorial associations normally look at national cross-sectoral EBMOs for guidance, coordination and leadership on certain economic and social matters, which are of interest for the entire business community. They also look at the national cross-sectoral EBMO for certain services that they might expect to be cascaded from that organization through the sectoral association for their company-members. This is a way for national cross-sectoral EBMOs to reach, through sectoral and territorial associations, indirect members

### **(ii) Segmentation 2: Sector of activities**

Many EBMOs, which group companies and/or associations from different sectors, divide their membership based on the main sector of activities of the companies. This entails having a dedicated person in the secretariat to acquire a stronger knowledge of the sectors they are in charge of, support the sector as needed in their advocacy efforts and provide specific services. This is particularly true when there is no specialized sectoral organizations and the national cross-sectoral organizations organizes sort of “sectoral confederation” or offer secretariat services to sectoral organizations with no staff.

### **(iii) Segmentation 3: Size of the companies**

The needs of large companies and SMEs are completely different. Accordingly it is important to segment the membership according to their size. In addition the value proposition for large groups and SMEs should also be very different.

Generally, large enterprises value business intelligence and forecasting, the opportunity to network with their peers to discuss policy issues and trends that could have an impact on their business and to be able to influence national outcomes. The value that the EBMO can add is to arrange opportunities for CEOs or HR managers to come together to discuss such matters or to hear directly from policy makers and politicians what is being developed.

Large companies are generally less interested in making use of basic training courses offered by EBMOs, because they have specialist employees in finance, marketing, communications, human resource management, legal health and safety etc. their focus will be different. Nonetheless, they might be interested in learning opportunities based upon examples of best practices. Another competitive advantage that EBMOs very often have is the convenience factor: they generally offer flexible and quality products at a fair price.

On the contrary, the key factor of interest for SMEs and family-run businesses is often practicality and access to pain reliever services. Information and services need to be designed to assist them in their everyday work and cover the whole range of topics they can expect to confront from managing staff performance, providing model contracts and templates, ensuring they have a disaster preparedness plan, keeping up-to-date with health and safety regulations, explaining code regulations and taxation changes, to using technology effectively. Again, services are only limited by the imagination of staff and members identifying opportunities for engagement. Of course, no EBMO can expect to have staff members capable of delivering all the services members need. Collaboration with external providers is thus essential.

#### **(iv) Segmentation 4: Age of the CEO**

Studies have found that younger professionals and entrepreneurs are generally more interested in professional and personal development and networking. Personal development topics can include essential leadership skills, time management, effective presentation, report writing, communication and presentation skills. Professional development courses could cover Facebook for business and email marketing as well as more traditional human resource management issues. Of growing interest for this segment of CEOs are career enhancements opportunity which provide an officially recognised diploma or certificate in conjunction with a reputable training institute.

More mature CEOs on the contrary, at least in some countries, are in a different phase of their life and often are more prone to have a desire to “give back to society” or contribute to the collective good through their “accumulated wisdom”. In this sense, more mature CEOs might be more interested in taking part in certain committees or working groups aimed at influencing broader social policies and mentoring younger professionals.

Within the context of the EBMOs, if sufficient information is available on the age of CEOs, a segmented offer could eventually be provided.

#### **(v) Segmentation 5: Other criteria**

There are many additional ways to segment members in different categories that could be considered, for example;

- Unionized and non-unionized companies;
- Gender;
- Plants location;

- Foreign or national ownership (eventually with specific services for a large community of foreign investors from one country);
- Reasons for being members.

But the criteria to be chosen depends on the national context and the segmentation process should always be in line with the following three principles;

**a) Easily measurable;**

**b) Sufficiently large to be potentially profitable;**

**c) The number of segments must match the organizations' capabilities.**

It is advisable for EBMOs beginning their “segmentation” process and trying to offer an adapted value proposition for different segments, to start with priority segments ie. the segments providing the most financial resources to the EBMO and the ones which are important for the representativeness of the organization.

The capacity to develop and communicate a relevant value proposition for different segments - not only by wording it, but by really servicing members through a segmented offer - is an essential asset to boost member retention and recruit new members (in specific segments).

Segmenting members is also an important management tool. CEOs and Board members who have a precise picture of member composition can make better decisions on which segments the organization might need or want to target to improve the service offering, or what new services might be introduced to better attract new members to the specific segments currently under represented. For example, an EBMO might decide to open a new office in a new province with the objective, through member proximity, of getting more members with operations based in municipalities of that province. A further example could be an EBMO which, after the segmentation process, realize that no new generation employers are joining, to address this gap they might decide to launch a range of services which could be of particular interest for this target group; an example of this could be a young professional academy formed in collaboration with universities to attract young CEOs.

In this sense, the segmentation process and the consequent analysis of members' composition can be considered a fundamental element of information on which to base strategic decisions and implement a successful membership strategy. This is why we will discuss the segmentation element in greater detail in later chapters dedicated to members recruitment and retention.



## 3.7 Conclusion

In this chapter we have overviewed the reasons why members join an EBMO and explored the reasons why it is so important to understand these reasons so that member needs can be reflected this in the EBMO service offerings. A value proposition is a statement of the benefits from membership and having one that is accurate, clear and reflects member needs is a starting point for any EBMO in building its relationship with members and potential members. This chapter gives step by step guidance to EBMOs to support the development and/or review of their value proposition in order to align it to an ambitious and profitable membership development strategy.

A recurring theme throughout this book is that EBMO membership can be diverse, creating challenges when it comes to representing and serving, what can sometimes seem like conflicting needs. The marketing tools explained in this chapter including the value proposition and organizational strategies like positioning, branding and market segmentation are all very useful for any EBMO to use in building strength and stability as the primary representative of their membership community.

# CHAPTER 4

## Membership fees



# Membership fees

## Introduction

The level and structure of Membership fees are an important element of an EBMOs membership strategy. From a member's viewpoint, price is a key factor in determining the decision to join and remain a member of the EBMO. For many EBMO's, membership fees or subscriptions represent the most important element of their total income.

In this chapter, we look at several elements of the price for EBMO membership including:

- **Available data on membership fees in EBMOs;**
- **Different structures of the membership fees and the implications;**
- **Adaptation of membership fees as an element in pricing strategies.**

## 4.1 The importance of member fees in the global income structure of EBMOs

The availability and deployment of income plays a vital role in the success of any organization and the way that funds are deployed, allocated and utilized is crucial to the growth of the EBMO. The most important income source for most EBMOs is their membership fees.

Common sources of income for EBMOs include: membership subscriptions, payed for services, government funding and “other” sources such as rent, donations, grants, sponsorship and technical cooperation funds.

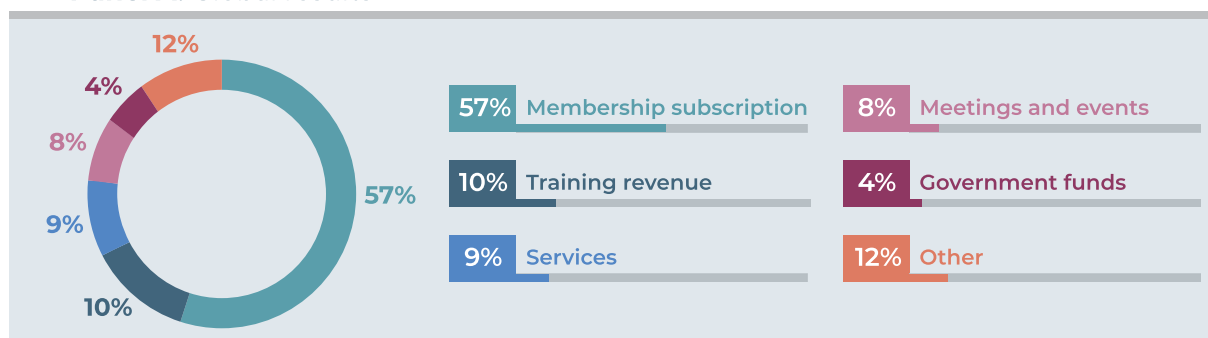
According to a global survey<sup>42</sup> with data from 127 EBMOs in 115 countries, conducted by the Bureau for Employers’ Activities of the ILO and the International Organisation of Employers in May 2020;

- 57 per cent per cent of an EBMOs revenue typically comes from membership subscriptions;
- 27 per cent per cent is raised through service provision including training services (Training representing around 10 per cent of the total income);
- Legal and HR advisory services (around 9 per cent) and meetings and events (8 per cent);
- Government funding and other funds represent on average 16 per cent of the total income.

In some countries technical cooperation funds are an important, but irregular source of funding with cycles linked to the implementation of specific projects. Reflecting on this data, it is evident that the majority of Employers and Business Members’ Organizations depend heavily on members for their income.

### *Average composition of EBMO income sources prior to COVID-19<sup>43</sup>*

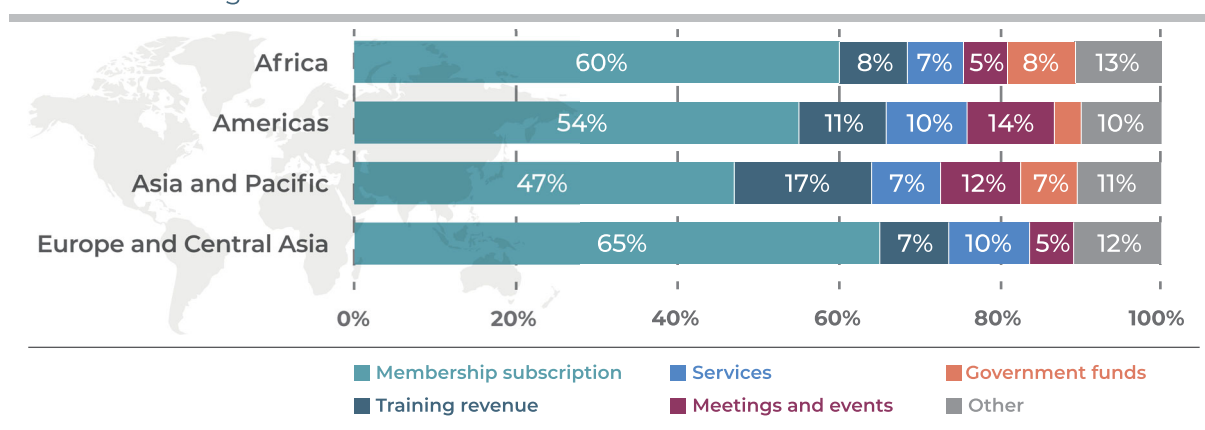
**Panel A.** Global results



42 A global survey of employer and business membership organizations: Inside impacts and responses to COVID-19, ILO – IOE, 2020. Data refers to composition of EBMO income sources prior to COVID-19. Document available here: [https://www.ilo.org/actemp/publications/WCMS\\_749379/lang--en/index.htm](https://www.ilo.org/actemp/publications/WCMS_749379/lang--en/index.htm)

43 A global survey of employer and business membership organizations: Inside impacts and responses to COVID-19, ILO – IOE, 2020 available here: [https://www.ilo.org/actemp/publications/WCMS\\_749379/lang--en/index.htm](https://www.ilo.org/actemp/publications/WCMS_749379/lang--en/index.htm)

Panel B. Regional results



Research<sup>44</sup> suggests that over the last 15 years some EBMOs have become more “commercial” and now generate an increasing portion of their income from services provision.

Results from the benchmarking report USA regarding the membership income of trade associations, show similar but slightly lower results to previous ILO data for EBMOs. The USA study indicates that for membership organizations, on average 41 per cent of annual income is derived from member dues.

Regional data confirm the overall trend of membership fees being the dominant income stream for EBMOs: income derived from membership subscription in national cross-sectoral EBMOs is high across all regions representing a minimum of 47 per cent of income in Asia and the Pacific and a maximum of 65 per cent in Europe and Central Asia.

The ILO and IOE global survey suggests that the extent of decline in EBMO income as a result of the COVID-19 crisis has been determined mainly by a strong decrease in the demand for paying services and less by a loss of income in subscription fees. Accordingly this suggests that even in this time of crisis, membership subscriptions are proving to be the most “resilient” source of income for EBMOs. This finding is in line with subjective analysis of some EBMO leaders who consider that membership subscription fees are their most stable source of income.

Many EBMO leaders contend that ideally, for stability, membership subscription fees should cover the EBMOs staff costs which is generally the most important expenditure for an EBMO<sup>45</sup>. Other leaders say that membership fees should cover all general costs and advocacy activities and that direct service provision should be self-financing.

44 Employer Association Responses to the Effects of Bargaining Decentralization in Australia and Italy: Seeking Explanations from Organizational Theory, Peter Sheldon, Raoul Nacamulli, Francesco Paoletti, David E. Morgan, 2014; Peter Sheldon, Edoardo Della Torre, Raoul Nacamulli, When territory matters: Employer associations and changing collective goods strategies, 2018

45 Ibid Chapter Introduction

## 4.2 Level and systems of membership fees

### (i) General considerations

Setting the structure of membership fees and determining criteria for calculating payment are key strategic decisions for EBMOs with long-term implications. The subscription structure adopted will impact the identity, scope and capacity of the organization into the future.

Notwithstanding the importance of fee structures for an EBMO our research could find no studies on fees themselves or on the logic behind their levels or structures.

There are no clear studies on the impact that the fee level has on the number of EBMO members, or on the price elasticity of membership fees in EBMOs (that is the change in member numbers when there is an increase in membership fees - particularly if this change is outside of normal inflation increases). However, our internal surveys of EBMOs indicate that the 'cost' of membership is considered the fourth main challenge to recruiting and retaining members and being in the top three challenges reported in Eastern Europe and in the Americas. Additionally in the Covid-19 context, many EBMOs cite economic hardship (and the cost of membership fees) as a reason for member attrition. From feedback we have received it seems that the process of setting levels of membership fees appears to be pragmatic and intuitive.

In our experience membership fees are frequently determined when the EBMO is being formed on the basis of covering organizational costs at the time of establishment. The existence of competitors can also have an impact on the level of the fee initially set. After a few years of functioning (with increasing activities usually included in the membership fee), the fee structure tends to be stabilized and remains more or less in line with the structure established initially allowing, in most cases for inflation adjustments. Occasionally there may be a special fund raising initiative through the membership fee to provide additional contributions for serious investments, such as office buildings.

The important consideration here is that how membership fees are initially set can impact the future of the organisation. Once set in a certain way and at a particular level, it is not easy to make radical or substantial changes even if needed or wanted.

Fees tend to be fixed to reflect the ambition of the organization, the historical and national contexts and the level competition that exists.

There are few objective rules to explain fee levels. Irrespective of the level of development and

national purchasing power, in some countries fees are rather high and in others rather low. Down to a level where the fee seems to be more like a symbolic contribution.

Logically, the fee level should reflect the extent of membership services included in return for the payment made by a company to become a member, this is sometimes referred to as the ‘free’ services or package. In practice, however, it is often difficult to find that link. A very clear explanation of free versus not free services is to be found in the Sri Lanka website of the national Confederation EFC, (<https://www.employers.lk/>). The practice across EBMOs, however, is not consistent and in some countries where the “free package” is extended, the fees are extremely low, whilst in others with higher fees, the “free package” is minimal. Moreover, if the only objective for EBMO was to maximize income, the fee would probably be fixed at the optimal market level guaranteeing the highest “profit” for the EBMO. But very often EBMOs have at least two overriding objectives: income and representation.

Theoretically and ideally membership fees are fixed at a level high enough to give the EBMO the financial resources to run an efficient organization with capacity to perform strong evidence-based advocacy and provide relevant services for members; but also low enough to guarantee access to companies (and associations) of different size and, thus, ensure representativeness.

If membership fees are set at a very high level, this is likely to only attract large companies, and the EBMO risks being perceived (and becoming) an exclusive club of large enterprise.

If membership fees are too low, the EBMO faces the risk of not having enough financial resources to fulfil member needs. This may result in the EBMO being unable to serve member needs in a timely way due to insufficient staff or to the provision of poor quality services which can damage the EBMOs’ reputation.

WE OFFER **3** KINDS OF SERVICES

**GOOD - CHEAP - FAST**

BUT YOU CAN PICK ONLY **2**

**GOOD & CHEAP** WON'T BE **FAST**

**FAST & GOOD** WON'T BE **CHEAP**

**CHEAP & FAST** WON'T BE **GOOD**

## (ii) Membership fees systems

There is no uniform system for membership fees across the globe. In this section we present the most commonly used system for both association and individual company membership and explore their pros and cons.

### FEES FOR ASSOCIATION MEMBERS

There are different ways of setting membership fees for association members. A few common methods include:

- Agreed on an individual basis;
- Percentage of the total membership fees collected by the organization;
- Depends on a series of parameters, including association turnover, number of members, number of staff;
- Depends on the expected services from the higher level federation or national cross sectorial organization.

In many cases, the distinction between association membership and individual company membership is not clear. What are the exact rights and entitlements of a member company, not also a member of an association, within the confederation? When these rights and entitlements are not very clear; the overall fee system tends to appear to be unclear.

### Examples

*MEF<sup>46</sup> in Malaysia has clear rules regarding the rights of association members versus the rights of direct confederation members.*

- *In some well-defined cases, individual association members are entitled to full service as if the company were a direct member of the confederation;*
- *In other well defined cases they are not entitled to these rights and benefits.*

***Different membership fees apply reflecting this difference.***

- *The associations where the corporate members enjoy direct access to the confederation's services pay substantially more to be association members. Members of associations where the individual members have not such rights pay less.*



**CAMFEBA**<sup>47</sup> has another system, which may also solve some issues in this field. In that system, companies can or become direct member of the confederation, or become indirect member via the association. The association fee varies according to the number of companies it regroups (e.g. 15 usd/year per company member for associations with 20 to 200 company members); but the companies which are also a direct member of the confederation are not counted in the number of association members for which a fee has to be paid.

In some cases, associations can join the national cross-sectoral EBMO for free. This can incentivize sectoral and territorial business associations to join together under one umbrella organization and in doing so enhance representativeness of the national organization; simultaneously, however, with this model it may be difficult for the higher level EBMOs in such circumstances to offer value added services for the associations and/or to the indirect company-members.

## Examples

### **Montenegrin Employers Federation**<sup>48</sup>

The sectoral associations, which wish to join the Montenegrin Employers Federation, national cross sectoral EBMO in Montenegro, do not have to pay membership fees.

### **Unión Costarricense de Cámaras y Asociaciones del Sector Empresarial Privado**<sup>49</sup> – Costa Rica

The Unión Costarricense de Cámaras y Asociaciones del Sector Empresarial Privado is the national cross-sectoral EBMO in Costa Rica. It does not have companies as direct members, but only sectoral and territorial organizations. Membership fees are determined with a formula giving weight to a series of parameters, including number of affiliated companies, annual turnover, number of staff in the secretariat, ownership of organizational premises. On this basis, there are four “membership fees categories” ranging from a minimum of 320 USD to a maximum of 1300 USD per month

### **Consejo Hondureño de la Empresa Privada**<sup>50</sup> – Honduras

The Consejo Hondureño de la Empresa Privada (COHEP) is the national cross sectoral EBMO in Honduras. COHEP has 76 Sectoral and Territorial Employers association members (individual companies cannot be direct members). The membership fee depends on the “electoral power” that each association-member wants to have. Each member can decide to pay from a minimum of 48 USD per month (equivalent to 1 vote) to a maximum of 240 USD per month (equivalent to 5 votes).

47 <https://www.camfeba.com/>

48 <http://poslodavci.org/en/>

49 <https://www.uccaep.or.cr/>

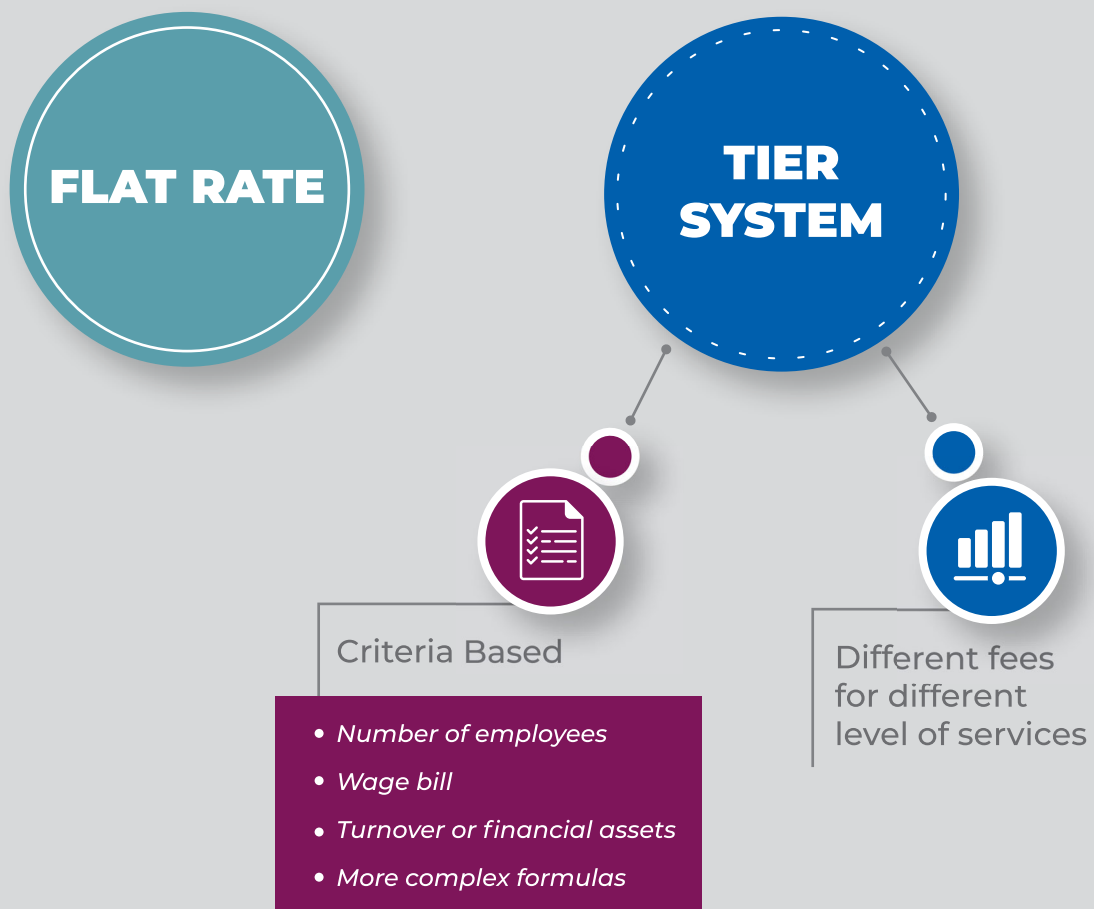
50 <http://cohep.com/>

***Confederation of Danish Employers<sup>51</sup>***

*The Confederation of Danish Employers affiliates around 100 sectoral federations. The affiliation fee is discussed on an individual basis depending on the services expected by each Federation.*

The main issue to determine when setting association members fees is the impact it has on direct membership (fees) in the confederation, ensuring that competition between both levels is avoided or remains manageable.

We will see in more details the differences between flat rate systems and tiered systems of membership fees

***Membership subscription rates***

## FEES FOR INDIVIDUAL MEMBERS

### *a. Flat rate*

A flat rate membership fee means that every company regardless of size pays the same amount for membership. This is a common membership fee structure found in a number of countries around the world. It is the simplest, but not necessarily the fairest approach. In some countries this approach is a legacy of the public chamber system. Public or parastatal chambers in some countries have compulsory affiliation with a fixed, flat amount (for every business); it is like an annual tax that each business has to pay in order to operate in that jurisdiction.

Why is this not necessarily the fairest system? Historically EBMOs are founded on a principle of solidarity among employers. Large companies tend to have greater capacity to pay larger fees and therefore to financially support the operation of the EBMO secretariat in the interests of the greater good for employers in general. In addition by having more employees the larger companies can potentially have greater and more complex needs and consequently may place greater demand on the EBMO for service

**PROs:** easy to implement

**CONS:** unfair for small companies and contrary to the solidarity principle amongst employers.

### Examples

*CAMFEBA<sup>52</sup> in Cambodia is an example of a flat fee organization.*

### *b. Tier system*

Tier system are those systems where:

- Criteria is set to determine how much members should pay or
- An additional or higher voluntary contribution gives access to additional services.

## Criteria-based tier system

### *Number of employees*

In this case the company's subscription is determined by the number of employees they have. It is an approach that is very frequently used by EBMOs.

**PROs:** it is a fairly simple system and takes business size into consideration.

**CONs:** it is disadvantageous for labour intensive firms and some companies might not declare the real number of employees in order to pay lower fee

### Example

In *Namibian Employers Federation NEF*<sup>53</sup>, the membership fees increase with the increase in number of employees.

Number of employees	Annual Corporate Membership Subscription Rates 2019
1 –10 Employees	N\$ 1,835 (110 USD)
11 – 20 Employees	N\$ 2,750
21 – 50 Employees	N\$ 3,550
51 – 100 Employee	N\$ 4,600
101 – 200 Employees	N\$ 9,660
201 – 500 Employees	N\$ 19,315
Over 500 Employees	N\$ 28,990 (1,700 USD)

Same system is applied in APEX organisations of Pakistan (EFP), Singapore (SNEF<sup>54</sup>), Kenya (FKE), Tanzania (ATE<sup>55</sup>), Ghana (GEA)

**Note:** Malaysia has a simple system: flat fee per employee (10 RMS/ year declining to 9 RMS or to 8 RMS) if the company has a larger number of employees: first 100 10 RMS, 2nd hundred 9 RMS and so on.

53 <http://www.nef.com.na/>

54 <https://snef.org.sg/>

55 <http://www.ate.or.tz/>

***Wage bill***

An annual membership fee which is based on the annual wage bill of the employer subject to a minimum and maximum.

**PROs:** It is a fair system (including for labour intensive firms) taking into consideration both the number of workers, in addition to their relative specialization.

**CONs:** Difficulties in accessing reliable data on the wage bill.

**Example**

*A variant of the wage bill approach can be found in EFC Sri Lanka where the calculation is 0.5% of the wage bill with a minimum and maximum fee level.*

***Turnover or financial assets***

Membership fees are determined based upon the company turnover or financial assets or net operating profits. This is a common approach found in pure business associations or trade associations more than in EBMOs. It is generally accepted that the intensity of a members use of Industrial and labour Relations services strongly correlates to the number of employees. In this context, fixing membership fees completely independently from the number of employees or wage bill might be controversial.

**PROs:** Fair contribution from very big business and especially technology companies

**CONs:** Not ideal for pure employers' organizations, difficulties in data accessibility

**Example**

*In the **Vietnam Chamber of Commerce and Industry** the membership fee is calculated based on the turnover of the organization in the previous year; it can be adjusted by the decision of the VCCI<sup>56</sup> Executive Committee.*

Categories	Annual fee
Turnover under 10 billion VND (430,000 USD)	3 million VND (130 USD)

Categories	Annual fee
Turnover from 10-50 billion VND (430,000 USD – 2,160,000 USD)	7 million VND (300 USD)
Turnover of over 50 billion VND (2,160,000 USD)	15 million VND (650 USD)

### *More complex formulas*

Membership fees are determined through formulas which combine different criteria in different ways – usually calculations involve the number of employees or wage bill and company financial turnover.

**PROs:** If the formula is well-constructed, discussed and understood by members, this is most probably this is the fairest way of setting fees.

**CONs:** Complexity, if members don't fully understand the rationale for the calculation because of the complexity they may lose trust in the system.

### Example

The **Employers Federation of India (EFI)**<sup>57</sup> does not give weight to each criteria but combines number of employees and turnover. Individual firms and companies are eligible to become its ordinary members.

The Member Subscription pattern is as under:

Sales Turnover/ No.of employees	Annual Subscription
<b>Large Size:</b> More than 100 crores (13,327,810 USD) and/or more than 1000 employees whichever is higher	Rs. 16,400 (218 USD) or Rs. 5.00 per employee per year whichever is higher subject to a maximum of Rs. 10,000 (1330 USD) per annum
<b>Medium Size:</b> Rs 21 – 100 crores and/or more than 25 employees, but less than 1000, whichever is less	Rs. 11,400 p.a. (150 USD)

Sales Turnover/ No.of employees	Annual Subscription
Small Size: Up to Rs. 21 crores (2,798,840 USD)	Rs. 6,400 (85 USD)

### ***Voluntary higher contribution giving access to more services***

In this structure the members decide whether to pay a lower or higher fee: different contributions giving access to different levels of services.

**PROs:** Companies have the possibility to choose different level of engagement and access to services.

**CONs:** the fee level does not take into consideration firm size; this is against the solidarity principle amongst employers. In some cases those paying more have priority access to Board representation and this is against the democratic principle in associations.

### **Example**

The **Federation of Uganda Employers (FUE)**<sup>58</sup> has four membership categories. Companies can choose the category based on the services they want to access. Big groups and multinationals are “invited” to join the more expensive categories.

Categories	Annual subscription fee
<p><b>Copper</b> <b><i>Benefits of this package</i></b></p> <p>A copy of the Employment Act, OSH Act and Regulations.</p> <p>Mini HR Audit (Contracts, OSH, HIV Policy, Sexual harassment etc)One participant to a Free Business Clinic Networking</p> <p>Visit by a relationship/account manager</p>	<p>UGX 400,000 (110 USD)= for start-up Employers with Employees between 6 – 15</p> <p>UGX 800,000 (220 USD)= subscription fee for SME Employers with Employees above 15 – 35.</p>

Categories	Annual subscription fee
<p><b>Bronze</b> <i>Benefits of this package</i></p> <p>All benefits of copper package PLUS</p> <p>Advice on employee recruitment and retention</p> <p>Information on how to work with Trade Unions</p> <p>Publication of an article in the FUE newsletter (one off)</p> <p>One participant to the Labour Law Sensitization (one off)</p>	<p>UGX 1,500,000 (400 USD)</p>
<p><b>Silver</b> <i>Benefits of this package</i></p> <p>All benefits of copper package PLUS</p> <p>Free basic marketing of products and services (At FUE training programs and AGM)</p> <p>One participant to the annual NGO HR Networking Events.</p>	<p>UGX 2,000,000 (540 USD)</p>
<p><b>Gold package</b> <i>Benefits of this package</i></p> <p>All benefits of silver package PLUS</p> <p>Access to information from recognized international organizations such as UNGC, ILO, Business Africa, IOE and EAEO</p> <p>Access to high-end international networking conferences (ILO, UNGC etc.)</p> <p>One-off Free half-day training in Employment or industrial relations</p>	<p>UGX 2,500,000 (670 USD)</p>



Categories	Annual subscription fee
<p><b>Platinum package</b></p> <p>All benefits of gold package PLUS</p> <p>Policy and Advocacy</p> <p>Visit by the FUE Executive Director</p> <p>Free copy of the EYA report</p>	UGX 3,000,000 (800 USD)

Although there is no hard and fast rule about how to set membership fees, it is important that the process for setting and updating them is both open and transparent. There is no one-size-fits-all solution and the circumstances will dictate which is the best system in each case for the EBMO.

#### From the ITCILO ACTEMP Membership survey<sup>59</sup>

According to the results of our research covering 60 national cross sectoral EBMOs;

- **25 per cent of EBMOs** reported that membership fees depend on the **number of employees**;
- **17 per cent of EBMOs** surveyed said that fees depend on the **member's annual turnover**;
- **13 per cent** use a **voluntary system** (level of services or voluntary with a floor);

7 per cent a flat rate system. For the remaining EBMO's (28 per cent) apply a mixed system.

It is not easy for an EBMO to change from one fee structure to another and proposals for substantial change are likely to be controversial. For example an EBMO with a flat fee system wishing to move to a tier system is likely to encounter strong resistance from larger companies (who may dominate the EBMO Board). This is because they have an interest in maintaining the *status quo*. Larger companies may be convinced to pay more, however, if they can see the change as part of the EBMO's strategic and professional development as a strong representative organization and can identify the benefit of this to their enterprise.

### **Example**

*The Confederation of Danish Industry (DI)<sup>60</sup> changed from a flat fee system to tier based system in the '90s. It was a controversial exercise that took a number of years to be approved by the Board.*

### **Entrance fees-deposit**

On top of the annual membership fee, some organizations (example Malaysia (MEF)<sup>61</sup>, Singapore (SNEF), Pakistan (EFP)) charge an entrance or joining fee, which is a once-off payment members are required to make when they join the organization. The entrance fee is a way for the EBMO to raise funds upfront and to encourage long-term commitment and annual membership renewal. This helps avoid 'transient' membership or 'single issue' short-term members. However, a joining fee can be perceived as a barrier to membership and may therefore discourage some potential members, especially SMEs from joining.

An interesting (slightly different) example comes from the EFC in Sri Lanka. They ask for deposit to be paid on joining equal to 25%. This serves as a form of guarantee for non payment of dues or early lapsing.

### **Adaptation of fees increases**

Subscription fee increases are generally set by the full membership at the Annual General Meeting on the recommendation of the Board. Some organizations prefer to have annual incremental increases keeping pace with inflation or the Consumer Price Index (CPI); but in many

60 <https://www.danskindustri.dk/english/>

61 <https://www.mef.org.my/Home.aspx>

EBMOs there is no increase for a number of years until there is agreement to a substantial increase to “catch-up” with inflation. The margin of indifference is said to be around 10%.<sup>62</sup>

### Examples

*An example of an interesting approach to fee increases comes from **COMEOS**<sup>63</sup> –**Belgian Commerce and Retail Association**: Membership fees are increased annually, but at a rate which is slightly lower than the increase in the Consumer Price Index; in this way COMEOS demonstrates to members that it is constantly striving for efficiency improving value for money for members.*

*In 2019 management of **Association of Tanzania Employers (ATE)** proposed an increase of 50% in membership fees to their board. The main argument was that fees had not been adapted for many years and had been strongly diminished in real terms due to inflation. The Board agreed. In the year after implementation, only a few members did not agree to this increase and therefore left the organization. This case shows that it is possible to achieve a serious adjustment to the fee level without it substantially effecting membership numbers, if the process of gaining agreement is managed well and the reasoning and benefits communicated clearly.*

### Fiscal deductibility of membership fees

Fiscal deductibility of membership fees reduce the real cost of membership creating a possible incentive encouraging companies to join a recognized business representative organization.

In Europe around 75 per cent of countries allow for tax to be deducted against membership fees.<sup>64</sup>

Allowing tax deductions for trade union dues and membership fees for employers organizations could be considered as a strategy to encourage the development of employers and workers organizations in transitioning countries.

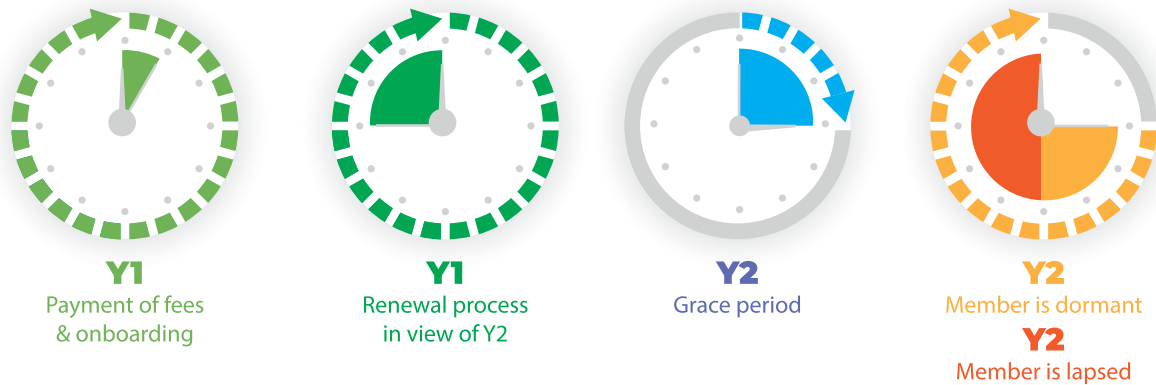
62 More information available here: <https://hightperformance.com/raise-dues/>

63 <https://www.comeos.be/home>

64 ILO ACT/EMP, Revenue of Employers Organization in Europe, 2006

## 4.3 Membership fees cycle and the issue of lapsed members

### *Membership fee cycles*



Most EBMOs have annual or calendar membership fees cycles:

- Annual cycles mean that the payment of membership fees is due on 1st January each year;
- Calendar cycles mean that the payment of membership fees is due on the date the member joined the EBMO and then each 12 months on the same date.
- Some EBMOs have opted for shorter cycles e.g. monthly payments instead of a payment for the longer period of 12 months. Many examples of this approach can be found in Latin American based EBMOs.

The approach has important implications for the management and collection of fees. However, some milestones are the same for each system as follows:

1. The member joins the EBMO, the payment is processed and the member can start enjoying the membership benefits;
2. Before the end of the membership cycle, the renewal process begins and the member is reminded of its duty to renew membership before it expires;
3. If the member has not yet renewed at the beginning of the new membership cycle, the member is in “grace period” for a limited amount of time. This grace period is there to avoid severing the membership relation while waiting for an imminent payment of the fees;

4. At the end of the grace period, should the payment not be made, the membership ends: the member is lapsed and can no longer benefit from the membership. However, in some EBMOs, the situation is somewhat unclear – the member has not paid but has not either completed the formal requirement to leave the organization (e.g. formal letter to be sent to the Governing board etc.): the member is often qualified as “dormant” until the situation is clarified.

#### **Most EBMOs have annual or calendar membership fees cycles:**

- Annual cycles mean that the payment of membership fees is due at the beginning of the year;
- Calendar cycles mean that the payment of membership fees is due on the date the member joined the EBMO and then each 12 months on the same date.

The first option allows certainty of date of income across the organisation but puts more pressure on the EBMO at the beginning of the new membership year if there is a delay in receiving fees due. The second option allows for a more continuous cash flow and this staged approach may make the renewal process more manageable.

A number of Chambers and EBMOs prefer to offer more flexible payment method with monthly payment, trimester or semi-annual payments.

### From the ITCILO ACTEMP Membership survey<sup>65</sup>

According to the results of our research of around 60 national cross-sectoral organizations, membership dues are collected in several ways.

- The majority (around 80%) uses an annual cycle: invoices are sent out in December or in January and the membership fee is due at the beginning of the year;
- 40% of the organizations, members are obliged to pay the annual membership fee within the first quarter of the year.

A recent research conducted in Latin America with around 70 cross-sectoral, sectoral and territorial organizations highlights that the majority of EBMOs in Latin America (around 50% in a sample of 70 organizations) use a monthly payment system.

Follow-up is, of course, essential to ensure that if payment is not received by the due date personal contact is made to enquire about the reason.

## 4.4 Conclusion

The subscription income from membership fees represent a core income stream for most EBMOs. This chapter has reviewed the extensive range of approaches and formulas applied to calculate the membership fee charged by various EBMOs at different levels and in different locations. The review has found no consistent pattern of formula to apply and rather that the structure for setting the fee tends to be set almost intuitively at the time the EBMO is established and following that it can be difficult to change in any major way. Significantly this is an important area for any EBMO as it has implications for affordability and attractiveness while at the same time impacting what is possible for the EBMO to do in terms of funding a secretariat and resourcing service provision activities.

There are different approaches taken to the timing of payment of the annual membership fee and some EBMO's use instalment systems to make membership more affordable and therefore attractive. Throughout the chapter examples from EBMOs throughout the world helps to illustrate the considerations and implications that arise from the different approaches taken.

# CHAPTER 5

## Recruitment of new members





# Recruitment of new members

## Introduction

Members are the driving force of any membership organization because they are the essential component for the organization to exist. There is no magic formula for a perfect membership strategy: each EBMO must find the right ingredients, within its own context and environment, that will make it attractive to private sector associations and/or companies. In earlier chapters we have seen that understanding the needs of potential members, and responding to this by creating a value proposition reflecting these needs, is a precondition for successful member recruitment.

In this chapter we begin our analysis of the membership cycle by examining in detail the different components that contribute to a successful member recruitment strategy for a growing EBMO. To begin, we explain the reasons why new member recruitment is crucial for organizational survival and growth, keeping in mind at all times the importance of building a long term relationship with members so that growth can be sustained.

We proceed to overview the main reasons for a company to make the decision to join an EBMO before expanding our focus to the practical steps an EBMO can take to objectively measure their recruitment activities. Borrowing from latest thinking in successful marketing and sales strategies we dig deep into the stages of the recruitment process starting with preparing our target market for attention and then proceeding to build awareness and stimulate interest among potential members using effective marketing and communications techniques.

Once the decision is made by the new member to make the initial payment, it is important to note that this marks the beginning of a journey, which is in effect, the start of the membership cycle. The later stages of this cycle are dealt with in chapters 6 and 7.

## 5.1 The importance of recruiting new members

### (i) Recruitment for growth and revenue

A steady in flow of new members each year helps the EBMO in terms of both preserving and increasing their income and in growing their representativeness.

EBMOs need to be active in recruiting new members for the following reasons:

- Recruitment compensates for lapsed members and therefore is essential for the EBMO;
- All EBMOs, even the strongest, lose members because of natural business challenges like bankruptcy, mergers or company closure. Even if the rate of natural attrition is low (for example, 3 per cent per year) the cumulative increase will build up over time and so a robust level of new member recruitment is needed to avoid a serious shortfall building up over years;
- Recruitment is the main contributor to EBMO growth and increased membership brings with it increased legitimacy through broader representativeness.

### (ii) Recruitment as adaptation to external shifts

In the face of industrial decline or economic shocks an EBMO can navigate the challenge of declining membership by being open to new opportunities and proactively identifying new sectors to target for future recruitment.

A good example of the effect of such an approach to recruitment is the case of the Dutch Technology Industry Federation (FME).<sup>66</sup> In the 1980s the sector of traditional metalworking declined strongly. Responding to this challenge, FME expanded their recruitment activities and broadened the organizations remit to include IT companies. This expanded their membership base into the technology sector. FME is now the Dutch representative organization of the technology sector and has over 2,000 enterprise members active in the metal, electronics, electrical engineering and plastics sectors. This transformation was possible because the EBMO adopted an agile approach to recruitment and to embracing change.

66 <https://www.fme.nl/about-fme>

### **(iii) Recruitment as factor of innovation**

Recruitment might represent an expansion of the EBMOs remit into new segments of business. Recruiting new types of business creates opportunities for the organization and is a chance to innovate. By adopting new ideas and gaining insights the EBMO may become attractive to new types of companies ensuring it is an innovative organization open to new ideas etc.

### **(iv) Recruitment to anticipate competition**

Competitive pressures are also a consideration in the recruitment strategies adopted by EBMOs. Should an EBMO decide against actively target an emerging segment of the economy a potential competitor may take up this challenge and either provide services to this group as commercial consultants or lawyers or create a new competing representative organization.

An example from Europe illustrates how this scenario can arise and manifest itself as a challenge. In Belgium some employers organisations choose not to represent the not for profit sector, for example health care organizations. While this decision may have been based on sound business reasoning at the time, the growth in importance of this sector led to the creation of a separate APEX organisation for the not for profit sector. The emergence of an additional strong employers voice at APEX level inevitably impacts the coherence of employer representation as a whole and this kind of fragmentation can potentially diminish the overall representational power of employers.

For the successful EBMO therefore, member recruitment is a continuous process that requires planning and a well-thought through strategy which should be fully integrated to the overall organizational strategy with specific targets and a process to regularly monitor progress.

Ad hoc attempts to attract new members can boost EBMO visibility and successfully bring the prospective member into the organization, however in the absence of a formal membership development strategy, integrated to the organizations overall strategy, once off recruitment initiatives can be costly in terms of return on investment of time and resources.

From our discussions with EBMOs about their membership strategies, we estimate the following:

- Most EBMOs envisage an annual recruitment rate of between 5 and 10%;
- Under the hypothesis that the annual lapse rate amongst regular paying members stays between 2 and 5%;
- In this scenario the recruitment objectives ensure a net membership growth of about 5%.

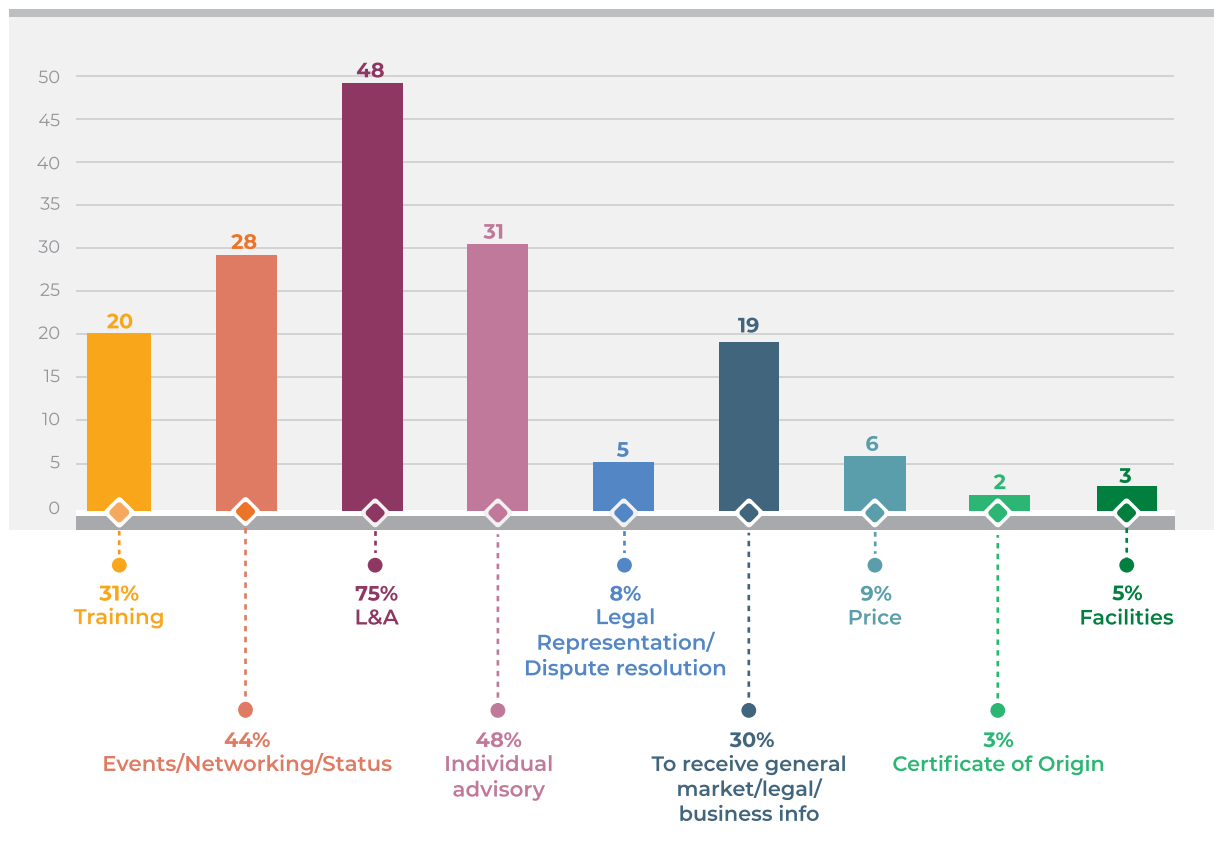
## 5.2 The reasons for joining – Why companies become new members

Knowing the reasons why members join is important because it can enable the EBMO develop successful recruitment strategies.

There is very little empirical research on business reasoning for joining an EBMO. However, an important source of insight comes from the **ITCILO ACTEMP Membership survey**.<sup>67</sup> While this survey has some limitations it gives an interesting perspective on the issue. It was administered over several years and the respondents are mainly staff members of the EBMOs secretariat which are mostly at APEX level.

The respondents were asked why they thought their members joined. In their answers they could nominate more than one reason (so the total result exceeds 100%).

### Why members join / Added Value - Global



In the ITCILO survey on membership,<sup>68</sup> responding EBMOs quoted Lobbying and Advocacy (in the table “L&A”) as the number one reason for members to join their organization. Advisory services are the second most popular reason followed by conferences and networking events in the global results.

Drilling down this information we find that regional differences are clear. In Latin America, preferences reflect the global results whereas in Europe, networking is the number one reason for companies to join the EBMO. In Africa, respondents indicated that members join first for lobbying and advocacy but then for networking, superseding individual services. For Asian respondents, the number one reason for members to join an EBMO is to access individual advisory services, then training services, lobbying and advocacy with events and networking being on par in fourth position.

To shape future recruitment efforts it is important to research the reasons why companies/associations join. This will enable the organization to make the distinction between “real” reasons for joining vs. “supposed” reasons for joining – there is reasonable temptation to assume that members join for the great benefits provided by the EBMO, however, reality may be different. Some suggest<sup>69</sup> that while members may stay for the benefits and value, or because the organization is a leading authority in its field, they may actually join for another reason: for example, if a peer prompted them to join.

Another source of useful information is the annual benchmarking exercise done in the USA with membership associations. In their results a distinction is made between different types of associations (i.e. individual members, professional associations, or trade associations). For our purposes to relate this to EBMOs, we focus on the results for trade associations (210 in the sample).<sup>70</sup>

Looking at the results of this publication in 2020 the following reasons are cited in descending order, as reasons for joining.

<b>1 NETWORKING</b>	<b>69%</b>
<b>2 ACCESSING SPECIFIC INFORMATION</b>	<b>39%</b>
<b>3 SUPPORT ADVOCACY</b>	<b>33%</b>
<b>4 SUPPORT FOR THE MISSION</b>	<b>30%</b>
<b>5 LEARNING BEST PRACTICES</b>	<b>28%</b>
<b>6 CONFERENCES</b>	<b>25%</b>
<b>7 EDUCATION</b>	<b>24%</b>

68 Ibid Note 1 Chapter 1

69 For more information, see <https://www.smooththepath.net/2018/02/15/3-myths-reasons-new-members-join-associations/>

70 Membership marketing benchmarking report, Marketing General, 12th edition, 2020

The differences and similarities between the two studies are worth noting;

Firstly the value proposition of accessing networking opportunities or the feeling of being part of a 'club' is more accentuated in the US benchmarking study and the importance of lobby and advocacy is rated lower vs the findings of the ITC-ILO survey.

But both surveys confirm the three most important expectations of new members. While the order of popularity varies the top three reasons for joining an EBMO are;

- **Access the voice of business;**
- **Access to services; (including the important role of EBMOs as curator of content and information);**
- **Access to networking.**

Linking these findings to the concept of having a unique value proposition, these elements will most likely be key selling points for any EBMO.

According to the ITCILO ACTEMP Membership survey<sup>71</sup>, when it comes to recruitment, the challenges in order of importance are:

1. **AWARENESS**  
Members are not aware of the different activities and products provided by the EBMO;
2. **PRICE**  
EBMO fees are considered to be too high;
3. **PRODUCTS**  
Current Advocacy/lobbying activities and services are not relevant;
4. **UNIQUENESS**  
Strong competition from other EBMOs.

It is interesting to compare these recruitment challenges with the benchmark survey data 2020 to explore similarities and differences.

In that survey a distinction is made between internal and external challenges but for clarity here we combine both.

**The top five challenges are:**<sup>72</sup>

1. **Difficult to communicate value and benefits (it is also difficult to prove return on investment (ROI));**
2. **Cost vs value of membership;**
3. **Competition;**
4. **Perception of the association;**
5. **Internal marketing tools and practices are weak.**

Pulling these surveys together we conclude that the most important success factors for EBMO recruitment strategies are to:

1. **Increase awareness about your EBMO – who you are and what you do for members;**
2. **Be explicit about the value added provided for members by your EBMO: i.e. your value proposition;**
3. **Ensure that the EBMO is customer oriented and relevant by tailoring the services offering to the specific needs of potential members;**
4. **Be explicit about the comparative advantage of your EBMO above the competition;**
5. **Make a link with the importance of “word of mouth” referrals in the world of membership organizations, we can add another success factor: Engage members to be “ambassadors” for the EBMO to take an active part in recruitment efforts.**

## **5.3 Recruitment Metrics – Use in developing a membership strategy**

There is a saying that what is measured gets done! Given the importance of member recruitment for the wellbeing of the EBMO, applying metrics to establish quantifiable assessment measurements for recruitment activities is a good idea.

The metrics illustrate the results of recruitment efforts, in terms of increased numbers and income, and in addition, the measurement of the efforts itself and its efficiency in terms of what is delivered.

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72 Membership marketing benchmarking report, Marketing General, 12th edition, 2020, p.40

## RECRUITMENT RESULTS

<p><b>Title</b></p>	<p><b>Recruitment rate</b> Percentage of new members of your organization each year</p>
<p><b>Formula</b></p> <p><b>Usefulness</b></p>	<p>% Recruitment = # of new members at the end of the year or trimester / total # of members at the end of the same year or trimester.</p> <p>Measures recruitment results per period and can be an alert or satisfier for achieved results in number of members.</p>
<p><b>Example</b></p>	<p>If 26 out of 1,300 members joined your organization for the first time this year, your recruitment rate is 2%.</p> <p>The same per trimester: if 10 members joined in the first quarter, and the total number of members is 1300, the trimester recruitment rate is 0.76%.</p> <p>For an annual forecast, multiply by 4 and compare with an equal period in the year before.</p> <p>This enables you to contextualise the figures and to be alerted or very encouraged by your quarter figures</p>
<p><b>Tips</b></p>	<p>The recruitment rate only takes into account members who have paid their subscription fee for the year.</p> <p>The same verification measurement of recruitment rates can be applied to associations whose members are indirect members of the APEX.</p> <p>The recruitment rate needs to be higher than the lapsed member rate to ensure your organization's growth.</p> <p>The recruitment rate is different from the "representativeness" of the EBMO. Representativeness is defined as the level of how well the EBMO membership reflects upon the overall sample of companies/associations in a country in terms of numbers of employees, contribution to GDP etc.</p> <p>The recruitment rate can be calculated for the whole membership but also by segments for example; SMEs, INDUSTRY etc. in this case, it is called a "segment penetration analysis".</p>



<b>Title</b>	<p><b>Penetration rate</b></p> <p>Percentage of members of the EBMO within a given total category of enterprises. Penetration can also be called market share.</p>
<b>Formula</b>	<p><math>\% \text{ Penetration} = \# \text{ of EBMO members} / \text{total \# of enterprises in the same category.}</math></p>
<b>Usefulness</b>	<p>This gives an insight to the representativeness of the EBMO per segment- and also to the market potential for further recruitment.</p>
<b>Example</b>	<p>Out of the 6,000 enterprises active in the construction sector in the country, 200 are members of the EBMO.</p> <p>The EBMO has a penetration rate of 3.33% in the construction sector.</p> <p>There is still a huge potential for recruitment.</p>
<b>Tips</b>	<p>Segment penetration analysis is important to give a more precise picture of your EBMO representativeness and the relative importance of different member segments.</p> <p>Segments can be a sector or industry, a province or a district or any other segmented category possible to ascertain from available data (e.g. public statistics and registers; social security data etc.) the number of companies registered and then extracting from the EBMOs membership database how many of those enterprises are members of the EBMO.</p> <p>It is crucial to know if your EBMO has recruited larger companies or if you have recruited SMEs, as these types of enterprises have a different “weight” in term of representation of employed workforce and/or contribution to GDP.</p> <p>Additional elements in market share: market share of total employment by members – market share as a per cent of GDP by members.</p>

## Example

### Segment penetration analysis in IBEC (2011)

#### By region:

		IBEC membership	Recruitment rates by region
Dublin	51,852	4,538	8.7%
South East	15,025	230	1.5%
Cork	13,782	295	2.1%
Mid-West	11,535	376	3.2%
Western	10,333	235	2.3%
North West	5,950	198	3.3%

#### By number of employees:

Employment bands	Total %	Number	IBEC %	Members numbers	Adoption rate
1 - 10 emp/ees	83%	127,210	29%	1,757	1.4%
10 - 99	15%	23,666	56%	3,385	14.3%
100 - 500	1%	1,557	12%	686	44%
Over 500	1%	389	3%	170	44%

<b>Title</b>	<p><b>Renewal rate new members</b></p> <p>This calculation determines specifically the renewal rate of new members.</p>
<b>Formula</b>	<p>Calculation of renewal rate of new members:</p>
<b>Usefulness</b>	<p>Members recruited in year x-1 renewing their paying membership in year x and year x+1.</p> <p>It gives focus on how new members integrate into the EBMO and how your recruitment efforts contribute to long term membership.</p> <p>A low renewal rate is obviously an alert: you may be performing very well on recruitment but this is only leading to a short term increase.</p>
<b>Example</b>	<p>50 companies have been recruited as members in 2020.</p> <p>How many stay on as a paying member in 2021? If only 25 stay, your renewal rate is poor at 50%.</p> <p>You may need to revise the onboarding and other measures to retain newly recruited members.</p>
<b>Comparative data</b>	<p>The benchmarking report USA for trade associations reports an average renewal rate for first year members between 83 %, which is slightly lower than the renewal rate for all types of associations standing at 89%</p>

The Board and management of the EBMO should be regularly updated on membership recruitment metrics. However, in addition, they need information on the efforts and the efficiency with which the EBMO deploys its resources and investments.

Here we present a few additional ratios which can be useful for that purpose.

<b>Title</b>	<p><b>Recruitment gross revenue rate</b></p> <p>Percentage of EBMO income attributable to new recruitment as a percentage of total membership fee income.</p>
<p><b>Formula</b></p> <p><b>Usefulness</b></p>	<p><math>\% \text{ Recruitment gross revenue} = \text{revenue fees from new members in year or quarter} / \text{total revenue income from members in the same category}</math></p> <p>Financial ratio: helps define financial contribution of new members as a percentage of total member fees and the financial targeting to smaller or bigger recruits.</p> <p>If the percentage of this ratio is smaller than the percentage of lost member income due to member resignations, your organisation gets an alert: income from new membership (while good) is not sufficient to offset lost income due to lapsing members.</p>
<b>Example</b>	<p>In 2020, 16 new members generated a total fee of 16.000 usd, which is 5% of total fee income.</p> <p>In 2021, 20 new members generated 4.000 usd, i.e. 1.25% member fees.</p> <p>But your lost income due to non-renewal of 10 companies is 20.000 usd in the first year and in the same year you have foregone 10.000 usd by losing 5 members.</p> <p>You recruited lots of new members and your membership numbers will grow, but financially they are making a smaller contribution.</p> <p>It might be a signal to reorient the targets.</p>
<b>Tips</b>	<p>One can also calculate net revenue.</p> <p>In that case, you deduct the costs incurred for recruitment (advertisements, cost recruitment campaigns, cost of staff involved in recruitment) from gross revenue (formula above).</p>

<p><b>Title</b></p>	<p><b>Recruitment ROI</b></p> <p>This calculation determines the whole return on investment (ROI) of the recruitment department.</p> <p>As income it does not only count membership fees as income but it calculates the whole life time value of a new member.</p> <p>For expenses it takes the whole cost of recruitment, i.e. the wages and external expenses your organisation has spent to get these new members.</p> <p>The ROI is the difference between both and is a figure which is more correct than net revenue only, because the net revenue does not take into account the income to be earned from a new member via additional services income.</p>
<p><b>Formula</b></p>	<p>Calculation of life time value of new members:</p> <ul style="list-style-type: none"> <li>– Costs incurred for recruitment of new members.</li> <li>– To determine Life Time Value (LTV).<sup>73</sup></li> </ul>
<p><b>Usefulness</b></p>	<p>Financial ratio: defines net total financial contribution of new members vs total cost and to search for efficiencies in expenditure or income.</p>

73 For more information, see Chapter 6

<p><b>Title</b></p>	<p><b>Conversion rates of major channels for recruitment</b></p> <p>This calculation determines the efficiency of the most used recruitment channels.</p> <p>It determines which channels are most effective in achieving recruitment (so-called acquisition).</p> <p>It can examine the effectiveness of several methods of recruitment. Just to mention two:</p> <ul style="list-style-type: none"> <li>The n° of acquisitions achieved in year x via the list of potential members.</li> <li>The n° of acquisitions via visits of the sales team.</li> </ul> <p>One can of course add other methods of which you want to test efficiency</p>
<p><b>Formula</b></p> <p><b>Usefulness</b></p>	<p>List of recruitments:</p> <p>How many recruitments during year 2020 from the list of potential members effective during 2020.</p> <p>Number of recruitments as percentage of all sales visits or as percentage of total working time of sales team.</p> <p>Management of ratio: measures efficiency of your tools.</p>
<p><b>Example</b></p>	<p>Number of conversion to effective member divided by total number potential members. Number recruitments vs number sales visits.</p> <p>You recruit 100 members: what percentage came via personal visits, vs other recruitment channels.</p>

## 5.4 An overview of the recruitment process

Recruiting a new member is only the first step in the membership life cycle which includes retention and engagement. The aim of recruitment is for the EBMO to commence a long-term relationship with the member. In this chapter we concentrate on the recruitment process itself. A process that is comprised of a number of different steps starting with preparation to segment possible members into groups; moving on to communicate the value of membership to each group; the task then involves convincing the potential new member to join the EBMO through a recruitment process; and finally the deal is closed and the new member is welcomed and integrated to the organization for a long term and mutually beneficial relationship.

Within established marketing literature the recruitment milestones are often summarized by the acronym AIDA. As a tool AIDA is useful because it centres on stimulating the consumer into the desired action (in this case purchasing membership).

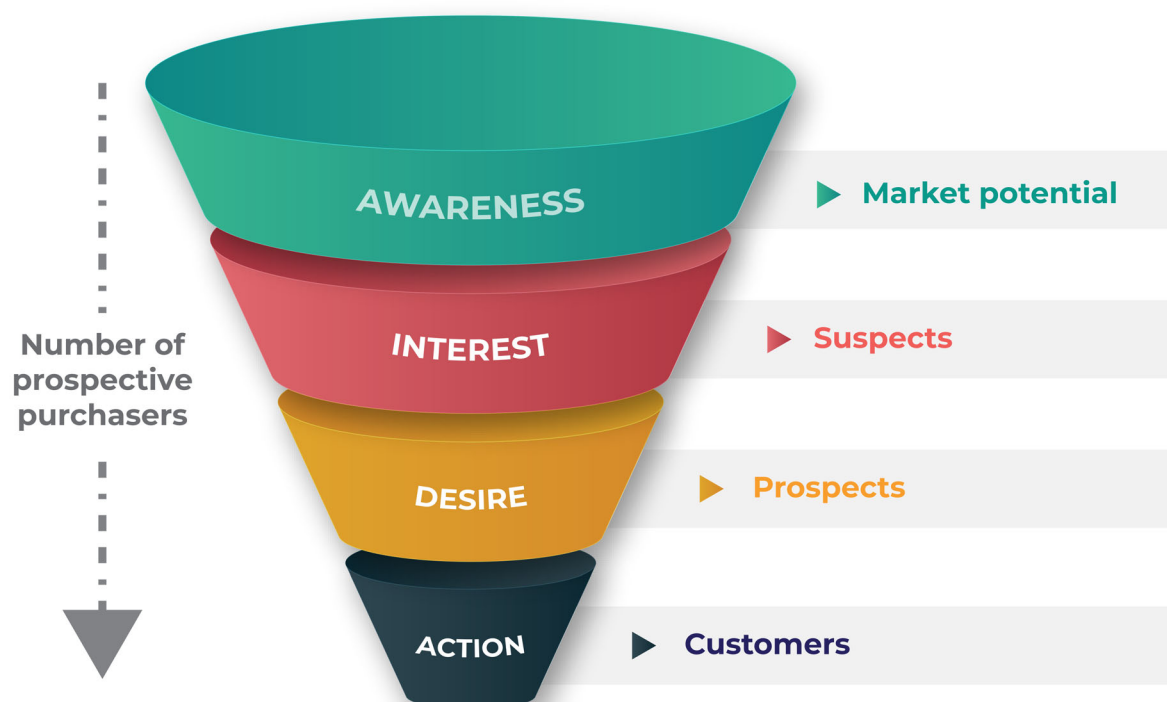
The AIDA concept divides the recruitment process (or the sales process) into 4 steps;

- **Attention – Awareness**  
The consumer becomes aware of a category, product or brand (usually through advertising);
- **Interest**  
The consumer becomes interested by learning about brand benefits & how the brand fits with its needs;
- **Desire**  
The consumer develops a favourable disposition towards the brand, including trusting it to fulfil its needs;
- **Action**  
The consumer forms an intention to purchase, shops around, engages in a trial or makes a purchase.

AIDA can be illustrated by a Purchase Funnel which highlights the link between the process (AIDA) and the reducing number of prospective purchasers over time as prospects are converted to members. As an example, if there is a potential market of 1,000 companies made aware of the EBMO and its value proposition (i.e. who we are and what we do), this may reduce to 500 suspects (i.e. companies actually interested in the product offering as explained); reducing further to 200 prospects for more focused attention, because they display some level of desire to become a member, and leading finally to 50 recruited members where the decision is made and the steps to join are taken.

In this model the rate of success is called the 'conversion rate' from the beginning to the end of the process of the purchase funnel.<sup>74</sup>

### *The Purchase Funnel*



A slightly different perspective is taken by, Kotler<sup>75</sup> in his landmark marketing text. Kotler uses a similar sequence (to AIDA), but adds a preliminary phase of segmentation that pre selects and then defines a number of different channels within the overall target market. This enables more bespoke or specific approaches to be made to the prospective new member, focusing on the aspects of EBMO activities that are most relevant to each segment.

74 For more information, see <https://blog.jdrgroup.co.uk/digital-prosperity-blog/what-is-the-buying-funnel-in-marketing>

75 Kotler, P. et al., Principles of Marketing, 1999





In the following sections we expand upon the steps of the member recruitment journey. Pulling together both AIDA and Kotler's models we have identified four core steps to successful new member recruitment for any EBMO. These steps are illustrated below and we will expand upon each in the next four sections of this chapter as follows:

- **Step 1** - Potential members segmented;
- **Step 2** - Value proposition presented and trust created;
- **Step 3** - Recruitment process to closure;
- **Step 4** - New member welcomed.



## 5.5 Potential members segmented - Step 1

In this step the intended segment for recruitment is defined so that efforts may be concentrated and the message adapted to be relevant to the target.<sup>76</sup>

### (i) Segment associations to be recruited

- The number one target for recruitment by EBMOs are sector associations. This is sometimes overlooked because the focus tends to be on direct company members.
- Branch associations can bring with them a large number of (indirect) members plus other indirect benefits to the EBMO.
- Targeting is not usually a difficult task in terms of identifying potential associations for membership. The EBMO is likely to know the main sector, subsector and territorial organisations that are active in their country.
- A lists of trade associations and chambers is often available publicly.
- Other associations of a more professional nature, such as the HR managers association, are probably also on the radar of the EBMO.
- In practice the process of recruiting a membership association to an EBMO can be long and sometimes delicate, therefore it is usually wise to be selective in targeting which associations to pursue to maximise the chances of success.

Some key criteria can be applied to help the EBMO to determine which associations represent the best opportunity for successful recruitment. In practice this type of analysis is often done instinctively rather than systematically. If a more rational approach is preferred, the following list of criteria may be useful to help set priorities and rule associations in or out of consideration.

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76 See Chapter 2

We recommend the following criteria:

- **INPUT VALUE TO THE EBMO:** this category includes consideration of important elements such as financial sustainability and contribution, number of members, external network, cohesion, reputation, and the economic importance of members. All issues to be analysed and rated by the EBMO prior to targetting.
- **LIKELIHOOD OF A TRUSTING MEMBERSHIP RELATIONSHIP:** under this category specific elements such as; previous practice; perceived cooperative orientation; leadership capacity for cooperation; and ease of access to leadership, should be analysed and rated.
- **COST OF MEMBERSHIP:** under this category we consider any possible adverse elements of membership such as difficulty of recruitment, cost of servicing and retention, obstacles in the environment, negative effects on existing membership etc.

To formalize the priority setting exercise the associations being considered for membership can be assessed by considering each of these elements and rating them on a point ranging from 3 to 1. The end result gives an indication of high versus low priority associations to target.

### Template for simplified ranking for the decisions on priorities

Criteria	Points: H=3 M=2 L=1
Representativeness potential	+
Subscription potential	+
Other revenue potential	+
Reputation increase	+
Inclusiveness increase	+
Recruitment cost	-
Servicing and retention cost	-
Obstacles in the environment	-
Expected cohesion/loyalty in the EBMO	+

The advantage of this approach is that it helps the EBMO to identify the most suitable targets to focus their efforts on. The detail of this review is important because the association representing the best 'fit' may not be the largest or most highly resourced. Equally the association which looks like it is a good fit may, on further analysis, present other obstacle such as a poor reputation or involvement in a legal battle with another organization etc.

## (ii) Segment companies to be recruited

Dividing targets for new membership into segments is a good idea to help keep EBMO efforts focused and to align membership development activities to fit with the organizations overall strategy.

Such segmentation can be determined by objective parameters such as size of the company, region where the company is established, sector and branch, etc.

Segmentation is not a neutral exercise; it is not like cutting a cake into equal pieces – there are additional factors to consider in order to determine where the greater probability for successful recruitment lies within the segment.

Research<sup>77</sup> is unanimous that the following groups represent the companies as most likely to join:

- **Unionised companies;**
- **Medium to large sized companies;**
- **Manufacturing companies.**

Other company features such as multinational, nationality, ownership (family capital or not) etc. give less certain correlations with membership and differ from country to country.

These findings do not rule out recruitment from other segments but it is useful for the EBMO to note upfront that it may take more time and effort to conclude a deal and the process may be more challenging. In view of this, focusing recruitment drives on the segments most likely to be positively disposed to membership may, at least initially, represent some quick wins or easy success for the EBMO (often referred to as ‘low hanging fruit’).

Using a CRM list for setting priorities around targets for membership may be a useful approach to consider. The CRM developed by ITCILO and DECP, for example, provides for the creation of a list of potential members, i.e. those with which the EBMO has had reason to interact. This could be as a user a of services or for other reasons (e.g. for conferences, events, training etc.). This type of list is an internal record of all non member companies where the EBMO has an established business relationship. Because of this business relationship the company may be favourably disposed to discussing membership.

77 Traxler,F. (2004) Employers Associations, Institutions and economic Change: a crossnational comparison, Industrielle beziehungen, Zeitschrift fur Arbeit, 11 (12), 42-60 - <https://nbn-resolving.org/urn:nbn:de:0168-ssoar-344652>

**Possible sources of data on potential members:**

<b>Public Sources</b>
National Social Security System
National Investment Council
Tax Authority
Company Registrar
Ministry of Economic Affairs
Ministry of Labour, Labour inspection
<b>Internal Sources</b>
Data from non-member, but users of EBMOs services (see your CRM) <ul style="list-style-type: none"> <li>• A list of potential members kept in your CRM.</li> <li>• Data collected in events, e.g. employer of the year conference A draw pot for visiting cards with some small present.</li> <li>• Data collected from members who identify possible candidates for membership.</li> </ul>
<b>Partner sources</b>
Trade unions
Mediation bodies
<b>Commercial sources</b>
Lists bought from marketing companies

**Example**

- FUE Uganda sometimes uses data put at their disposal by the social security office.
- FKE Kenya has been able to use addresses of companies via the company tax office.
- APINDO Indonesia<sup>78</sup> has concluded a regional MOU with some trade unions in which the trade unions will inform companies (with which the trade unions engage) about EBMO membership opportunities with APINDO. The reasoning behind this is that Trade unions often find it helpful to engage with APINDO, because APINDO plays an important role in encouraging members to respect the rule of law, and conduct fair labour policies.

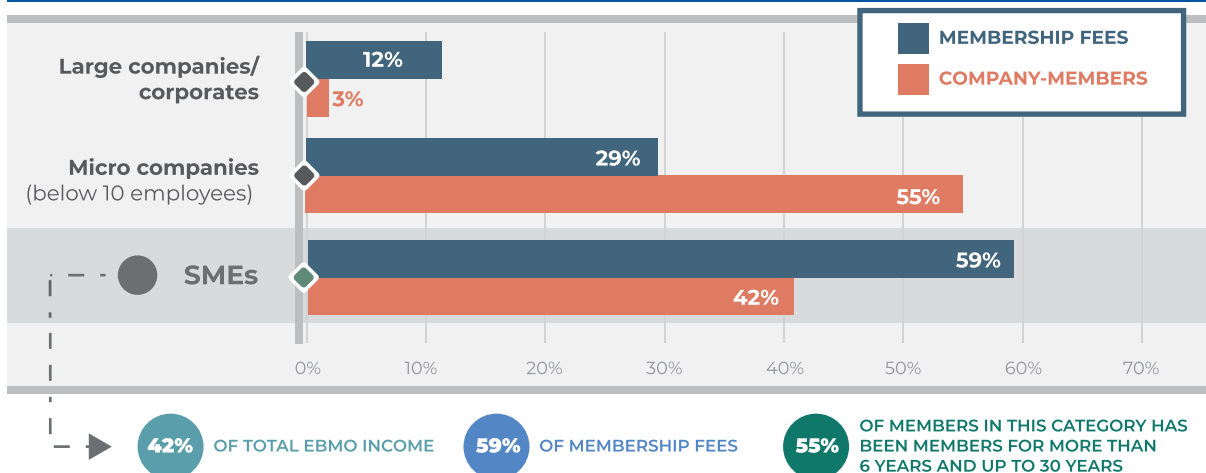
## Example

COPARMEX Chihuahua<sup>79</sup> is a business association operating in the Chihuahua, which is one of the 32 states which comprise the Federal Entities of Mexico, with a population of around 4 millions.

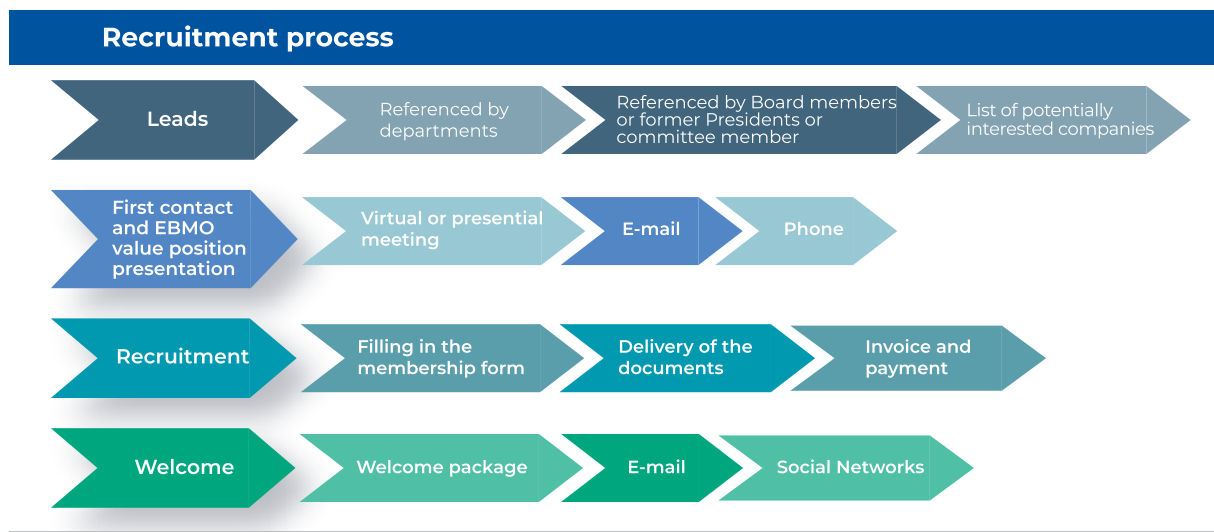
- In an effort to boost the efficiency of its recruitment campaigns during the COVID-19 crisis of 2020, COPARMEX Chihuahua segmented its existing members according to the income they were bringing to the organization and the number of members in every category.
- Through this exercise COPARMEX Chihuahua discovered that 42% of their members and 59% of the income derived from subscription fees came from small (25 + employees) and medium size companies; Additionally 55% of the members in this group had been active members for a minimum of 6 years and a maximum of 30 years.
- On the contrary micro enterprises represented 55% of members, contributed only 29% of the income through their subscriptions;
- Large companies represented 3% of the members and 12% of the total income. The “average loyalty” (number of years within the organization) of micro companies and large groups was much shorter than for small and medium enterprise.

With this analysis, COPARMEX Chihuahua decided, in 2020, to organize targeted recruitment campaigns for small and medium size enterprises as this seemed to be the most promising group, bringing most of the resources to the organization. See the next two graphs for a graphical illustration.

### Companies size vs subscription fees income



79 <http://www.coparmexchihuahua.org/>



## 5.6 Value proposition presented and trust created - Step 2

The objective of this step is to build visibility and promote knowledge about the EBMO by creating a “buzz” around the organization and boosting awareness about the invitation to join. We will look in details at the key messages (package and tone), the methods and channels as well as how to use channels to build awareness about the EBMO in order to foster trust.

### (i) Key message – package and tone

In communication, effectiveness is determined by 3 factors: the objective of communication, the target group and the content or tone of the messages.

Let us concentrate here on exploring the content of the message because both the objective of awareness raising (i.e. to recruit) and the target groups (potential member associations or companies) are clear.

The content of the message for recruitment can be wide, but is generally focussed on the following elements of what the EBMO stands for:

- Defence – enhancement of members interests, in policy making and services;
- Create the sense of belonging – the EBMO is there for the member;
- The strength to deliver as EBMO – credibility, influence, prior results, solution oriented;
- Its values – commitment, democracy, accountability;
- The value proposition (see chapter 3 for more details on Value Proposition) will form the global framework and the inspiration for the recruitment messages.

## The approaches to formulate the above content may differ also

Three types of appeal or ways to package the message are possible through the member recruitment process: rational; emotional; and moral.

The use of each may differ according to the national culture and context, but also the timing, the targets and the strategy of the EBMO can have an influence.

The marketing literature specifies these three types of approaches as follows:

### A rational approach relates to the audience self-interest

This shows that the “product” of the EBMO (voice of business role, services, networking) produces tangible benefits for the target group.

#### Examples

- *Regarding the voice of the EBMO: underline how many business costs have been avoided thanks to interventions from the EBMO or what has been achieved within the business environment as added opportunities;*
- *Regarding services, underline the accuracy; or quality; or specific features (e.g. practical solutions approach), its lower price, the credibility of the EBMO as a partner etc;*
- *Regarding networking the effect on doing business and meeting peers.*
- *For associations: Highlight the additional opportunities that are created by their alliance to the APEX (e.g. convincing the Hotel association to join the APEX by offering them access to the Office of the Prime Minister through the EBMO. This represents additional strategic political access in addition to whatever existing access they have to the ministry of tourism as a sectoral association).*

#### Examples

*CBI in the UK<sup>80</sup> regularly calculate the combined macro cost for companies. It has been able to save via its lobbying and advocacy actions: “Thanks to our lobbying efforts on the new regulation, the private sector saved 100 million pounds”.*



## The emotional appeal

The emotional appeal attempts to create positive or negative feelings which bring awareness, interest and desire for the acquisition of membership, around the same content. Typical feelings are fear, joy, self-realisation, tradition, prestige etc. (see also Maslow pyramid).<sup>81</sup>

In an emotional approach, defence against unfavourable policymaking becomes a cry out of fear; the creation of a sense of belonging, an element of joy or self realisation.

The emotional approach is widely used and is prevalent in EBMO messaging. Fear about new regulation is often a trigger for awareness and action for membership. We see it is regularly used as a recruitment campaign opportunity if new regulation with harmful implications, is envisaged. Emotional triggers are likely the reason that many EBMO remained successful in recruitment during the COVID-19 crisis.

### Examples

*France: "The Employers warn: Companies afraid to hire staff"*<sup>82</sup>

*Belgium: "Indignation: Call to strike. Trade union attitudes: not understandable and irresponsible".*<sup>83</sup>

*Montenegro: Outcry to government about regulations: "5 business killers to be tackled urgently".*<sup>84</sup>

## Moral appeals

Moral appeals are directed at what is felt to be right or wrong. They are used to urge people to support social, moral or fundamental causes. This approach is sometimes used by EBMOs, for example a call for respect of values such as freedom of enterprise; entrepreneurship; fair competition; good governance; fair taxation; support for the entrepreneurial class and their efforts etc. are often used as approaches to support and enhance recruitment.

### Examples

*Bolivia: Outrage about government interventionism (2018): "At the time of rejecting these discriminatory and biased decisions, we reiterate our deep concern for the continuity of the affectations against private initiative, legal certainty and stability of companies, especially micro, small and medium-sized ones, which are the vast majority in our country."*<sup>85</sup>

81 For more information, see [https://en.wikipedia.org/wiki/Maslow%27s\\_hierarchy\\_of\\_needs](https://en.wikipedia.org/wiki/Maslow%27s_hierarchy_of_needs)

82 For more information, see [www.medef.com](http://www.medef.com)

83 For more information, see [www.feb.be/newsletters/pb-2021.01.19-incomprehensible--irresponsible/](http://www.feb.be/newsletters/pb-2021.01.19-incomprehensible--irresponsible/)

84 For more information, see <http://www.poslodavci.org/en/membership/>

85 For more information, see [www.CEPB.org.bo/notas-de-prensa](http://www.CEPB.org.bo/notas-de-prensa)

**(ii) Methods and channels**

We present the tools in a series of groups, according to the main focus of the activity. Some of the tools are oriented at increasing awareness or interest others to increase the effectiveness of the selling. A few are a mixture of all these. But the steps follow the logic of the Kotler scheme: segment targets, create awareness, create interest and desire, acquire and register.

There is no empirical evidence on the relative success of each formula. The 2020 Marketing General Benchmark report<sup>86</sup> however has some data on the respective importance.

Channel	Percentage mentioned
Word of mouth	50%
Email	47%
Sponsored event /meeting	52%
Personal sales call	39%
Cross sell to users non members	30%
Presence in promotion/exhibition	23%
Direct mail	11%
Association social media	11%
Chapters	6%
Paid on line publicity	5%
Advertising	2%
Telemarketing	2%
Radio TV	1%

The data is interesting, but limited because it lacks the underlying detail which might be of importance. For example, a recruitment process involves a combination of different processes and tactics. Awareness raising via publicity and contacts is very often an essential prerequisite for a personal sales call, but if one considers each step separately then a personal sales call will be categorized more as a sales channel. The table does not make this distinction.

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86 Membership marketing benchmarking report, Marketing General, 12th edition, 2020

### (iii) Using channels to build awareness

Having defined the key message, the package and the tone and then considered the methods and channels we now review in more detail the most relevant channel options for building awareness about the EBMO and what it does.

These options include:

- a)** Advertising
- b)** EBMO using its own publications
- c)** Email or letter campaign
- d)** Phone or telemarketing
- e)** Collective sessions
- f)** Increasing awareness through third parties i.e.:
  - Strategic agencies
  - Referral by satisfied members
  - Presence at exhibitions or conferences
- g)** Digital marketing and social media
- h)** Website

#### **a) Advertising**

Advertising (through TV, radio, national and regional press) is traditionally a core mechanism to create awareness. The emergence of digital marketing with its flexibility and popularity is however, changing the means to create awareness. EBMOs don't tend to use advertising in the strict sense, because it tends to be expensive, not very targeted and the practice of using digital marketing has increased.

In certain cases and under certain conditions, however, direct advertising may still be beneficial and create awareness about the EBMO, as part of the recruitment process. This approach is not likely to be a direct recruitment method for membership though, because in practice it is rare for a company to join an EBMO because of an advertisement. Advertising a service (e.g. training) on the other hand, can target a specific user creating an opportunity for further contact with the EBMO.

To successfully increase awareness by using advertising the following conditions are relevant:

- Ability to direct the advertisement to a specific target audience (CEO, HR managers); in other words: to be focussed;
- Limited cost (smaller publications where advertisement cost is low, or free); in other words, mind the expense;
- A combination of the advertisement with some content (feature advertising); in other words add value;
- Use of channels which complement the desired branding of the EBMO in other words don't advertise everywhere.

In many countries, EBMOs do not pay for advertising because they have ample opportunities to freely access media when asked for comment or through interviews.

More frequently opportunities arise to participate in mass media interviews, especially on policy issues. These are excellent opportunities for raising awareness about the positions taken by the EBMO and to spread a rational or emotional message on why membership could be useful. This approach can be categorized as indirect promotion of the benefits of EBMO membership highlighting the EBMOs role as defender of the interest of the business community and the well being of the country.

Some CEOs become highly recognized public figures on the basis of frequent public appearances representing their EBMO.

There are, in addition, other ways for boosting the image and branding of the EBMO: through interviews with the Executive Director or President in national written and visual media, columns in newspapers, or written articles or interviews with EBMO specialist staff in relevant professional magazines (e.g. law reviews- HR publications).

These indirect opportunities to promote the EBMO have more impact than paid advertisements when it comes to increasing brand awareness among potential members.

In conclusion direct advertising tends to be used occasionally by EBMOs particularly if launching a new service or to promote a unique event, such as Employers of the Year awards, a landmark conferences, etc.

In terms of general advertising opportunities some EBMO, through their status as social partner, participate in a regular weekly or bimonthly radio or TV appearances.

## Examples

### *Radio – tv show:*

- *The Chamber of Commerce of Guayaquil<sup>87</sup> put in place a strong TV campaign to defend the trade agreement with the EU in 2009-2011 and indirectly to promote affiliation.*
- *France: paid/sponsored publicity for the MEDEF summer university.*
- *The national cross-sectoral organization in Nicaragua, COSEP,<sup>88</sup> was a weekly guest on a very popular live radio show. This gave the opportunity to regularly discuss current business and societal issues. While it was a time-consuming commitment for the organization it gave them high visibility to a broad audience. There is evidence that companies joined COSEP because of the visibility obtained through the radio programme.*
- *CNA in Italy,<sup>89</sup> a business association representing mainly micro-entrepreneurs and craft businesses, have used peak time radio slots to advertise; the key message of the radio campaign is that CNA is capable of providing “pain reliever” services for micro enterprises.*

*Many countries: The EBMO Executive Directors or specialist staff have a regular column in newspapers or magazines.*

## b) EBMO using its own publications

Many EBMOs have their own regular publications. In principle they are intended for members exclusively and they are a benefit of membership.<sup>90</sup>

Many EBMOs however also have some print media (monthly or bimonthly newsletters, special publications) which are spread more widely and include circulation among the general public and/or non affiliated companies. The consistency and regularity of the messages are obviously important for awareness raising.

87 <https://www.chamber-commerce.net/dir/1650/Camara-de-Comercio-de-Guayaquil-in-Guayaquil>

88 <https://cosep.org.ni/>

89 <https://www.cna.it/>

90 See Chapter 7 for more information on Engagement

Via e-magazines (newsletter via email) the low cost of sending your publication to targeted potential members becomes very attractive.

The impact of new technology on communications has made it fashionable to go beyond the use of text, and use a whole range of digital tools, ranging from Instagram to Facebook (see below on social media) to get the EBMO message out.

### Examples

- *VNO-NCW circulates its news via mail links to its members and to potential members.*
- *FEB-VBO sends its bi weekly 2-3 pager publication to members and to potential members.*
- *There are many examples ranging from regular newsletters sent to members and potential members, to video presentations created by EBMOs (GEA Ghana, CGECI Cote d'Ivoire) and uploaded to You Tube (CNPB Benin)<sup>91</sup> etc.*

## c) Email or letter campaigns

- **Email**

Experience across a large number of organisations shows that “unsolicited” emails are the least likely to achieve results. It is therefore unlikely that an email recruitment campaign will result in a large inflow of new members.

But an email campaign can be a successful step in the global recruitment process, which starts with awareness raising as a step leading to interest to purchase.

The added value of email has two forms:

- As a form of general awareness raising to the potential member about the EBMO activities, positions, services, successes. Many employers organisations reach out regularly to non members, via a short general newsletter. This ensures that the EBMO name becomes a household brand.
- As a form of special offer with a particular sales promotion offer, in which the possibility of membership is promoted with a special action (eg. free trial).

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91 <http://www.cnp-benin.org/>

In both cases, the email should direct traffic via an easy link to the EBMO website, where more detailed text or support documents can be consulted. There is a huge amount of material on email as a marketing instrument available and especially on the measurement of effectiveness and its improvement (open rates, click rates) to reach (new) customers.

- **Letters**

Printed letters seem nowadays to be a little bit old-fashioned and costly for a marketing campaign. The advantage of the printed letter is that it is a physical item placed on the addressee's desk, at least for a while (unless they are immediately thrown to the bin) and the target person can have a quick look at the letter more than once. Deleting an email is easier and quicker!

#### **d) Phone calls or telemarketing**

Phone calls are unlikely to immediately bring companies into membership. Nonetheless they can be a way to raise awareness about the EBMO's activities, generate leads and to get information on the needs of potential members.

#### **Example**

*EFPP (Pakistan) conducted a potential needs assessment campaign throughout the country in 2020 which was also used as an awareness raising and marketing tool.*

#### **e) Collective information sessions for potential members**

Under this heading, we review all types of meetings, conferences, networking events which focus on informing potential members about EBMO activities, and the benefits of membership.

These meetings can be called regional clinics, road shows, provincial meetings, town halls, recruitment meetings etc.

But the essence is to gather together a number of companies identified as being interested in membership, or companies the EBMO thinks might become interested. The meeting or event is used at least in part to introduce the EBMO, its mission, vision, its role, its track record, and in particular the benefits linked with membership etc.

In many cases, these information sessions are packaged attractively. The awareness raising aspect on EBMO membership is combined with an informative session on a new law or a relevant topic, or with a high profile speaker, a debate on a topical issue, or a networking event. Road

shows aimed at recruiting members are considered particularly useful when the EBMO wants to gain profile in a certain province or districts.

It is important that these collective information sessions aim to mirror the values and the branding of the EBMO which may include: an attractive invitation, quality information via a clearly written brochure; relevancy of the content towards the company or members of the public; high quality speakers; correct image and physical evidence (meeting location and standard of organization, effectiveness of presentation from the EBMO staff); creation of a certain club feeling. The presence of some peer CEOs and or Board members at such meetings is important to highlight the essence of the EBMO: an association of colleagues-employers. In some cases, such meetings are organised in the premises of a member (industrial zoning).

Again, every link to be made in such presentations between the EBMOs existing members and the new potential member increases trust and credibility. The duration of the meeting should be appropriate (i.e. not too long) and the timing convenient (e.g. before- after normal working time), and the location has a role to play too (e.g. convenience, prestige etc.).

The advantage of these types of events is that they reach a community of business leaders in one step and within a limited time frame. They further represent a good combination of recruitment steps: such meetings facilitate awareness creation combined with a personal approach and are a perfect preparation for the next steps in the recruitment process, i.e. the final decision to join is helped by a personal visit to the company, or a direct sale is concluded in the information session itself.

A challenge can be the time investment needed to be successful: Organization, implementation and follow up of such meetings requires a serious time investment but on balance it is a more effective strategy than individual visits.

## **Examples**

*MEF (Malaysia) uses information sessions as their key recruitment activity. These are organised on a regular basis at provincial level and are considered as the most effective way of reaching out to a segmented audience. The meetings are always a combination of a presentation about the EBMO and a more general topic which attracts attendance (labour law issues, new legislation, HRM discussion).*

*FUE (Uganda) has been using this approach to recruitment by organizing regional clinics.*



*Tanzania and Kenya, adopt a similar approach to recruitment of members by organizing such events for particular segment groups of companies, i.e. Chinese enterprises. The programme is supported by the Confederation of Norwegian Enterprises (NHO)<sup>92</sup> and involves also the China Enterprise Confederation (CEC) which makes the link between the Chinese investors in Africa and the national employers federations in the African countries.*

*UMFCCI (Myanmar) organises “promotional” events to get leads for potential new members. These are a series of events in industrial zones or in the export processing zones to illustrate “what’s in the EBMO for business”. It is unlikely that companies register at the end of the event, but useful information about potential members can be obtained on the day. The Employers Organizations department of UMFCCI mapped all the industrial zones around Yangon (the main business city in Myanmar) and organized 2-hour events to illustrate the novelties in the labour laws and present the newly developed services in Industrial relations. In 5 months 8 events were organized yielding to around 400 leads and 120 new members*

## **f) Increasing awareness through third parties**

### **Strategic agencies**

EBMOs can identify strategic agencies through which they can indirectly promote their activities. These are, for example, business development agencies, foreign chambers of commerce and diplomatic missions (especially of those countries with important FDI inflows), citizen advice bureaux, the Ministerial agencies such as mediation services, labour ministry, agencies for foreign investment, etc.

In a number of countries, such agencies act as a reference point or liaison between the EBMO and new investors, or with the SME community.

Identifying important third parties/ agencies which are relevant and interested in playing such a role is part of the membership department’s remit.

### **Referral by satisfied members**

Few organisations have formal programmes to promote member referral recruitment.

Many organisations, however, have less formal approaches that involve existing satisfied or enthusiastic members in efforts to contact new members, or to participate in recruitment efforts.

The following concrete activities are often deployed:

- Engage satisfied members to speak at EBMO meetings for at EBMO meetings for recruitment;
- Get members collaboration to identify companies in their value chain or zoning as possible potential members to be contacted by the EBMO;
- Participate in so called ambassador programmes (which formalise the practice of using satisfied members);
- Open up the EBMO premises for visits by potential members;
- Host a “bring a friend” meeting and encourage members to bring someone. This could be a recurring event so that new members are continually bringing new friends;
- Encourage members to share your newsletter, especially if they’re featured in it;
- Help members develop an “elevator speech” about their membership;
- Add testimonials to the membership pack or promotional film;
- Ask your members for recruitment ideas;
- Ask members to list their EBMO membership in their professional biographies;
- Create an invitation email template for members to use as appropriate;
- Make it easy for members to send invitations by doing most of the work for them. You could also create paper-based pamphlets or member application forms, or boiler-plate text that current members can copy-and-paste into emails or Facebook messages to colleagues.

These approaches are all based upon successful referrals and can be an important support for EBMO staff itself. Most data which compare the effectiveness of recruitment methods invariably end up citing “word of mouth channels” as the most effective. The use of existing members to recruit members, in the many forms we cite, are all variants of the word of mouth method. The uniqueness is that the word of mouth method is effective in all stages of member recruitment: it encompasses and ranges from promotion to effectively trigger membership acquisition.

Some advantages of this approach are that: Peers inspire peers; there is creation of trust; it represents a real testimony of satisfaction; it involves limited staff intervention and cost; the approach strengthens the club feeling by common engagement; covers the full range of generic recruitment activities.

Member engagement can vary in intensity, and is more difficult to steer as a ‘controllable-fixed’ resource for membership recruitment; maintaining the engagement of members for a longer period may be a challenge.

### Presence at exhibitions, conferences

This method hardly needs explanation: the EBMO is represented by their membership development staff at an information or member recruitment stand at major (trade – professional) exhibitions, conferences or other big gatherings where a target audience is expected. The purpose is to inform, build interest and, if possible, recruit new members.

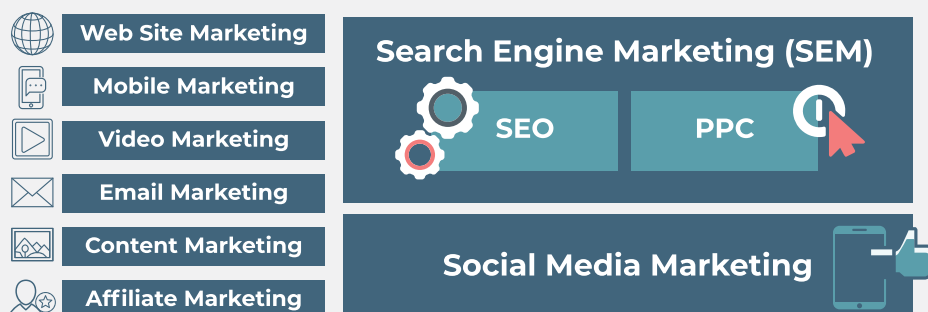
This method rests somewhere between awareness raising and direct sales.

In some cases an EBMO might sponsor an event (e.g. HR conference), or they might arrange to be present via one of the companies sponsoring the event; such presence can become an important opportunity.

## g) Digital marketing and social media

Digital marketing<sup>93</sup> is the process of building awareness and promoting a brand or product online using all available digital channels. Digital marketing is used as an umbrella term for a whole range of internet based marketing approaches, ranging from website to the use of social media. The use of Social media marketing is increasing rapidly. The image below highlights the main components of digital marketing and where social media sits within it.

### Digital marketing components









































93 For more information, see <https://www.reliablesoft.net/difference-between-digital-marketing-and-social-media/>

Having noted the difference<sup>94</sup> between digital marketing as a global concept and social media as a part of it, within this context we briefly focus on the latter: social media is becoming more commonly used by EBMOs in certain countries, and there appears to be a new trend to use it to create awareness, branding and visibility.

In an interesting study on employers organisations and the use of social media, Janssen<sup>95</sup> gives an overview of the practices of EBMOs in some Western EU countries and a number of DECP partner organisations in Asia, Africa and Latin America.

Generally, the study confirms that the use of social media, ranging from Facebook, Twitter, Instagram, LinkedIn and others is increasing as a tool for awareness raising for recruitment, for announcement of events and services, to share content, creation of general visibility, illustration of activities ( pictures, reports) and also actively as a tool for direct engagement.<sup>96</sup>







































	VNO-NCW (The Netherlands)	NHO (Norway)	DI (Denmark)	REC (UK) <sup>97</sup>
<b>Number of followers &gt;10,000</b>		  	  	
<b>Announce events/conferences/Meetings</b>			  	  
<b>Advertise the Organisation</b> (by showing activities of the organisation ex. Pictures of conferences, videos)		 	   	
<b>Inform people</b> (by posting articles or videos)	  	    	  	   

94 For more information, see <https://kineticpr.co.uk/digital-marketing-v-social-media-marketing/>

95 Janssen, E., The use of social media by employers organisations, mimeographed, DECP, 2018

96 See Chapter 7

97 <https://www.rec.uk.com/>

	VNO-NCW (The Netherlands)	NHO (Norway)	DI (Denmark)	REC (UK) <sup>97</sup>
<b>Influence public opinion</b> (by informing and/or showing point of view)		 	 	
<b>Create public debate/discussions</b>		 	 	
<b>Influence policy-makers</b> (by retweeting/tagging them)			 	
<b>Promote/support members</b>		 	   	
<b>Post videos</b>	   	    	   	 

But the increase in use by EBMOs is not as fast as one would expect. The same pattern is observed in the USA. Social media and broader digital marketing are certainly being used,<sup>98</sup> but in terms of importance for recruitment (effective acquisition) they score relatively low in the ranking and far behind other methods such as word of mouth, email, personal contacts.

The advantages of using social media for awareness raising as part of the recruitment process are manifold: it enables direct focus on the target groups; it is a cheap communication method; it is implemented without any intermediaries; it can allow a two way communication (i.e. facilitating feedback); the frequency of touch points can be very high (in circumstances too high, which is one of the reasons why NHO decided to limit themselves to 1 post per day); the process of communication can be very fast; and the tracking of outcomes and outreach very easy.<sup>99</sup>

The caveats to use of social media are also highlighted: the need for a good role distribution between the different types of social media and the website; the low attention level given by the receivers and hence the fact that social media cannot replace other tools of awareness raising for recruitment; the fact that social media are subject to the laws of communication: objective, message, channel.

98 Marketing General Benchmarking report 2020, p.21

99 For more information, the ITCILO Guide on the use of social media by EBMOs <https://www.itcilo.org/lobbying-and-advocacy#laadd>

It is not possible to measure the precise contribution of social media, and especially not as far as recruitment is concerned. Social media increases awareness and is essential, but measuring its real attribution (as opposed to contribution) is tricky. There can be significant success in reach, voice, interaction etc. but if this is not with the desired target group, the success becomes less useful.

Without going into detail,<sup>100</sup> we can mention a few key metrics which are often used as proxies to measure the effects of social media on awareness, under the assumption that such measurements are valid with the segmented target group for recruitment:

- Reach: how many “feel the buzz”? measurement of number of followers (growth) and views;
- Share of voice: what does the competition do? Measurement of your share vs the competition in the same target group;
- Engagement: how big and intense is the buzz and what content creates most buzz? Measurement of the number of shares, likes, comments, inform of the interest; when combined with content, this metric may inform us which types of messages attract greatest interest.

## h) The website

Websites can play a vital part of any membership recruitment strategy. For many companies, a website has replaced a physical store or their printed publications. For B2B actors, like EBMOs, a strong website can play an important role in building awareness about the EBMO, and in the function of sales transactions and the process of registration by the company as a new member.

Websites are also the central spider in the web between the digital marketing tools (Facebook, LinkedIn, Twitter etc.) and the EBMO: The traffic created by social media should end up in the website, which can give more detail to the company accessing the website and to the EBMO in terms of website user analytics. This interaction is clearly shown in the following picture:<sup>101</sup>

100 For more information, please see [www.littlemediaagency.com/5-key-metrics-to-measure-your-social-media/](http://www.littlemediaagency.com/5-key-metrics-to-measure-your-social-media/);

<https://www.falcon.io/insights-hub/topics/social-media-strategy/5-essential-social-media-metrics-you-should-be-measuring-right-now/>

101 For more information, see [www.dnlonnimedia.com/blog/nonprofit-digital-strategy-steps](http://www.dnlonnimedia.com/blog/nonprofit-digital-strategy-steps)

### Non profit digital communication channels



The following are some key elements to consider as steps when using the website<sup>102</sup> in the recruitment process, and especially for awareness creation:

Attractivity	Clicks through
Trust building via reference from trusted members	Easiness to handle
Clarity	Easiness to register
References	Feeding via social media
Interest creation	Monitoring via google analytics
Added value via contents	
Live chat	
Contacts details	
Possibility to try the membership portal for free (limited time)	
Client oriented	

102 For more on online communication, see Chapter 7

A quick review of a selection of EBMO websites conducted by the authors of this manual highlights some of the most frequent challenges in terms of website attractiveness to new visitors or potential new members, as follows: :

- Difficulty in navigation.
- Unattractive in presentation, unique selling proposition lacking.
- Poor content, with sometimes many items but underneath empty pages.
- Lists of achievements and comments and referrals by peers missing.
- Out of date content; for many the last renewal dates, sometimes, more than 1 year.
- Absence of members portal.
- Unclear information for prospective members on the membership benefits and entitlements, process for adhesion, clarity on the free services vs paying package, etc.

It is obvious that such challenges do not help to attain the conditions of trust building, attractiveness, clarity etc. as outlined above.

It is recommended that all EBMOs prioritise their website for attention and development. External support may be helpful and even necessary but it is important for responsibility to be allocated to a member of the secretariat and that part of their role is ensuring attractiveness.

For further information including a Table on how to measure traffic and monitor online metrics, ***please see Annex 7.2***

### **Example**

*SEIFSA the Steel and Engineering Industries Federation of Southern Africa (SEIFSA)<sup>103</sup> introduced inbound marketing to assist in the engagement and recruitment of members and ensure that there is an uptake of the use of SEIFSA products, services and professional offerings.*

*Inbound marketing is focused on attracting customers through relevant and helpful content and adding value at every stage in the customer's buying journey. With inbound marketing potential customers find the organisation and its services through channels like blogs, search engines, and social media. Unlike outbound marketing, inbound marketing does not need to fight for potential customers' attention. By creating content designed to address the problems*



*and needs of your customers, you attract qualified prospects and build trust and credibility for SEIFSA.*

*The project started in 2017, when SEIFSA built seven websites,<sup>104</sup> each targeted at a specific service or product. Content generation is prioritized in the form of “blogs”. The goal of blogs is to promote SEIFSA, its products, services and experts on google rankings in terms of relevance. Ensuring buy-in across all divisions of the organisation was critical to success.*

*SEIFSA steadily developed its staff capability in partnership with a digital marketing organisation.*

*It also invested in a Customer Relationship Management system to boost its marketing automation capability. This capability has grown the organisation's reach from 20,000 individuals in 2018 to well over 45,000 in 2021.*

## 5.7 Recruitment process to closure - Step 3

In this section, we will explore tips and good practices relating to recruitment campaigns, member acquisition and registration until the recruitment process is closed.

### (i) Recruitment campaigns

A recruitment campaign is the umbrella term given to a planned set of activities - spread over a period of time - with an objective to make a concentrated effort to recruit new members.

A campaign pulls together a range of promotional activities including:

- An information campaign;
- A telemarketing initiative;
- An email campaign;
- A digital marketing campaign;
- Special collective gatherings, briefings or sessions;
- Targeted personal visits.

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104 SEIFSA's seven websites: <https://www.seifsa.co.za/> <https://pips.seifsa.co.za/> <https://mainagreement.seifsa.co.za/>  
<https://smallbusinesshub.seifsa.co.za/> <https://meindaba.seifsa.co.za/> <https://awards.seifsa.co.za/> <https://training.seifsa.co.za/>

Timing can play an important role in added opportunity for recruitment campaign, for example in a period of crisis (A major government intervention, or Covid-19 Pandemic).

Getting the timing of the campaign right will usually contribute to its success.

An advantage of a recruitment campaign is the focus it brings to the goal of increasing membership for a fixed period of time. This can be very helpful in the busy EBMO environment where the secretariat is frequently juggling many demands. The fixed time period and focus of a campaign allows the EBMO to prioritise the campaign, plan activities, and mobilise resources accordingly for a fixed period of time.

A recruitment campaign can be an expensive initiative if the EBMO decides to include an external advertising and promotional campaign.

## **(ii) Acquisitions and easy registration**

EBMOs can use a variety of Acquisition tools<sup>105</sup> such as:

- **A membership pack**
- **Promotional materials**
- **An up to date list of the major organizational achievements in policy influence and in servicing members**
- **Forms for membership application and a follow on process**

### **a) Sector Association – meetings in person for recruitment purposes**

For some EBMOs, for example APEX or PEAK, organizations with a national remit, recruiting new associations into membership is an attractive way to expand the membership base because in one transaction the APEX increases its membership base by the number of members within the newly recruited association. Additionally that one transaction broadens the EBMOs remit in terms of sectoral coverage and expanding the EBMOs reach into new territories.

Considering the strategic importance of recruiting this type of new member in terms of benefit to the EBMO a personal approach is appropriate involving the most senior representatives of the APEX organization for example; the executive director and/or the president should meet counterparts of the prospective new member association.

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105 For more, see Chapter 8

Preparing for recruitment talks, negotiations and meetings requires substantial preparation including:

- Research to gain insight to the sector represented by the association, its main companies, its strengths and weaknesses, key policy challenges and priorities etc.
- Develop a clear value proposition as part of the recruitment proposal, concentrated on previous policy issues with which the sector association was confronted with and where the APEX body could create added value with more effective representation. Or a value proposition which illustrates how the APEX organization could help grow the sector association via support, training, additional support services such as CRM, hosting website, secretarial services etc.
- Research which policy committees and representation functions that are part of the APEX organization or may be of particular interest to the association (eg. representation in social security management, in training bodies etc.).
- Review to anticipate which of the APEX organization services are likely to be of interest for the members of the associations. In terms of delivering these services, what will work/is possible for the APEX organization?
- Develop a clear vision and understanding, from the APEX organizations perspective, about what entitlements to services the association's members are likely to want and what can the APEX organization commit to.
- Make a clear calculation of the price of membership of the sector association, on the basis of the criteria researched so far, including estimates for budgets and parameters that will need to be clearly understood by both organizations.
- The process of discussion to explore the possibilities of membership will require time and mutual respect. Sensitivity to the work and achievements of the sectoral association to date may be extremely important to their representatives. There can be concerns about issues like independence, the principles and values imbedded in their own constituency and concerns about being 'taken over'.
- Given the complexities involved in concluding an agreement like this, and the importance for the apex organization that the new sector association adheres to the apex rules, it may be a good tactic to propose a trial membership for one year or for a longer period with a fixed review.
- If the sectoral organization is mostly interested in the global policy influence role of the APEX organization (and this is its main reason for joining), ensure that the value proposition is detailed and clearly outlines the following:

- The input the sectoral organization may have in the policy influence process;
- The extent of future representation available to the sector organization in the APEX policy committees;
- Communicate clear information about the main policy issues which affect the sector;
- Outline the role and opportunity for networking through the APEX.

In other words, ensure that the sector organisation joins the APEX as a well informed partner for who membership means a better voice in the global APEX.

Success as a final result of these discussions, whether it involves an agreement for closer collaboration or straight forward membership in the APEX is an important event for both organizations.

Wide spread communication to stakeholders and the wider public will be important, as it upgrades the representativeness and the branding of the APEX, and strengthens the sector association's role too.

Building in to the membership agreement a structured process for review and evaluation will help to monitor the value added from this new relationship and will help to identify any potential challenges as early as possible. All of this is essential to keep the relationship transparent and trustful.

### Focus on the relations between APEX and Sector associations

A frequent challenge to concluding new membership agreements between an APEX organization and a sectoral association is the lack of clarity around what the entitlements and obligations will be. The following highlights some of the most important questions that should be answered clearly and upfront before the agreement is concluded;

- Will direct members of the new association have a right to any free services from the APEX organization (e.g. information, newsletter, access to the members portal) or a right to price reductions (e.g. for training or paid for services/events/publications).
- Do members of the association have direct access to the APEX councillors, or do they have to pass via the associations first?
- Can members of the association, as the indirect members of the APEX participate in policy committees?

A clarification of the rules and how things will work in practice is important for mutual understanding and will also determine the appropriate level for the membership fee.

Currently associations in many countries charge a low member fee, which in some cases may not even be paid.

This is a very delicate issue but with enormous practical implications.

It is logical that the more membership benefits extended by the APEX to indirect members, the higher the price will be for the association to join the APEX organization. However, extending member benefits from the APEX may reduce the attractiveness of membership for the association itself because of concern that it will erode the importance of its own role towards its direct members.

For the APEX/association membership relationship to be sustainable in the long term it is essential to end up in a win-win situation, whereby the association finds important added value in APEX membership, for which it is willing to charge its members more (and they will be willing to pay).

The practice in many EU countries, where direct membership of an APEX is not the most common method of EBMO membership, and where the branch associations form the backbone of the business association world, the division of the roles tends to be clear;

Companies are members of the sector association, and most associations are sufficiently sizeable to serve their members properly;

- The APEX serves as an organization of last resort with higher level of speciality in general issues (as distinguished from the focused sectoral issues) and individual companies are not entitled to direct service from the APEX. Sector associations usually play a very important role in funding the APEX, as their cooperative for national inter sectoral lobbying and social dialogue. Often the budget of an APEX is mostly comprised (greater than 75 per cent) of sector associations;
- The relationship between APEX and its member sectoral association has matured and is complementary. Old sparks of competition have gone;
- In that context, most APEX organizations can, at their discretion, make direct contact with indirect members of the associations as required;
- Indirect members have access to the weekly or monthly newsletter of the APEX as a general rule.

And in some cases:

- The participation of indirect members in conferences, at training and at high level events is a clear entitlement of indirect members;

Ideally there is a sentiment of complementarity and not competition between the APEX and the sector associations about indirect members. And also a clear articulation of the role of the APEX and the sector association respectively.

### **Examples**

In Uganda, FUE recently concluded a memorandum of understanding (MOU) with the Uganda Manufacturers Association<sup>106</sup> (UMA) for membership of UMA in FUE.

In Ghana, the APEX organization GEA has a broad membership of sector associations, including a sector association representing the informal economy called (CIBA – Council for indigenous business associations).<sup>107</sup>

## **b) Company visits in person for recruitment purposes**

This is generally done by EBMO staff. The personal approach, by scheduled meetings with companies, often gets good outcomes and is used by many EBMOs as the main method for recruitment.

Company leaders usually welcome a visit where they are given the opportunity to present the company as well as to listen to the EBMOs information about the value proposition and general activities. These visits are normally reserved for big companies, sectoral or territorial business associations or strategic companies. Visiting companies is very time consuming. It is essential that the visits are well planned, reflecting focused segmentation, targeting and good preparation, to be able to gain access to decision makers (see Section 5.5 above for more detail on segmentation). In the case of strategically important companies, it is helpful for a senior staff member, or even the Executive Director, takes part in the visit. For “non special clients” it is normally the sales team who visit, and for large potential members it is the director of membership supported by other staff who attends.

For the implementation of such visits, the EBMO staff normally apply the same rules, as outlined above, in terms of preparation, listening, “marketing and sales” techniques etc.

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106 <https://www.uma.or.ug/>

107 For more information, see [https://www.ilo.org/actemp/news/WCMS\\_765908/lang--en/index.htm](https://www.ilo.org/actemp/news/WCMS_765908/lang--en/index.htm)

The personal sales process is composed of the following phases:

- Prospecting-qualifying (AIDA - Attention Interest Desire Action);
- Pre-approach phase; approach phase; presentation and demonstration phase; handling objections phase; closing phase and final follow up to close case.

### In more detail:

#### GOOD PREPARATION

Basic knowledge about the potential company member: main activities and products, main features of HR, main company leaders, export orientation, main competitors;

Some preparation of anticipated issues which the company may have. If these are public, (e.g. strikes, news fact), this preparation should be reasonably easy;

If not, some research may include cases at tribunals, research phone call to specialists in the sector; etc.

The membership department leader may develop a sample report to lead the other staff members in preparing such visits;

Good logistical preparation;

A visit should be directed at a decision maker and should not be random;

Otherwise the visit may turn out to be similar to that of door to door sales and therefore likely to be a waste of time;

Be aware that the selling process for membership is similar to a B2B sales process;

In parallel an introductory or supporting phone call from a board member or peer of the potential member can be useful.

#### THE CONDUCT OF THE VISIT

The context of the visit depends on the level of awareness gained through the interest phase;

In all cases, however, listening is the first mission of the membership envoy. Listen to the interlocutor to know more about the company, its issues, his/her expectations and the view on its development;

The meeting is not for sales talk, but for the exploration of the concerns and issues of the company, with the aim to start a long term relationship;

## THE CONDUCT OF THE VISIT

Only after giving the company representative full opportunity to tell their 'story' ask some probing questions and try to keep their interests and issue at the center of the conversation. At this point the selling may start, with the transmission of information (adapted to the issues raised, which highlight the added value EBMO membership) the discussion proceeds on the basis of the representative having some interest in becoming a member;

If the sales process so far is successful, things can progress. If there is interest a second meeting may be planned to handle more in depth questions or challenges;

If there is no follow on arrangement set up at the end of the meeting, or if after a period of reflection the company does not make contact to discuss things further, a simple and timely, follow up phone call may be all that can be done.

## FOLLOW UP

Whatever the situation at the end of the visit (deal/membership agreement closed, further discussions or no further interest) there should be an internal EBMO review of the meeting, what went well and what didn't go as well as expected;

This will highlight, for EBMO management, if membership staff are sufficiently resourced, are the recruitment processes working well, is further training needed or if better internal EBMO communications or cross organization cooperation, is needed to support new member recruitment.

## EVALUATION - REPORTING

Every company visit should be followed up by a short internal report, to be recorded in the CRM database. If this is not done, it may lead to double work, wasted effort and misunderstandings;

The membership director should provide for a template and regular follow up of the reports, so as to draw some conclusions every month;

Elements to review include the estimated calculation of the cost of the visits in time and foregone wages ( see ROI KPI of recruitment).

## BY BOARD MEMBERS

In a number of cases, EBMO Board Members may participate in the face-to-face meetings with key contacts in the non-member company;

This is an effective way to increase the credibility of the EBMO and its prestige;



## BY BOARD MEMBERS

Nonetheless, due to time constraints, Board members are usually only involved in recruitment activities for particularly important companies;

However, Board members can play a supportive role: a telephone call to introduce the Executive Director, or more frequently a role in 'collective' meetings with companies, i.e. in the collective information meetings in certain zones, regions or sectors, before company visits takes place;

The effect of trust building via Board members participation in such meetings can be very effective without taking up too much time of the Board members.

### Examples

*In many EBMOs, this is the most popular recruitment method used.*

*Quite a number use this stage after a collective meeting with potential members in which a collective information session, often accompanied with an event (high level speaker, short training or information session on new important legislation, reception with some existing members) is organised.*

*In such cases, the personal time consumed in visits are far more effective.*

*In some organizations, the defaults are:*

- *A lack of targeting of the companies to be visited leading to random visits;*
- *A lack of preparation, which results in rather ineffective contacts with non decision makers;*
- *A lack of short reporting and organised follow up;*
- *A lack of preparatory training in 'sales' techniques.*

*All these defaults can easily be avoided via good membership management (see role membership manager).*

*Some organizations have set up systems of account management, whereby all staff are responsible for recruitment visits.<sup>108</sup>*

108 For more information, see the interview with Douglas Opio, Executive Director of FUE  
<https://www.itcilo.org/membership-development#mdvid&gid=1&pid=8>

### **c) Member recruits member**

The system encourages existing members to bring new members to the organization.<sup>109</sup> It provides for a reduction of the membership fee of the “recruiter” in the order of 20 to 30%. The amount should obviously be limited to the total amount of the fee of the new member (or maximum 50%).

This system is used by the British Chamber of Commerce in Japan.<sup>110</sup>

### **d) Use of sales promotion techniques, discounts etc.**

Sales promotion techniques is a term used to describe incentives which may pull the ‘buyer’ over to effective acquisition.

The incentive may directly impact both the decision to become a member and the timing of that decision.

Sales promotion is an important part of the selling process.

Marketing theory tells us that advertising offers the client reasons and arguments to buy, while a sales promotion offer creates an incentive to buy now.

In marketing literature, further distinctions and caveats are made concerning the use of sales promotion.

The main strand is that sales promotion should remain focussed on the long term relationship and not bring in too many transient customers. Applying this principle to the context of EBMOs, this is highly relevant, since the global product, i.e. membership, should not be a one off purchase, but the purchase of value and investment to a long term relationship.

A counter argument to this is, of course, that a member seduced by a sales promotion may become a more faithful member, plus a sales promotion can be used to target growth in certain specific services to non members, which can become aware of the qualities of the EBMO and then move on to membership. In that case, sales promotion is linked with the services department than with the membership department.

Again we refer to the USA benchmarking report on the recruitment practices of trade associations.<sup>111</sup> The following table cites the results regarding the question of how effective sales promotion techniques are for membership recruitment.

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109 For more information, see Sequa’s publication on Attracting new members [www.SEQUA.de](http://www.SEQUA.de)

110 For more information, see [bccjapan.com/membership](http://bccjapan.com/membership)

111 Marketing General Benchmarking report 2020, p.27

PROMOTIONAL OFFER	% RESPONDENTS THINK THESE OFFERS ARE EFFECTIVE
Group 1 Offers regarding membership as such	
Discount for dues	38%
Dues in monthly instalments	42%
Add 1 or several months free	31%
Multiple years dues discount	29%
Free trial for 1-3 months	32%
Refundable dues	36%
Voucher for some free activities (e.g. 1-2 free trainings) linked with membership	35%
Conference discount	54%

When reading this data, caution is advised to make sure that the interpretation is reliable. The replies reflect a judgement on effectiveness, and this does not necessarily mean that the judgement is linked to actual practice or experience of implementing these methods.

More precise data is not currently available.

During ITC/ILO training programmes ITCILO and DECP staff have regularly noted comments from participants on this topic. This has given the following impressions on the spread, use and advantages, or disadvantages, of sales promotion techniques in the recruitment process.

- Sales promotion is seldom used by EBMOs, at least not those operating with direct membership at the APEX level, and certainly not on a large scale;
- The reasons why sales promotion is not common is not very clear but possibilities are:
  - Conservatism in the EBMO world and reluctance to use “ sales techniques “are possible reasons;
  - There may be concern that a sales promotion would degrade the “product ” of membership;
  - A challenge may lie in the already low fee levels which exclude further

- There may be a fear of recruiting transient members;
  - Or concern that existing members may feel ‘discriminated’ against by new entrants.
- 
- Flexible annual fee payments may be considered as an incentive strategy. However for EBMOs with low fees (e.g. at around 100 usd/year as often applies in Asia) the administrative burden linked with separate payments for such small amounts are not considered worth it;
  - Sales promotion, in the form of trials are very common in the commercial world but we are not aware of this method being used at all in the EBMO world;
  - A sales promotion, incorporating a complementary service, is a more common approach. An example is FUE in Uganda who give access to a training seminar for free to accompany a new membership. It comes at hardly any cost for the EBMO. Also MEF uses this method;
  - Pure discounts are less common. There is a fear of upsetting loyal members who cannot benefit from such discounting. Although this objection may be circumvented, if the discounts are applied to specific categories for whom a discount could be a game changer in the decision making (e.g. SMEs, young entrepreneurs, informal economy);
  - Some have other ways to offer cost reduction on members fees, for example, by offering, to all members, reductions in their purchases of other goods (e.g. reduction at petrol stations, for insurance, travel etc.) via a generalised system of membership cards with benefits.

## 5.8 New member welcomed - Step 4

This final step of the recruitment process (i.e. Step 4) involves the formal process of new member registration with the EBMO and the procedure of onboarding, both important experiences to get the company's new relationship with the EBMO off to a good start.

### (i) New member registration

It is important to have a user friendly and efficient process for the new member to register with the EBMO. The member registration process is likely to be the first formal interaction between the new member and their EBMO and first impressions are impactful. It is, therefore a great opportunity to make it a good experience that positively reinforces the decision to join.

For this to happen a number of processes should be reviewed to ensure they operate with both ease and transparency as follows:

- Terms and conditions of membership must be easy to access and transparent;
- The benefits and entitlements of members should be clearly stated and easy to understand.

Most EBMOs have an easily accessible webpage on their website with clear information on the terms for EBMO membership. However, not all EBMO websites are well developed or customer friendly and if this is the case it should be urgently addressed by the EBMO to reflect good practice.

It may be possible, in some cases, for the APEX EBMO to support their sectoral member associations (particularly if they have less resources or experience/expertise) in developing a professional and welcoming web presence.

As a guideline, a typical membership information page on a website will clearly express the following;

- Benefits of membership
- Fees contribution
- Types of membership
- Process of acceptance
- The payment systems have to be easy
- The required information for registration has to be well defined (see annex sample registration form)
- The governance rules for admission have to be clear and not lead to long delays.

The speediness the process for the new member to join may depend on the governance rules of the organization. Some organizations provide for a detailed internal process before a new member is accepted. Board approval is often only one stage and this may take time, since Boards do not meet often.

Clearly a long process to enable a new member join is not a very inviting start to the relationship or positive experience for the new member.

A number of EBMOs have modified their rules to improve the member joining process for example; some accept members provisionally and immediately with Board approval (or refusal) only ex post; others have delegated the power of rapid acceptance to a Board committee for membership. Still others have delegated the power to the office of the Executive Director and allow the Board only to refuse, not to accept, a member.

Whatever the solution, governance rules should always be transparent, the joining process should be clear from the outset and new member interactions should be dealt with in ways that are both efficient and welcoming.

## (ii) Onboarding of new members

Onboarding of new members is a crucial step in the membership recruitment process to positively reinforce the decision to join.<sup>112</sup> Unfortunately this step is often missed or left informally for the new member to initiate.

The Marketing General benchmarking report<sup>113</sup> describes a range of onboarding methods used by trade associations in detail. It highlights some interesting information. Remarkably only about half of all associations mentioned that they have a formal onboarding process such as welcome letter and welcome package, and only 20 per cent seek to go beyond these basic steps to integrate the new member into the association.

The evidence suggests that the size of the EBMO has an impact because very large associations simply can't organize an individual or personal welcome for each new member. It is interesting to note that in many cases there isn't even an automated (depersonalized) system of welcome in place.

## What do most EBMOs do?

### (i) Welcome

In this section we highlight the most common steps taken to welcome a new member directly and then to introduce them to the existing member community. The most common actions are;

- A welcome letter, mail or phone call by the CEO and or President. An example of good practice is where the new member is personally acknowledged and welcomed by mail or a call from the CEO within a short period after joining. This is done by Business New Zealand<sup>114</sup> for example.
- A welcome pack with clear information about the association (for example; governance structure, Board members and secretariat, past achievements, a directory of services, important white papers or positions, member benefits, communication tools etc.) and calendar/invitations for upcoming events which will be occasions for the new member

112 For more information, see the ILO ACTEMP Onboarding handbook for board members of small EBMOs  
[https://www.ilo.org/actemp/publications/WCMS\\_773483/lang--en/index.htm](https://www.ilo.org/actemp/publications/WCMS_773483/lang--en/index.htm)

113 Marketing General Benchmarking report 2020, p.27

114 <https://www.businessnz.org.nz/>

to meet and network with other members and become integrated into the organization. It is worth bearing in mind that many EBMOs find it better to keep the welcome pack focused to avoid overwhelming the new member with too much information. Smaller amounts of focused and relevant information will work best.

- A personal or group meeting or reception for new members, specifically organized or scheduled to happen briefly before another EBMO event, attended by key members of the secretariat, the CEO or president and allowing time for questions and answers. Many EBMOs have special events for new members – for example, a quarterly New Members Get-together designed to welcome all new members to the EBMO, introduce them to Board members and staff while also providing an opportunity to socialise with other new members.
- Some EBMOs may organize a small ceremony for new members at the General Assembly meeting with a short presentation by the new members about their business.

The onboarding process may be an opportunity to promote information about new members to existing members, by introducing them via newsletter, mail, and allow small on line/ social media presentation by the new member; depending on numbers, it may be possible also to present a short video on each new entering company. Detailed information collected by the EBMO about the new member is very useful, not only for administrative purposes, but also for B2B networking as there may be opportunities for the new member and the existing members to do business.

### **(ii) Integration**

Onboarding new members should not end with the welcome. It is very important to have systematic and persistent follow up with the new member, giving them direct attention and encouraging them to access or participate in services, policy making and networking: As the months pass make sure that they receive regular invitations to EBMO events. As far as possible these on boarding initiatives should be automated to help reliability and followed up with executive action if a problem is identified.

As part of their new member promotional activities some EBMOs offer complementary access to a paid for service, for example attendance at a one day training course or a complementary consultancy intervention. This can help to kick start the membership engagement process.

- After a few months in membership send the new member some promotional literature or a small infographics about the benefits of membership;

- Implement small, targeted but regular telephone surveys of new members about expectations and how best they could be met by the EBMO;
- Monitor and check on the new members use of the members portal, their access of services and other activities so that a corrective follow up can be organised if needed.

### **(iii) Evaluation and monitoring**

It is important that the EBMO regularly evaluates and monitors new member integration. This can be achieved by following these steps:

- Regularly evaluate member interaction with the EBMO via a CRM system, paying particular attention to member attendance at events and use of services. If interaction is low at (for example) 6 months and 9 months, take action by making a direct intervention.
- At a targeted point in time (e.g. 10 months), before notice of renewal of the annual membership fee is circulated, check in with the new member to assess their satisfaction with the organization. If the response is less than satisfactory schedule a personal discussion on how to integrate better with the EBMOs activities/services so that the probability of continued membership can be enhanced.

Newly recruited members should be considered to be a special subset of clients in need of additional attention; retention policies should be applied from the beginning of their membership. Once a newly recruited member renews their membership for a second period (year or semester depending on the organizational rules), it is much more likely it will continue to stay in the organization for a number of years. This effort to systematically provide extra care at their point of entry can pay off by enhancing member retention.



## 5.9 Conclusion

In bringing this important topic of recruitment to a close it is useful to summarise the key components that make up a successful new member recruitment strategy for a strong EBMO.

It starts with the EBMO defining its value proposition and communicating it clearly and with consistency across channels. This includes defining the EBMO product offering to members, the price that will be charged and distinguishing any other features, like the quality of service offerings and the strength of representativeness of the EBMO.

With a clear value proposition, the EBMO should then proceed to divide their target market into segments for specific targeting and then proceed to build awareness and stimulate interest using both modern and traditional channels of communication. The focus should be on the target audience, speaking directly to their needs and desires to enhance the attractiveness of EBMO membership.

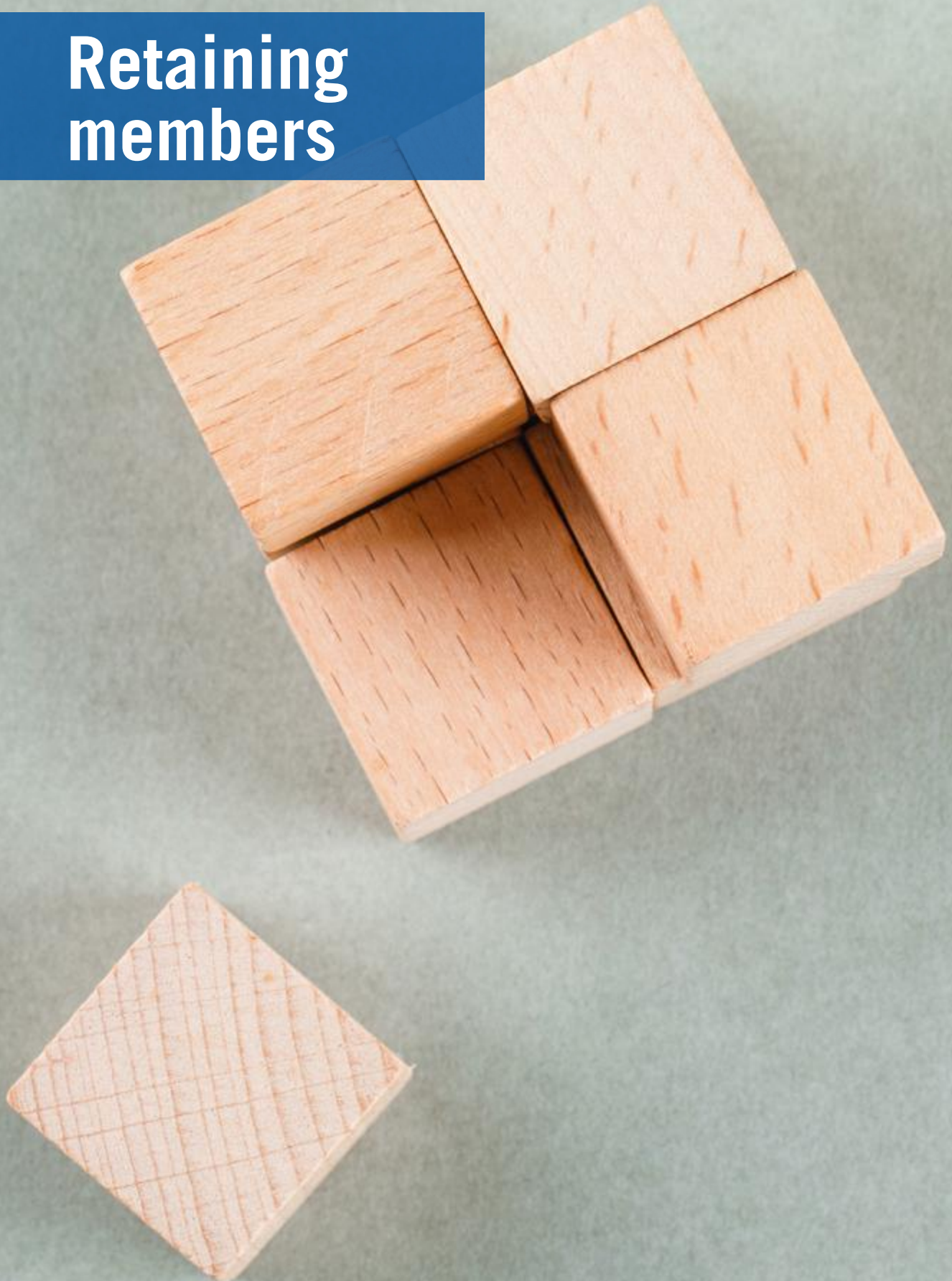
Once the target audience is aware and engaged, this chapter outlines best practice in communications and in customer service to bring the organization into membership and to make sure that everything that happens along this process positively reinforces the new members decision to join by ensuring that their experience is a positive one.

The key processes to ensure a positive experience for the new member are; a user friendly and customer focused registration and payment process and a pro-active approach to integrating the new member into the organization to enhance the feeling of belonging and ownership of the EBMO.

Finally to align operational systems with best practice, EBMO management should have processes in place to monitor and review all recruitment activities through the use of appropriate ratio measurements against KPIs. Senior management and the Board should then be kept up to date with regular reports on appropriate performance measurements and metrics.

# CHAPTER 6

## Retaining members



# Retaining members

## Introduction

In this chapter we review the important area of member retention. Very often this receives less priority in terms of organizational strategies, or board reports, than new member recruitment. In the following pages we highlight the important factors that show why member retention is absolutely crucial to organizational stability and survival. For this reason retention should arguably be a top priority for every EBMO. Retention is very closely linked to customer service and it should therefore be integrated as a responsibility for every member of the secretariat and the board. As a measure of customer satisfaction, retention is in itself an excellent tool for recruitment to the EBMO with satisfied customers relaying to peers the benefits of membership. It can thus become one of the strongest tools for recruitment, promoting the profile of the EBMO as an excellent organization.

Member retention is important for income stability (retaining 80% of annual membership income is considered the absolute minimum needed for such stability) and if an EBMO can limit its lapsing membership to a small group of 'involuntary' lapses each year (suggested at 5% or less) this will enhance stability and promote growth of the EBMO. Retaining the existing membership base is, in addition, essential to make recruitment of new members effective in terms of growing the organization. Otherwise it is just a churn with new membership only replacing what is lost, keeping staff tied up recruiting the new member but failing, at the same time, to add to the organizations strength.

Retaining an existing member in a membership organization is estimated to be around five times cheaper than recruiting a new one and therefore this chapter explores, in some detail, the reasons why members typically leave their EBMO and what the EBMO can do to prevent this from happening.

## 6.1 Why is it important?

If an EBMO is not attracting new members, then eventually, it will cease to exist. Growing the group of members is therefore crucial – as we have seen in the previous section. However, it is equally vital to maintain current membership and foster the relationship between the EBMO and its members. Why? Let's explore three main reasons:

1. Not being able to retain members signals underlying problems in an EBMO. Whatever the cause for members leaving, it will affect your organization's reputation and attractiveness towards potential members. Also, any success in recruitment will be in vain if the EBMO keeps losing more members than it is capable of recruiting in a given year. Hence, retention is key for successful recruitment and growth or, in other words, there is no successful recruitment without successful retention.
2. Satisfied members stay. Having satisfied members will contribute to a positive and welcoming atmosphere within your EBMO, which, in turn, will make recruiting new members easier. Also, satisfied members tend to talk positively about the organization and prompt other peers to join (word of mouth). Hence, successful retention is the basis for successful recruitment.
3. Without strong retention, your EBMO will have less revenue from membership fees and, most probably, also lower level of revenues from other sources such as paid-for services (event registration fees, training courses, publications etc.). Eventually your organization will suffer financially. EBMOs with unstable revenues will typically struggle to invest in marketing and recruitment strategies. This means that strong retention should be the foundation on which the EBMO builds proactive and effective recruitment strategies.

To go deeper, we can examine three concepts from marketing theory and practice:

### **a) Retention costs significantly less than recruitment**

Even if the figures vary from sector to sector and over time, business literature suggests that it costs around five times more to get a new customer than it does to keep an existing customer.<sup>115</sup> This highlights the business case for retention strategies as being more cost-efficient than recruitment ones. New technologies have enhanced the capacity of companies to collect and analyse data on their clients. On the up side, this greatly helps companies to get insights into what customers prefer and how to best satisfy and retain them. On the downside, it requires a significant investment from companies on software, databases and skills to analyse collected data.

### **b) Wallet Share vs. Market Share**

Wallet share means the amount an existing customer spends regularly on a particular brand rather than buying from competing brands. Companies grow wallet share by introducing multiple products and services to generate as much revenue as possible from each customer. For its marketing campaign, a company may choose to increase the product's reach to new customers (Market Share) or to focus on boosting spending by existing customers (Wallet Share). The benefits from increasing a client's share of wallet include added revenue, but also improved client retention, customer satisfaction and brand loyalty. What prompts a company to increase "wallet share"? The knowledge that selling a product or service to existing customers is more profitable than acquiring a new customer.

For EBMOs, it is generally understood that organizations need to increase their "market share" and recruit new companies or new segments of business into membership – this has a positive impact on their representativeness. However, it may be less immediate to acknowledge that increasing "wallet share" by proposing an extended or more appealing value proposition (e.g. new services, higher quality services) to existing members can have a positive effect on their retention – as well as on the EBMO's financial resources. Finding a good balance between the search for more representativeness (market search) or more revenue – deepening relations with existing members (wallet share) is a very important strategic decision of the EBMO leadership.

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115 Numerous articles refer to this "rule of the thumb". See for example the following websites:

<https://www.outboundengine.com/blog/customer-retention-marketing-vs-customer-acquisition-marketing/>

<https://www.huify.com/blog/acquisition-vs-retention-customer-lifetime-value>

<https://www.struto.co.uk/blog/exploring-customer-acquisition-cost-vs-retention-costs>

<https://www.forbes.com/sites/jiawertz/2018/09/12/dont-spend-5-times-more-attracting-new-customers-nurture-the-existing-ones/#75ae57b95a8e>

or Khalid Saleh "Conversion Optimization: The Art and Science of Converting Visitors into Customers", 2010, and blog series <https://www.invespcro.com/blog/author/khalid/>

Some may decide to attempt more market share e.g. with SMEs; others may decide to focus on the expansion of the wallet share with wealthier, often bigger companies. Both choices have their merits in particular contexts. To have a positive effect on loyalty, wallet share measures need to be implemented strategically: they need to target the right segments of loyal members and to include products and services that are both a logical extension of the EBMOs usual offering and supplant potential competition (e.g. advisory services a member could alternatively get from a private legal company).

### **c) Pareto's law or the 80/20 rule**

The 80/20 rule, also known as the Pareto law, is attributed to the Italian economist, Vilfredo Pareto. In essence, the Pareto Principle infers that there's an 80-to-20 relationship between cause and their effects. This principle serves as a general reminder that the relationship between inputs and outputs is not balanced. It is used as a guide for how to allocate resources efficiently.

EBMOs need to have a closer look at their income structure. They may well find that a large proportion of their revenue (e.g. 80 per cent) comes from a limited number of members (e.g. 20 per cent) paying higher membership or generally spending more on the EBMO's paid-for services. The Pareto rule suggests that, in this case, it makes business sense for the EBMO to put specific measures in place to "nurture" these members, and reward them for their loyalty.

As EBMOs need to invest both in recruitment and retention strategies, the real question will be to understand how much effort (financial and in staff) they should commit to one leg of the strategy compared to the other. To do so, they will need to get a sense of how much financial resources members generate over a projected period of time e.g. the average member tenure. This is called Customer Live Value (CLV) or for membership organizations Average Lifetime Value of Members (ALVM) – we will examine the concept more in detail in later chapters.

## 6.2 Why do members leave?

It is impossible for companies to completely avoid “customer churn” altogether and this also applies to EBMOs: some members, be they companies or associations, will inevitably leave the organization despite the efforts made to retain them.

There can be as many reasons for leaving, as there are for joining, an organization and these may also be very different from one member to the next. The important point to keep in mind is that, as an EBMO, you need to first understand why your members leave in order to be able to avoid it in the future.

We have already seen the ITCILO survey results<sup>116</sup> concerning the reasons why members join an EBMO: Members join;

- To influence and benefit from the collective voice of EBMOs through Lobbying and Advocacy;
- To benefit from the other products and services offered by the EBMO, such as individual advice, training, legal representation, certificates of origin etc.;
- To be able to participate in a “club” where they can network, go to events, be recognized etc.;
- To have access to general economic, legal or business information.

The good quality-to-price ratio of the products and services provided by the EBMO play a role in the decision to join. As does the possibility to use the facilities of the EBMO.

Knowledge resources are a key benefit that EBMOs provide to members. In today’s world of information overload, it may seem that EBMOs can’t compete with the vast amount of free content available on any topic. However, research shows that even if industry associations are no longer the sole or even primary source of knowledge and content available, they have an important role to play in becoming the “trusted” source for their members.<sup>117</sup> This can be achieved when EBMOs position themselves as arbiters of quality, curating content from other sources and pointing members to the best information available.

116 ITCILO ACTEMP Membership survey, Question 8

117 For more information, see: <https://www.asaecenter.org/publications/108025-exploring-the-future-of-membership-pdf>

“Marketing General” publishes a Membership marketing benchmarking report each year. In 2020, the report indicates that, of all surveyed membership associations in the US, Trade associations have the highest renewal rates, on average 90%.<sup>118</sup>

The report indicates the top reasons why respondents think that members do not renew their membership in their organizations.<sup>119</sup> Respondents can choose up to three reasons. The results concerning trade associations is reproduced below:

Lock of engagement with the organization	56%
Budget cuts/economic hardship of company	50%
Could not justify membership costs with any significant ROI	37%
Forgot to renew	16%
Left the field, industry or profession	11%
Lock of value	21%
Employer won't pay or stopped paying dues	5%
Company closed or merged	45%
Retirement	4%
Too expensive	12%
Student memberships do not convert to full memberships	1%
Young professional memberships do not convert to full memberships	-
Disagree with advocacy position of the association	4%
Other	6%
Not sure	3%

It is clear from the survey results that the reason for not renewing membership may result from a “voluntary” decision of the member, for example, on grounds of “lack of engagement” or “no ROI”. However, lapsed membership can be the result of a failure in the membership process e.g. “forgot to renew” or an involuntary decision such as “budget hardship” or “company closure”.

118 Membership marketing benchmarking report, Marketing General, 12th edition, 2020, supervised by Tony Rossell, Adina Wasserman and Matt Kerr (p. 17).

<https://www.marketinggeneral.com/knowledge-bank/tipsters/announcing-the-release-of-the-membership-marketing-benchmarking-report/>

119 Idem p.36



We will see more on each category below:

### (i) Reasons for members to “voluntarily” leave

#### ***Dissatisfaction or disagreement with the lobbying or social dialogue positions of the organization.***

In most countries, the main reason for joining an organization is to access its lobbying and advocacy efforts or be part of a wider employer negotiation group in social dialogue activities. There is a possibility that members leave because they are in disagreement with a position taken by the EBMO. It may, for example, be that the governance processes did not secure a balanced representation of interests in the decision-making. But it could also be that a member maintains a position which is incompatible with that of the rest of the membership.

The risk is higher in APEX organizations who may have to balance interests from very diverse sectors of the economy. At sector level, it could be that different members have different interests due to their position in the supply chain of the same sector. Certain associations or individual company members may think they can achieve more or better outcomes on their own. Personality clashes between the heads of the different associations cannot be excluded - such cases are critical as they represent a risk of increased competition between private sector representative organizations. Finally, in social dialogue activities, members may disagree with the concessions agreed by the employers group as a whole at the end of a negotiation process.

#### ***Dissatisfaction with the services provided***

Members may leave because they are dissatisfied with the type or the quality of the services and products delivered by the EBMO. Their membership is perceived as lacking value. This perceived lack of value is potentially linked to many aspects such as;

- The product or service is not relevant (e.g. not tailored to the needs of the company/segment);
- The quality is not at the expected level (e.g. training expectations were not met; troubles were not addressed etc.);
- The product or service is deemed to be priced too high (e.g. compared to competition);
- The product or service is not easily accessible (e.g. no service available for company headquarters regionally based or outside of the capital).

But members sometimes leave an organization for reasons that could be easily addressed, such as:

- They are not aware of the products and services provided by an EBMO (e.g. no clear value proposition);
- They don't feel connected to the EBMO (e.g. poor communication or lack thereof);
- Information on membership got lost due to turnover of staff (e.g. database registering only one contact person per member);
- They forgot to renew membership (e.g. inefficient renewal practices).
- Lack of engagement with the organization

In societies where people are increasingly used to receiving services just in time and tailored to their wishes, there are rising expectations on service providers to engage with their clientele. EBMOs should not underestimate this evolution. In the report by Marketing General discussed above, “lack of engagement with the engagement” was the most often cited reason for members to leave. We will explore this aspect in Chapter 7.

### ***Avoid multiple membership***

Last but not least, members may leave to avoid multiple membership to similar organizations. Your EBMO may have enjoyed a situation of quasi monopoly in the past, but it is now faced by increased competition, on the one hand, and by changing expectations of members themselves on the other. Faced with the need to change, EBMOs may decide on different strategies: from deepening expertise in a niche market, to adopting a wider mandate to cater to more diversified needs, or to merge with other “like-minded” organizations.

## **(ii) “Involuntarily” reasons for leaving**

Some members may leave your organization for reasons that are a priori “out of your control”. Due to economic difficulties, members may have to cut back on some budget items and decide to stop all membership subscriptions. Companies may become insolvent, and close, or they may change ownership.

The ILO Bureau for Employers Activities (ACT/EMP) published a Global survey of enterprises: Managing the business disruptions of COVID-19 in the second quarter of 2020.<sup>120</sup> The survey results show that COVID-19 has dramatically compromised the financial health of enterprises worldwide. 86 per cent of respondents reported that COVID-19 had a high or medium-level financial impact on their business. A greater share of micro and small enterprises indicate that the pandemic has had a high financial impact compared to medium or large enterprises, signalling that the consequences of the outbreak has been particularly challenging for smaller organizations. Moreover, over 60 per cent of surveyed enterprises reported that they did not have enough cash flow to pay staff salaries and maintain business operations.

EBMOs, however, reported solid retention, and even new recruitment. When COVID hit, companies were eager to find information about the pandemic, including measures to put in place and relief packages available, and EBMOs report increased activities in these areas. The survey results show the magnitude of the economic disruption and that the economic recession will result in massive company closures and reduced economic activity in all sectors, which will inevitably constrain the capacity for many companies to pay membership to EBMOs, especially MSMEs.

Although the case of associations leaving an EBMO happens less frequently it does sometimes happen and in these cases being proactive and noticing any specific underlying ratio can help the EBMO recognize the potential danger and act to avoid the association lapsing.

The reasons associations leave their EBMO are in most cases more of a “political “ and institutional nature, which is different to individual companies where reasons for resignation normally relate to the lack of appropriately relevant and good quality services or where the company considers there to be a lack of cost/benefit to their membership.

Sector associations tend to leave because:

- They have insufficient influence or do not receive enough attention within the confederation to enable them to determine the confederations agenda or to influence it to fit with their sectoral priorities and policy preferences. Sometimes this may mean a fundamental disagreement on an issue or position. A disagreement may arise for both the lobby and advocacy positions of the confederation, and for the social dialogue strategies. Typical themes for such disputes often relate to minimum wage, new taxes, environmental regulations or policies, or economic and monetary policy. Some confederations for example have adopted more cautious positions relating to credit rates, after receiving information that the lack of a balanced position may affect their bank associations membership.

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120 For more information, see: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/documents/publication/wcms\\_752843.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_752843.pdf)

- They feel that the confederation is not adding sufficient value or is not strong enough (or energized enough) to deal with the issues of specific interest to the sector. Or that its efforts in lobbying and social dialogue are not delivering for the sector or are not supporting the sectors own efforts of lobbying and social dialogue to get these issues through. Also the confederation insufficient delivery of services to the sectoral associations members may be a cause of dissatisfaction. In all these instances, the sector is disappointed by the quality of service, in just the same way an individual company member can be. A variant of such reason are sectors that join a confederation, but still feel strong enough to go back to a stand alone position, outside the confederation. A typical example of this is the Chambers of Mines which in many countries in Africa are very strong and solid, with a clearly determined field of action, in which they are a dominant partner and retain wide access to all decision makers who matter for the sector. For these organizations the APEX may be seen as not adding much value.
- Another reason may involve real or perceived governance issues if an association considers there to be a lack of transparency in the decision making processes or if they feel that there is a lack of respect for all association representatives including those from smaller sectors.

The loss of a sectoral association from membership is always a blow for the EBMO, and this can become more painful (and damaging) if the departure is accompanied by public attention, debate or acrimony, sometimes involving the transfer of membership to a “competing” confederation.

Maintaining membership of a sectoral association is hence in our view, an important retention policy priority, involving the CEO of the APEX directly. Constant recognition and acknowledgement of the role of all sectors and continuous communication and consultation, fine tuning of positions and pro active engagement are all keywords to prevent resignation. Good practice in both formal and informal governance represent further measures to help avoid resignation decisions.

To conclude we can say that in order to achieve high retention rates, both with individual member companies and with sectoral associations, it is very important for EBMOs to understand why members leave. That way, they will be able to put in place measures to avoid unnecessary member churn and also to detect members who might be at risk of leaving. Even for cases which seem to be “out of your control”, some measures can be taken. We will explore them in the section “What can we do” below.

## 6.3 How can we measure retention?

If you understand your past performance, you will be in a better position to influence future performance. Statistics and financial ratios are snapshots that tell stories about the decisions you made previously.<sup>121</sup> They form the basis for informed management decisions.

Below, we will examine a few key ratios that should inform a membership strategy:

<b>Title</b>	<b>Retention rate</b> Percentage of members you retain each year.
<b>Formula</b>	$\% \text{ Retention} = (\# \text{ of members at the end of the previous year}) - (\# \text{ of non-renewals at the end of the current year}) / (\# \text{ of members at the end of the previous year})$
<b>Example</b>	If 1,040 out of 1,300 members renew, your retention rate is 80%. $[1,300 - 260] / 1,300 = 0.8 = 80\%$
<b>Tips</b>	Your EBMO's retention rate will always be below 100% as there will always be lapsed membership;  If you compare your retention rate with other organizations make sure you use the same formula, notably in the way you count lapsed members;  Retention rate can be calculated for the whole membership but also by segments – it will be important to monitor closely the retention rates of your most important segments!

<b>Title</b>	<b>Lapsed member rate</b> Percentage of members dropping out each year.
<b>Formula</b>	$\% \text{ Lapsed member} = (\# \text{ of non-renewals at the end of the current year}) / (\# \text{ of members at the end of the previous year})$
<b>Example</b>	If 260 members out of 1,300 members do not renew membership, your lapsed rate is 20%. $260 / 1,300 = 0.2 = 20\%$

121 For more information, see:

<http://hightperformance.com/wp-content/uploads/2014/11/8-Critical-Equations-for-Membership-Recruitment-and-Retention1.pdf>

## Tips

The lapsed rate is the inverse of the retention rate!

You may want to sophisticate your lapse rate and calculate lapse rates for different reasons members leave e.g. for voluntary reasons vs. involuntary reasons. This will help you design your counter measures;

Lapsed member rate can be calculated for the whole membership but also by segments – e.g. newly recruited members, young entrepreneurs;

Knowing your lapse rate also gives you an indication of the minimum target for your recruitment efforts. Indeed, you need to recruit a higher number of new members than you have leaving your organization to maintain a steady volume of membership!

## Title

### Average Membership Tenure (AMT)

On average, how long does a member stay with the organization?

## Formula

AMT = (the sum of all the years current members have been with the organization + the sum of all the years lapsed members had with the organization) / (# of current members + # of lapsed members)

## Example

If you have 1,300 current members and cumulatively they have been members for 12,740 years and you have 5,200 lapsed members and cumulatively they were members for 14,820 years. Then your average membership tenure is 4.24 years.

$$12,740 + 14,820 / 6,500 = 4.24$$

## Tips

Average membership tenure can be an interesting data if you calculate it for different segments in your membership. You will be then able to see which categories of members stay longer and which may be more at risk of leaving (e.g. big vs small companies or manufacturing vs. health sector etc.).

## Title

### Average Lifetime Value of Members (ALVM)

On average, how much do members bring financially to your organization?

## Formula

ALVM = (Total of membership fees paid by all members for last year or a specified number of years + Total non-fee payments by all members last year or a specified number of years) / (# of members x Average Membership Tenure).

## Example

Your 1,300 members paid \$500 each in membership fees last year for a total amount of \$650,000. They also invested in non-fee products and services for a total of \$200,000 last year. The AMT is 4.24 years. Then, the ALVM is \$2,772 per member.

$$\$650,000 + \$200,000 / 1,300 \times 4.24 = 2,772$$

**Tips**

Calculating the ALVM will give you an indication on how much you can spend on recruitment campaigns and still expect a return on investment. Indeed, your campaign's budget should be in line with the ALVM multiplied by the number of new members you intent to recruit.

If you calculate the ALVM for your membership segments, you will know more precisely, who is contributing more to your financial results. You may identify, in line with Pareto's law, that a small group of members contribute to a large part of your budget – this should prompt you to offer them specific rewards for their loyalty!

**Title****Member Satisfaction Score**

Do the organization's products or services meet and surpass the member's expectations?

**Formula**

The Member Satisfaction Score is traditionally measured with a question such as "How would you rate your experience with {product/organization}" with a response on a Likert scale from deeply unsatisfied to very satisfied (or 1 to 5).

**Tips**

Member satisfaction is deemed to have a significant influence on the frequency of purchase and retention rates. However, it is difficult to prove direct impact of the satisfaction rate on financial returns of the organization.

It is interesting to measure members' satisfaction over a period of several years in order to be able to analyse its evolution. Even if collected anonymously, one should collect some information from the respondent to be able to analyse the score by member segments.

The Member Satisfaction Score determines how satisfied a member is with a product (not his/her sentiment on the organization in general). A satisfaction score going from a 1 to a 2 is not going to have a big impact as the member is unlikely to use the product again. However, a satisfaction score rising from a 3 (average) to a 5 (highly satisfied) will most likely translate into greater use of the product in the future.

Identifying your ratios using the above-mentioned formulas is a first step in order to know your organization's baseline (Where are we now?). On that basis, you can set targets to attain for each ratio (Where do we want to be?). Finally, you will need to determine how you can achieve them in terms of activities, resources, budgets, responsibilities and timelines (How do we get there?).

Calculating these ratios at regular intervals and at least on an annual basis will allow you to evaluate your EBMO's performance in terms of retention. You may also want to agree on some "red flags" for the ratios you monitor. For example, if your retention rate falls under 80%, a message of alarm is sent to the EBMO's decision-making and governance bodies to raise the issue and put in place urgent measures to ensure the EBMO's sustainability.

In countries, where EBMOs are organized on a “vertical integration model”, it will be crucial for national APEX organizations to work in cooperation with sectoral organizations in order to jointly collect, collate and analyse data.

### **Example**

The Employers Federation of Ceylon (EFC) has set a number of KPIs on membership management and regularly monitors the results based on the data input in their CRM (Customer Relation Management) database. The EFC’s membership fees come in different segments, membership rates being determined by the number of employees and a percentage of the wage bill.

- The EFC monitors in particular the following:
- Membership growth by segment;
- Service utilization;
- Competitive analysis of Service Value vs Income;
- Member Need Analysis.

The EFC’s retention strategy focusses primarily on members having a low service usage rate. The EFC identifies members who have not utilized any / all services of EFC for the past 12 months through their Service Utilization Report. In parallel, it conducts a full orientation (awareness raising) on the EFC products / services to those who have not/rarely availed of the services. Also, if a member uses primarily one type of services eg. litigation and advisory services, the EFC conducts a workshop on other products / services provided by the organization as for example training, HR, publications etc. General communication (Employers Symposium, HR / IR Forum / Newsletters, website [www.employers.lk](http://www.employers.lk)) is also considered efficient tools to boost usage rates.



## 6.4 What can you do?

Whether you are currently happy with your retention baseline or not, you can go through the section below as

- A checklist: have we thought of all aspects of the membership relations?
- A to-do list: which actions should we take as a matter of priority to strengthen our relationship with members and avoid member churn?

EBMOs wanting to achieve a higher retention rate can take many different actions. In the next paragraphs, we will see several types of actions:

1. **Build trust with associations and company members;**
2. **Monitor members regularly;**
3. **Solve complaints;**
4. **Develop clear governance rules on members rights and obligations;**
5. **Simplify the administrative process for fees payment.**

All the measures presented have something in common: they aim at strengthening the relation with your existing member – but they do so from different starting points.

Retention depends on the attractiveness of the membership package for the member (What's in it for me?), on the ease of renewing membership (How convenient is it for me?), but also on the peer pressure exerted on members to actually pay (Can I get the same benefits for free?).

### (i) Build trust with associations and company members

Trust is often viewed as the glue that binds a social system together. Trust can be seen as a source of social order, a lubricant for cooperation and a source of efficiency in economic and non-economic transactions.<sup>122</sup> Even if it is mostly intangible, nurturing “trust” in the relations between the organization and its members is of utmost importance for a continuing relationship.

One way of defining “trust” is as a combination of reliability, intimacy, evidence and adherence to values, which lead a person to go beyond their own self-interest. As such, and notably, their leaders can make sure

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122 Association memberships and generalized trust: a multilevel model across 31 countries, Pamela Paxton, Social Forces, 2007

they invest time and effort to reinforce each of these aspects in the way their organization works and communicates with its members. For example, ensuring good governance within the EBMO fosters reliability of decision-making; tailoring relations with membership segments, such as association members, boosts the feeling of intimacy; following rational and equitable policy-making processes generates evidence of fair treatment of all members internally; value-based leadership of the organization helps define what the common priorities are within the membership community.

National APEX organizations have both companies and associations as members. While the principles and actions described in this section apply in both cases, member associations have a specific profile due to their particular mandate and structures, which mirror those of the APEX organizations themselves. Also the APEX level organizations have a vested interest in helping sector/local/regional associations in their retention strategy as it directly impacts their own representativeness. Having dialogue, at the highest level, on how the APEX EBMO can support the effectiveness of affiliated associations will be crucial. Issues such as strategy audits, review of basic workflows and skilling of professional staff will most probably come out of such discussions. Designing mutually reinforcing membership strategies would be of benefit to both types of organizations, notably when it comes to collecting and analysing member data.

It is also of benefit to develop reciprocity around mutually trustful relations. To achieve this trust the sectoral associations have an equal part to play along with the APEX. It is important not only that the APEX supports the sector associations, but also that the sector associations support the APEX, both with mutual respect and in aiming for win-win outcomes. Achieving this requires reinforced collaboration and a trusted dialogue between the sector or regional associations and the APEX. There is, further an obvious need to avoid any sense of competition.

In practical terms, this should lead to some form of joint APEX-sectors communication with members, which implies that member data is, if possible exchanged; that the EBMO as a whole provides for well balanced representation in national bodies of consultation, in which the sectors have a place next to the APEX (e.g. in social security or other important representations). The same principles apply for regular participation in delegations for lobbying. External communication by the APEX is reinforced by coordinated communication with the sectors. This should be reflected in physical evidence (e.g. bill boards, flags, signs etc.) which refer to the EBMO as one entity (as is very often the case in trade union confederations).

In summary, the global EBMO, meaning both the APEX and the sectoral associations, should reinforce each other and try to act as one single organization, wherever and whenever it is possible, useful and efficient to do so.

## (ii) Monitor members regularly

EBMOs staff sometimes get so caught up trying to respond to the demands of the more vocal members that they may take it for granted that members that keep renewing their subscription year after year without complaint, are satisfied and will stick around for years to come. However, this is not necessarily the case: the fact that someone remains a member doesn't always mean that they are happy, engaged and will continue being a member for years on end. Monitoring members is about trying to identify members that may be slipping away in the near future.

In earlier sections, we saw that different ratios that can be calculated and used as KPIs to monitor the execution of a retention strategy in EBMOs. It is good practice to calculate these at regular intervals for all membership but also for specific segments. In this way, you will be able to determine which group, within your membership, is more “at risk” of leaving, at least statistically, and take counter actions.

Certain groups are said to be “at risk” per se and therefore need particular attention. This is, for example, the case with members having just joined your EBMO.<sup>123</sup> Another example are the members currently in grace period. For these groups, and for all those your EBMO will flag as “at risk”, specific actions are to be devised to avoid a lapse.

In a CRM, you can easily identify groups “at risk” by crosschecking data on date of first membership (to identify new members); date of payment (to identify members in grace period); lack of participation in events or non-use of services. Indeed, members not making regular use of the membership benefits are typically “at risk” of leaving.

## Preventive care

When monitoring members, EBMOs should strive to know

- How many and which members are leaving or are at a risk of leaving;
- Why are they leaving i.e. the reasons;
- Which members will most likely leave in the near future.

In that context, it is important that the membership manager collects information for discussion with the executive director and other management staff to allow timely and evidence-based decisions to be taken.

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123 See Chapter 5. on Recruitment for more

A good practice is to keep an updated list including:

- Data on the use of membership benefits: Members that are not using services provided by the organization i.e. not opening emails or newsletters; not participating in activities such as events or surveys, are typically at risk of leaving. Reasons for their non-engagement with services should be enquired;
- Data on membership payments: Members for renewal in the next three months as well as members in the grace period. Specific actions should be taken: invoice and accompanying letters on achievements; payment warning and possible discounts; payment reminders; one-to-one contacts to follow-up non-payment during grace period etc.

These actions can be considered “preventive care” as their objective is to avoid members leaving the organization. Each organization will draw up a list of preventive care measures to work best considering their own context. These usually include follow-up calls, or visits, as opportunities for the organization staff to remind the member of the value added of EBMO membership and also to listen to concerns raised by the member. A social call may be also appreciated, in its own right, by business leaders

### **The specific case of monitoring of members in grace period**

We have seen how EBMOs may apply different cycles for membership payments. Some request payments annually and some request monthly payments. Some have annual cycles of membership and some request payments on anniversary dates. In any case, there is always a date when the member is due to renew its subscription and effectively complete the payment.

If the member has not yet renewed at the beginning of the new membership cycle, the member is in “grace period” for a limited amount of time. This grace period exists to avoid severing the membership relationship while waiting for an imminent payment of the fees. Common practice is to give approximately three months for members to effectively pay. After that date, the membership relationship ends. In some cases, however, bylaws request that additional action is taken to formally end the relationship – some members who have not paid but have not complied with the formalities either, are described as dormant.

The grace period is very important - It is a period of particular intense monitoring. The CEO and management of the organization need to have precise information from the membership manager concerning the number and names of the members in grace period in order to take urgent corrective measures. A list of members in grace period shall be provided, if possible segmented on the basis of the agreed criteria in the organization, such as size of the company sector region of activity, as well as information on their service use or previous data collected on satisfaction. The membership manager may also provide a list of recommended actions for each member or segment group (such as visits or calls) and determine who will be responsible for carrying

out the action. In a CRM system, it is possible to automate the process of categorising members depending on the payment / no payment / late payment / partial payment etc. of their membership fees and on where they are in the payment process. In the CRM, customized by the ITCILO and implemented in more than 75 EBMOs to date, a traffic light system identifies if the member is up-to-date in the payment of their membership fee (green light), if their membership is about to expire (to trigger the renewal process / yellow light), if the member has not paid but is still within a grace period (usually of 3 months / orange light), if they have not paid despite the end of the grace period and therefore have lost the status of “member” (red light) and finally, if they have officially disbanded from the organization (blue light).

It is good practice to have a survey template in order to record information and ensure that follow-up actions respond to the stated grounds of dissatisfaction or need. Such actions can include:

- Further targeting of the services to add value to the member or its segment;
- Apologies for lack of response or perceived poor quality of services;
- Communication on measures taken to reduce time of response or improve quality of delivery;
- Information on governance rules on reinstatement and payment of arrears.

Similar actions could be extended to fairly new “dormant members” – however, the longer members are dormant the less likely they are to react to solicitation to re-join the organization.

### **Get feedback on satisfaction**

Measuring member satisfaction is valuable for a number of reasons. It allows for collection of important feedback from members, helps to inform improvements to your organization (which is conducive to retention), but also, simply demonstrates that your EBMO cares about members and their opinions.

A membership satisfaction survey is the tool most used by EBMOs to ask members to:

- Provide information or feedback;
- Answer specific questions; or
- Describe their experience/feelings on a scale.

Surveys are extensively used in many fields of operations of EBMOs. In the field of membership strategies, surveys are mostly used to collect data on general satisfaction; use of services; possible barriers to participation; topics ranging from being the most to least interesting for members or collecting ideas for improvements.<sup>124</sup>

The main challenge reported by EBMOs about conducting satisfaction surveys is the low level of participation of members. We need to keep in mind that even a short and simple survey can yield a lot of information. For data collection purposes, it is better to use few questions on a regular basis rather than longer surveys with many open-ended questions for which it is more difficult to compare results over time.

The key to improving survey response rates include:<sup>125</sup>

- Educating members on how vital the information is for the good functioning of EBMOs;
- Making it short and having a clear layout that's easy to interpret;
- Using multiple choice or scale-based questions that allow for easy collection and analysis;
- Limiting the number of open questions which are more difficult to interpret but give respondents an opportunity to express themselves more freely;
- Consider keeping your survey anonymous while collecting segment data;
- Promoting your surveys through all channels and reminding members;
- Choosing the most favourable timing (e.g. less busy times; hooking participants with topical issues) to collect data through surveys;
- Reward participation with small tokens of gratitude (e.g. Cinema ticket, Special publication like a wall calendar or desk diary, Mention in the publication of the EBMO etc.).

Online surveys have the huge advantage of being easy to draft, carry out and analyse. Many free online providers such as [surveymonkey.com](http://surveymonkey.com) offer help in analysing at least quantitative data collected through these types of surveys. Classically, you can ask members to take an online survey (i.e. follow a link) via email communication or from your website/newsletter etc. What is essential is the continuity of the measurement, in order for you to be able to compare data. For example if you include questions such as “Would you rec-

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124 For a good overview of some issues related to surveys see [www.surveymonkey.com](http://www.surveymonkey.com) “The ultimate guide to running a customer feedback program”

125 For more information, see [www.checkmarket.com/blog/fight-online-survey-fatigue](http://www.checkmarket.com/blog/fight-online-survey-fatigue)

ommend this service, to a friend or colleague in your organization? You will be able to gather data to calculate the Net Promoter Score (NPS).<sup>126</sup>

However, tools such as Survey Monkey and others also allow you to create pop-up surveys. Pop-up surveys are useful if you want to ask your website visitors for their opinions without interrupting their browsing experience. By placing the survey directly into your web page, you create a mechanism for collecting opinion encouraging newsletter or email list signups, and hosting “Contact Us” or customer service request forms. You can use pop-up surveys also as a quick satisfaction survey – these need to be short and to the point: their aim is to gather immediate feedback on a particular feature or service.<sup>127</sup>

Paper surveys may seem old fashioned but may be the best solution to gather feedback after small-scale events or training sessions. Collecting and reporting on feedback data may however be quite labour intensive.

Getting feedback from members does not necessarily have to be through surveys either. In-person calls, interviews during company visits or focus groups can be incredibly useful. Debriefing to capture useful feedback, ideas and questions is key.

It is important that, whatever the methods chosen to carry out the survey, all members have an opportunity to participate (and not just the usual suspects). For credibility and to manage expectations it is also crucial to limit focus on collecting information, data or feedback on issues on which the EBMO is willing or able to act. You can also adopt a “drip” strategy, asking members a few direct questions over the course of a year. Lastly, members should be able to easily identify how the results are used and the benefits they gain from the collective effort. This should go a long way to limit “feedback fatigue” within the membership.

A template of Members’ Satisfaction and Needs Assessment Surveys can be found in **Annex 6.1.1** The template is largely based on the satisfaction surveys regularly run by the Steel and Engineering Industries Federation of Southern Africa (SEIFSA).

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126 For more information, see in the Chapter on Engagement and also here <https://www.checkmarket.com/blog/net-promoter-score/>

127 For more concrete examples of quick satisfaction surveys, see:  
<https://blog.hubspot.com/service/customer-satisfaction-survey-examples>

## Exit surveys

Monitoring of members is a tool to use to avoid members leaving the organization. Should that not be successful, it is still important for an EBMO to ascertain why a member has decided to resign or has withdrawn from membership. An exit survey is a useful tool for an EBMO to collect valid research data about why the member has chosen to leave and whether this is likely to be an issue for other members as well, what might be done to attract them back, distinguish between avoidable and unavoidable attrition, to end this stage of the relationship on a good note, and to update the database for subsequent efforts to reinstate those who may want to come “back to the fold” in future.

The ITCILO ACTEMP Membership survey<sup>128</sup> indicates that only 22% (14 out of 64) of surveyed EBMOs currently conduct formal exit surveys.<sup>129</sup>

The survey can be conducted on-line or by personal contact. The latter method, by way of a telephone call or - especially in the case of a significant or long-standing member - by way of a scheduled meeting, is likely to be more effective as questions can be tailored to respond to the particular situation.

Whatever the method used, the first step should be to ask the ex-member if they would agree to be part of the survey stressing that the EBMO is sorry to lose them, thanking them for their past contribution and that it would appreciate their input as to how it could improve its responsiveness or services to ensure that as many members as possible (including them) are retained. It could be useful for the approach to come from a high-ranking executive or Board member rather than the membership / marketing department, so the concern is seen as not merely transactional but an earnest attempt to learn and take action to address the issues a former member identifies.

It is also important to have as much information about the member's interaction with the EBMO as possible before the call is made – including contributions to policies and advocacy. If the first question is “How long have you been a member of the EBMO?” then it is clear that the EBMO does not really care for the individual member but is merely going through a process.

Finally, performing exit surveys only makes sense if the results are analysed and acted on. Some measures may be taken to convince the member to re-join the organization at a later stage. However, the greatest value may well be to prevent other members from leaving for similar reasons. To be concrete;

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128 Ibid Chapter Introduction

129 ITCILO ACTEMP Membership survey, Question 33



- If exit surveys show that fees are perceived as being too high, consideration could be given to offering payment by monthly instalments rather than an annual lump sum payment;
- If exit surveys show that some members cannot attend training courses or briefing sessions because of the time or venue, consideration could be given to moving some of them to an evening, early morning or a weekend;
- If exit surveys show that the relevance of certain training courses on offer is not understood, consideration should be given to undertaking a more formal needs assessment of all members or invest in prior communication.

### **Exit Survey Template**<sup>130</sup>

- *What was the key reason behind your initial decision to join the EBMO?*
- *What was the key reason not to renew membership?*
- *Is there anything we could have done differently to prevent you from leaving?*

[ ] No [ ] Yes – please provide details

*Is there anything we could do to make you reconsider your decision to not renew your membership?*

Or

*Please complete the following:*

*I would have renewed my membership if ...*

This question is most important as it identifies whether they are leaving for reasons that are nothing to do with their membership experience or are leaving because of something you have or have not done.

- *What services did you find most useful during your membership?*
- *What services did you find least useful?*

- *Would you still recommend the association to a business associate?*

Yes  No

This is important as they may still be a supporter and advocate of the EBMO but current circumstances prohibit their continued membership. It also determines if it is useful to reconnect with them in the future.

- *Might you re-join at some point in the future? If so, what might encourage you to re-join?*
- *What was the decision-making or evaluation process that you went through when you decided not to renew?*

A good example of exit survey (from the Employers Consultative Association of Trinidad and Tobago) can be found in [Annex 6.2](#).

*Company Name:...*    *Representative Name:...*

- *How often would you say you used our services?*  
 Weekly    Monthly    Annually
- *What was the reason for joining the ECA? Please, check all that apply:*  
 Assistance with IR issues    Training Services    Assistance in HR  
 To be part of a membership/professional organization  
 Employer Representation at national, regional and international level Other
- *What is the reason for cancelling your membership? Please, check all that apply:*  
 Unsatisfactory Service    Staff members not helpful    Financial Reasons  
 Merger/Acquisition    Closure of Business    No Longer Interested  
 Not satisfied with member Benefits    Membership Fees too Costly    Other
- *Can you make any suggestions for how we can improve the ECA and/or the Membership Experience?*

### (iii) Solve complaints

Handling members complaints and dissatisfaction is equally as important as measuring members satisfaction. Companies willing to improve their operational efficiency know that they need to improve customer satisfaction through excellence in product and services delivery. This, in turn, is factored into their ability to (among other things) minimize problems linked to their products and services as well as handle complaints rapidly and to the client's satisfaction. Not only is listening to customers complaints integral to good customer service, but the feedback provided can help improve the overall business.

Nowadays, with the extensive use of internet and social media, bad handling of complaints can easily lead to negative comments being made public and hence a loss in reputation. What is important to note, however, is that most customers seem to care less about whatever situation caused their initial complaint than how a company handles it. A report from the Harvard Business Review<sup>131</sup> found that responding to customers' complaints can be an important factor for customers' loyalty to the brand.

For an EBMO, having limited staff, the issue is one of balance between offering members a possibility to give feedback (including negative) and putting in place a structure which, even if simple, is in a position to respond quickly and effectively.

In terms of internal organization, it supposes that the EBMO both allocates the responsibility of handling complaints to certain individuals as well as equips these individuals with the necessary tools to respond appropriately.

Common sense dictates putting in place at least the following:

- *Easy to find frequently asked questions to which you can direct members who have fairly simple questions;*
- *Make sure that whatever complaint channel is used (email; internet form; hotline etc.) it is maintained and/or checked regularly and quickly acted upon;*
- *Channel data collected to the staff responsible for policy development or services delivery so they can solve the issues raised as soon as possible. A common issue here is that the expectations concerning certain services may not have been properly communicated to members in the first place. Another, more internal, issue may be that the staff in charge of handling complaints have lower authority compared to the staff in charge of the lobbying/advocacy or direct services delivery;*
- *Train all staff in basic customer services and communication skills;*

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131 For more information, see: <https://hbr.org/2018/01/how-customer-service-can-turn-angry-customers-into-loyal-ones>

- *Make excellent customer relations a KPI for every staff member;*
- *For frontline staff include member retention targets in performance management reviews;*
- *Own up to mistakes and have a response policy in place possibly including refunds;*
- *Make sure an internal written policy spells out the importance of handling complaints and the work flows in place to respond to them.*

#### **(iv) Develop clear governance rules on members rights and obligations**

Peer pressure can be an important factor in achieving high retention. Not every member will stay in membership and continue to pay just because “it is the right thing to do”. Non-payment needs to be clearly followed by consequence: the end of membership.

To support a smooth renewal system, EBMOs need to have clear governance rules on member rights and obligations.

The following indications can serve as a checklist to review governance rules and see whether they need to be completed:

***Do the governance rules and bylaws of the organization define grace periods?***

- *If no, shall the organization introduce one or is another mechanism being used?*
- *If yes, shall the length be reviewed to ensure a good balance between member needs (e.g. payment instalments) and EBMO needs (e.g. financial sustainability and cash flow)?*

***Are governance rules and bylaws clear about the conditions in which lapsed members lose their entitlements? How is the loss of voting rights of lapsed members regulated?***

***Are existing governance rules and bylaws concerning lapsed members applied in practice?***

- *If not, why?*
- *Are the requirements too cumbersome?*
- *Should they be reviewed?*

*Is it foreseen that lapsed members can still benefit from some basic services such as information and/or advice for a number of months after the end of the grace period?*

- *If yes, on which conditions?*

*Do the governance rules and bylaws of the organization define sanctions for members paying their membership fee irregularly? Are they transparent enough? Are they applied?*

*What is foreseen in case of exceptional circumstances such as economic difficulties preventing a company member paying its fees due to a more general economic downturn?*

Practice shows that most EBMOs have policies in place for exceptional circumstances of hardship for specific companies, sectors or when the country's economy as a whole takes a bad turn. Most EBMOs analyse situations case-by-case in order, on the one hand, to avoid severing the link between members and the organization and, on the other hand, to protect the interests of the organization as a whole. In these situations, the Executive Director and the Board may provide for rules to allow members in difficult circumstances to be partially or temporarily exempt of membership fees. These policies need to respond to specific criteria, for example, linked to a volume of lossmaking, to the duration of registered losses or to a recognizable source of disaster or crisis in the country or in the sector. It is often the case that EBMOs will ask for a symbolic fee to be paid by the member throughout the crisis. This is aimed at maintaining a link with the membership community and to signal good will on the part of the company with the hope that, once the situation evolves positively, the member comes back to paying the normal rate. It could also be that such preferential treatment is only applied to certain categories of member such as the most loyal members (eg. having more than 5 years in membership).

### **Flexibility in payment of membership fees**

In 2020, due to the COVID-19 crisis and the financial difficulties that many companies/members were facing, a few state level EBMOs in Mexico, related to the national crosssectoral confederation COPARMEX, decided to temporarily establish a flexible system for fees payment.

The companies members were divided into three groups, based on industry categorization and the level of losses derived from the crisis.

- **GROUP 1:** Companies, mainly producing essential goods and services, that have not stopped operations and with no economic impact;
- **GROUP 2:** Businesses producing non-essential good and services that have had temporary closures and medium economic impact;

- **GROUP 3:** Businesses producing non-essential goods and services that have had prolonged closures and suffered serious economic impact.

Three fees payment plans were determined:

- Companies in GROUP 1 should continue to pay membership fees as per traditional rules; if there were no payment at the end of the grace period, no service would have been provided to them.
- Companies in GROUP 2 could ask for a staggered monthly payment instead of the annual payment of membership fees – to reduce the financial burden.
- Companies in GROUP 3 could either look for a company-sponsor (not affected by the crisis) paying for their subscription fees – “Programa de apadrinamento”- or exceptionally pay only 30 per cent of their annual fees.

### **The specific case of Grace periods**

A grace period is a set length of time that a payment can be delayed without a penalty being imposed. Some may argue that having grace periods is counterproductive: in times where payments are easier to make, grace periods could encourage members to pay later and devalue membership. Also, it could result in a significant amount of time and effort wasted in chasing late payments by members.<sup>132</sup>

While this may be true for some members. Most EBMOs with grace periods emphasise the need for some flexibility in the timing of payment in order to make sure all companies – big and small, healthy and struggling, stay in membership. The 2020 Membership marketing benchmarking report by Marketing General indicates that 64 per cent of US trade associations surveyed offer a grace period of up to three months, with the majority offering a grace period of two to three months (50 per cent). Only 16 per cent of US trade associations do not offer any grace period.<sup>133</sup>

The same reports, contains interesting benchmarking information such as:

- Associations with higher first-year member renewal rates (60 per cent or higher) are significantly more likely to offer a grace period for renewal (85 per cent vs. 65 per cent);
- The third month from expiration of the membership period is the most common month in which to start renewal efforts;

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<sup>132</sup> For more information, see: <https://www.marybyers.com/its-time-to-get-rid-of-the-membership-grace-period/>

<sup>133</sup> Membership marketing benchmarking report, Marketing General, 12th edition, 2000, supervised by Tony Rossell, Adina Wasserman and Matt Kerr (p. 31).  
<https://www.marketinggeneral.com/knowledge-bank/tipsters/announcing-the-release-of-the-membership-marketing-benchmarking-report/>

- 26 per cent of Trade associations cease renewal efforts three months after membership expiration;
- Email marketing, direct mail, and staff phone calls are the marketing channels most likely to generate the most membership renewals.

Grace periods are therefore a particularly intense period for retention efforts – following the “carrot and stick” principle. However, practice shows that grace periods are effective only if they are clearly defined, their purpose and process is well-known by members and if, should no payment be made at the end of the grace period, the decision to end the membership is decisively taken.

### **Example: Grace period in IBEC**

*Under IBEC (Irish Business and Employers Confederation) rules of governance the subscription rate is set by the organizations highest governing body - the National Council each year. While at a practical level members of the secretariat make every effort to retain all members, in the event of a subscription remaining outstanding 90 days after the due date IBEC may send, by registered post, an official notice specifying a final date for payment. Failure to make the required payment by this date can lead to the Confederation withdrawing all services and representation.*

### **(v) Motivate members to pay and simplify the process for fees payment**

Members need to understand why they pay, what they pay for, as well as when and how to pay. Having a clear, transparent and fair fee-setting mechanism is a precondition. Convenience is another important factor to achieve high retention: it must be easy to pay. It is important to simplify and speed up administrative and payment processes for renewal of fees in order to be conducive to retention.

### **Make sure members are “happy to pay”**

This means that members need to understand what they are paying for. A letter providing information on past activities and achievements as well as restating the value add for each member, should always be attached to the actual invoice. This can be done through a CRM system for example. Indeed, in the CRM customized by the ITCILO, with the click of a button, it is possible to generate a list of all the individual and collective services provided in a given period of time to a member association or enterprise and to all its representatives. Individual services comprise advices, specific meetings, audits and such services delivered to one member specifically whereas collective services refer to group activities (training, conferences etc.), participation in general assembly, committees and commissions, advocacy and lobbying events etc. Registering all types of services, as well as all representatives that have accessed the service is important as it gives an overview of the value

added to the whole of the organization despite the fact that, most probably, the Chief financial officer, or the CEO, who will be in contact with the member about renewing the subscription may not have that overview.

It is also important to identify ways to show appreciation to long term members for their continued loyalty and trust – such celebrations should be marked publically and by the highest levels of the EBMO.

It is important to keep members budgeting cycles in mind: at the beginning of a budgeting cycle, there may be a surplus or new budget and it will make it easier for members to pay. Members can also be prompted to pay earlier as this improves the cash flow of EBMOs. Some organizations have therefore decided to introduce payment incentive mechanisms such as discounts for early bird payers.

### **Promote retention via peer pressure**

Some organizations use a peer “pressure” approach to encourage members to pay. In these organizations, Board members are invited, and willing, to contact peer CEOs in member companies to push the retention and payment processes. It can be described as “Member keeps Member”. It is however rather exceptional and often applies as an informal process rather than a formal one.

### **Make sure the payment process is convenient**

Convenience is a marketing concept, which points to the fact that companies need to make it easy for the customer to get your product and have a quick response system for any product inquiries (customer service). EBMOs need to simplify the payment process for members. Nowadays, this can be done, for example, by:

- Sending automatic reminders close to the payment date;
- Adopting user-friendly online payment systems;
- Offering banking services such as automatic billing on members bank accounts;
- Offering the possibility for members to pay two or three years of membership fees in advance (possibly with a discount) or, on the contrary,
- Paying membership fees in several instalments throughout the year.

It may be worth reviewing payment processes from the member’s point of view. If you put yourself in the shoes of a member, how easy is it to find the membership form on the website? Is it clear what members pay for? Are sign-up forms easy and quick to complete? Is online payment possible? Is the “Contact us” option user friendly?



Looking at renewal payment options, the 2020 Membership marketing benchmarking report by Marketing General<sup>134</sup> indicates that 42 per cent of US trade associations do not offer specific renewal options to members. From those that do, options include automatic annual credit card/fund transfer renewal, instalment payments and multi-year renewal.

### **Have a CRM system in place**

In order to automate and simplify retention policies and, in particular payment systems, organizations would be well advised to invest in IT tools such as Customer Relation Management (CRM) software.<sup>135</sup>

#### **Case:** The contribution of the CRM system to membership management in the Zambia Federation of Employers (ZFE)

Since early 2013, the Programme for Employers Activities of the ITCILO (International Training Centre of the ILO), has guided significant investment in the development of CRM systems for EBMOs. The Zambia Federation of Employers (ZFE) has been an early adopter of the CRM approach.<sup>136</sup> The adoption of the CRM has greatly impacted the work methods of the ZFE. ZFE has notably experienced increased membership retention as a result of good communication linkages provided by the system. This is explained by the possibility to increase the number of contact persons for each member in the database as well as the possibility offered by the CRM to have targeted communication, newsletter or promotion of upcoming events. This has greatly improved the interactions of members' senior management and the ZFE Secretariat and made ZFE's value proposition more visible.

We will close this section with a final reflection on the reinstatement of lapsed members. Just because a member has formally resigned or has not renewed its membership does not mean that all contact in the future should cease.

The CRM, or other membership management system should not delete the former member entirely but move them to a different classification, along with the reason why they resigned or let their membership lapse. Indeed, the lapsed member is already aware of the existence and offer of the EBMO but may have misconceptions on its value added, bad experience of its services, or a need for a tailored package at a discounted

134 Membership marketing benchmarking report, Marketing General, 12th edition, 2000, supervised by Tony Rossell, Adina Wasserman and Matt Kerr (p. 35).

<https://www.marketinggeneral.com/knowledge-bank/tipsters/announcing-the-release-of-the-membership-marketing-benchmarking-report/>

135 The use of Customer Relation Management (CRM) software is dealt with in more details in Chapter 8

136 Written based on inputs from Mr Harrington Chibanda, Executive Director of ZFE (Dec. 2016, review 2020).

price. The reinstatement strategy should therefore focus on providing answers to the specific grounds mentioned by the lapsed member. There is not much data about which method may be more efficient to reinstate members. The 2020 Membership marketing benchmarking report by Marketing General,<sup>137</sup> tells us that US trade associations report emails and phone calls to be the primary means through which most lapsed members have been reinstated.

The list of lapsed members should be reviewed from time to time with the intention of approaching the past member to ascertain if circumstances have changed that would encourage them to re-join. For example, there may be a change of Government that intends to pursue policies detrimental to the former member's sector and that may influence them to become a member again and to have their voice heard. An approach from the EBMO to the former member is likely to be more effective, in these circumstances, than expecting the past member to make the first move. A case by case approach is recommended.

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137 Membership marketing benchmarking report, Marketing General, 12th edition, 2000, supervised by Tony Rossell, Adina Wasserman and Matt Kerr (p. 38).

<https://www.marketinggeneral.com/knowledge-bank/tipsters/announcing-the-release-of-the-membership-marketing-benchmarking-report/>

## 6.5 Conclusion

In conclusion this chapter has highlighted the reasons why member retention is essential for EBMO stability. It explains why retaining existing members makes the organization attractive because satisfied customers encourage new members to join and how, by being cheaper than new member recruitment, a high level of retention is important for making recruitment efforts an overall success.

Throughout the chapter emphasis was placed on monitoring member retention both at organizational level and by member segment. Detailed analysis of trends will help the EBMO to plan their retention strategy and active review and analysis of data and member feedback (from satisfaction surveys, exit interviews or qualitative research) can help to identify any emerging trends or concerns enabling the EBMO to be proactive, make an early intervention and hopefully avert any decision of a member to leave.

The chapter analyses, in depth, the reasons why members tend to leave their EBMO. Very often the reasons are linked to dissatisfaction about the value proposition, the price or the quality of services provided by the EBMO. A retention policy to tackle these factors is part of an overall policy which focuses on the organizations value proposition, branding, trust creation, communication, pricing etc. and on policies and practices to engage members (for further details on member engagement see chapter 7).

This chapter outlines some useful guidance for EBMOs about the steps that can be taken to boost member retention; issues like making the process for renewing annual membership as easy as possible and appropriate steps to take during the grace period to enhance the possibility for keeping the member within the organization. Much of the guidance given involves reasonably straightforward steps to be taken by the EBMO, however, what might be considered to be 'low hanging fruit' can make a serious difference between successful or failing retention rates. A good CRM system can play a very important role in supporting all EBMO retention efforts ensuring full integration of all member relations endeavours.

# CHAPTER 7

## Ensuring member engagement



# Ensuring member engagement

## Introduction

In earlier chapters we have noted the importance of members to the EBMO, as both client and owners of the organization. Members give the EBMO legitimacy and represent the organizations reason for existing. Member engagement is crucial for relationship development and high quality customer service leading to long-term member satisfaction and loyalty. Having established the core reasons why it is important for the EBMO to actively engage with members this chapter proceeds to outline what member engagement can look like in practice and how this is changing with time. With the use of appropriate tools the EBMO can measure the effectiveness of its member engagement and pro actively monitor the impact of all interactions to make adjustments and improvements as required.

In considering what EBMOs can do to enhance member engagement this chapter explores the latest thinking around effective engagement and outlines practical approaches to ensure high quality services delivery, continuous improvement and innovation of services and modernization of communication channels and methodologies to target information outflows, making interactions as relevant to the member as possible. Successful member engagement strategies ensure the delivery of real value added to members improving member retention and enhancing the organizations reputation which of itself creates opportunities for new member recruitment.

## 7.1 Why is it important?

Member engagement is generally understood as a two-way interaction between an organization and its members. Member engagement is the degree and depth of interactions a member chooses to perform with its EBMO. Members choose to interact with their EBMO for different reasons, and they do so in different ways and at different levels (depth and frequency). For EBMOs, the goal of member engagement is to boost members perceived value of membership. This value comes from the benefits associated with membership but also from the feeling of pride that comes from supporting a worthy cause or belonging to a certain group. The more value people attach to being a member of an EBMO, the more likely they are to renew and become loyal members of your community. In other words, there is a direct positive correlation between engagement and retention.

In its study “Loyalty deciphered”, Cap Gemini<sup>138</sup> reports that loyalty (to a brand) is influenced by three factors: emotions (honesty, integrity, trust, familiarity, belonging etc.), rational elements (price competitiveness, promotions, customer service etc.) and brand values (environmentally friendly, fair business practices, socially responsible etc.). Of the three, emotions have the strongest impact on loyalty. Emotionally engaged customers can be very different from each other but they are more likely to be represented by younger generations and urban population. The report finds that 86 per cent of consumers with high emotional engagement say they always think of the brands they are loyal to when they need something, and 82 per cent always buy the brand when they need something. This compares to 56 per cent and 38 per cent of consumers with low emotional engagement. By cultivating emotional connections with consumers, brands can benefit not only from greater wallet share of their loyal consumers but also from positive word-of-mouth recommendations. Digital technology and analytics make it easier for companies to operationalize emotions into a customer experience.

“Member engagement is the creation of a deep and meaningful relationship between the member and the organization, that endures over time and drives renewal, upgrade decisions and advocacy. It goes beyond joining and includes member involvement and interactions as well as their connection with the organization and its member community. Engaged members are aware and ‘get the bigger picture’; they are passionate and proud to be associated with the organization.”

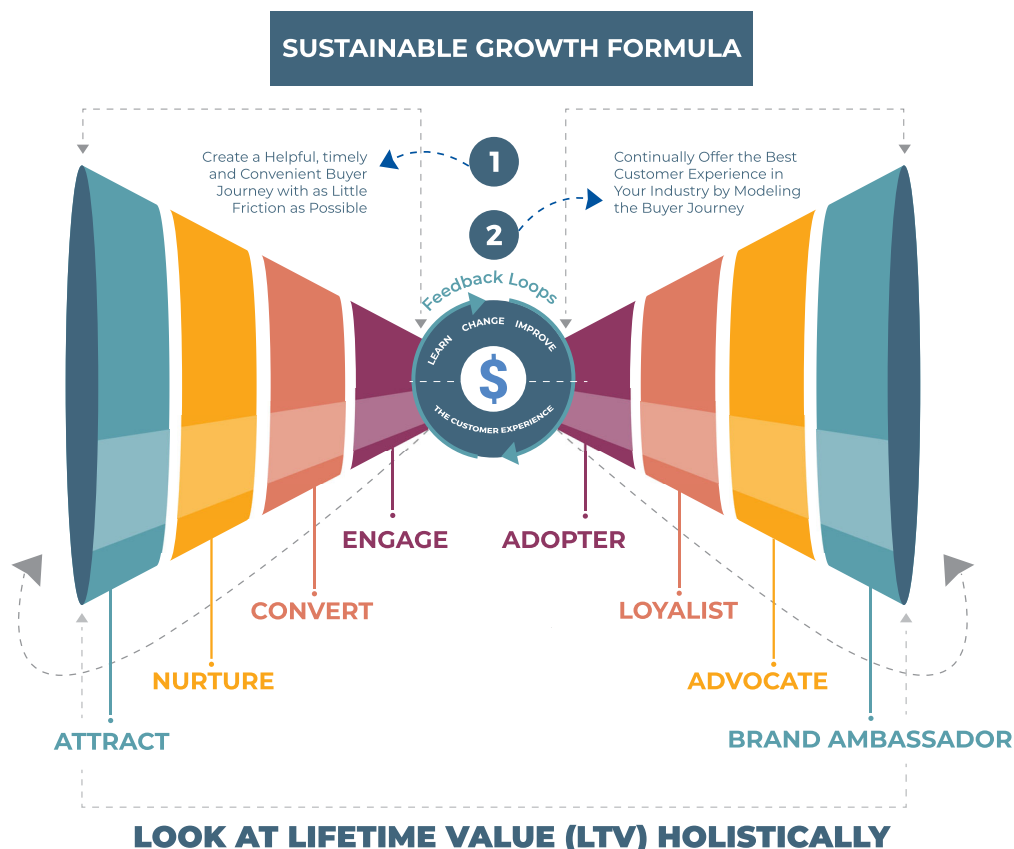
Heather Forrester, Managing Director, Research by Design<sup>139</sup>

138 Report from Capgemini’s Digital Transformation Institute, “Loyalty Deciphered—How Emotions Drive Genuine Engagement”, 2017

139 Research by design, Member Engagement Toolkit (2017), <https://www.researchbydesign.co.uk>

EBMOs are, by definition value-based organizations (e.g. freedom of association, free market economy, social responsibility, value of collective action etc.). That heightened sense of purpose is one of the things that makes being a member of an EBMO so special. This is also what differentiates a “member” making a long-term commitment to the organization to a mere “customer/client” purchasing a one-off product (e.g. buying a publication or access to one event). EBMO members do not renew membership just to get a solid product at a fair price – they are looking for more. Members can have a deeper, emotional connection to the EBMO and the EBMO wants to nurture that connection.

In marketing, the ability to engage customers<sup>140</sup> is acknowledged as an important tool for companies seeking to create long-term sustainable business relationships and enhancing future consumption. Satisfaction with the brand’s products and services plays a role in customer loyalty. So does the fact that customers normally prefer to avoid the cost and effort involved in switching<sup>141</sup> from one brand they know to another. Hence, customer engagement strategies aim at higher perceived customer value from a basis of service excellence and a strong brand community.



140 For more information, see:

<https://www.retailcustomerexperience.com/blogs/customer-engagement-key-to-long-term-retail-success/>;

<https://blog.smile.io/what-is-customer-engagement-and-why-is-it-important/>

141 For more information, see: <https://blog.smile.io/brand-community-builds-switching-barriers/>

Earlier in this Guide, we have seen that the membership cycle can be described as a sale's funnel<sup>142</sup> which, instead of focussing on customer acquisition (or the "sale"), includes optimizing customer retention. From a classic vertical sales funnel, the scheme becomes a bow tie funnel with a left part (acquisition) and right (retention) part of equal importance. Deriving from marketing practice, such cycle highlights the need to gather and analyse data on members' behaviours and preferences in order for the organization to turn potential members into members (centre dot), satisfied members (1st tier), loyal members (2nd tier), then brand advocates i.e. those members satisfied enough with the value you offer to spread the word to others (3rd tier) and finally brand ambassadors (4th tier). Membership teams must engage and connect with new and existing members, with the same purpose of having a long-term relationship and driving long-term revenue. Continually offering the best *customer experience* is key to achieving that goal.

Business research often states "customer experience is the new brand currency". This means that every company, in any country, is facing the same challenge, which is that consumer expectations are continually rising. The pressure on companies is increasing even more due to new technologies. On the upside, they make it possible for companies to individualize customer behaviour and adapt the product offering accordingly. On the downside, they also raise customer expectations towards companies: customers want the best experience at the right time, every time, otherwise they can use all channels available, including internet and social media, to complain about their bad experience and ultimately share their decision to leave the brand. Some call it the new "subscription economy"<sup>143</sup> - where you have to win or re-win the loyalty of each customer with each interaction, or you risk that customers "unsubscribe."

EBMOs are not sheltered from these changes. The ways EBMOs engage with members has profoundly changed in the last decade due to major trends.

The first trend is the end of relative monopolies many EBMOs enjoyed in the market of business representation. Today, EBMOs face increased competition for the attention, money and time of their members – from other business organizations, consulting firms, law firms, communication agencies, entrepreneurs' clubs, NGOs etc.

Second, societies tend to be more individualistic and members focus on their direct benefits (what's in it for me?) as well as on the collective advantages of being part on an EBMO ("it is the right thing to do"; "I want to give back to my community", "we are stronger if we stand united" etc.). Satisfaction may become more than just a tangible good – it is increasingly linked to taking part in the experience.

The third trend is the spread of new technologies, which revolutionizes the way people communicate, search

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142 For more information, see: <https://beintheknow.co/bow-tie-funnel/>

143 For more information, see: <https://cmo.adobe.com/articles/2019/4/amit-ahuja-vp-of-ecosystem-development-adobe.html#gs.68w1zf>



for information, make decisions etc. Most EBMOs fully understand the necessity to be visible on the internet vis-à-vis their partners and members and have invested in websites and their social media presence. However, they may be struggling to digitalize their communication and interactions with members to a point where they can foster member engagement.

While taking account of these trends, EBMOs need to revisit how to offer the best experience to members and promote their engagement throughout the membership cycle. Members are EBMOs reason for being, so getting and keeping members truly engaged in the organization is critical for survival.

Members' perceived value of membership is what drives member engagement. In turn, the more a member is engaged in EBMO's life, the higher is its perceived membership value, emotional connection and satisfaction. Continually offering the best customer experience is the way to boost member engagement.

## 7.2 What does member engagement look like?

In practice, engagement with members<sup>144</sup> means building relationships with members, adding value to them and their businesses but also capturing their attention often enough to remind them of the value proposition, offers and services. Engaged members have both

- **A transactional relationship with the EBMO:** in exchange for the payment of a membership fee they get access to a number of services and a privileged access to other services;
- **A strong emotional connection to the EBMO:** they value the mandate and core values of the organization; recognize the other members as a community of peers; contribute to the development of the organization.

The way members perceive the value of membership and consequently the ways to promote member engagement depend to a large part on their profile and the context within which the EBMO finds itself.

Organizations that invest in understanding their market more fully and align their strategic initiatives and organizational structure more closely with market needs will have a much higher likelihood of developing and sustaining membership engagement.

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144 For more information, see:

<https://blog.accessdevelopment.com/what-is-member-engagement-and-why-your-membership-growth-depends-on-it>

Member engagement can improve only if some basic achievements are met such as:

- **Service excellence** i.e. putting in place member oriented processes, meeting members expectations and aiming to be the leader in the EBMOs niche market;
- **Strong community** i.e. members have cohesive relationships and mutually interact based upon their common interest and use of EBMOs products and services but also its core values.

### The Do's and Don'ts of member engagement

#### Do's

Collect and analyse data on members, potential members, and the potential sphere of influence of the EBMO;

Identify the value proposition of the organization and provide products and services accordingly;

Survey expectations, needs and satisfaction of members and use the data to understand members' choices regarding engagement;

Collect and analyse data on members' use of services but also their activity in the community such as networking, collaboration with peers, use of information to get a better sense of the value they get from membership.

#### Don'ts

Disregard the reasons why members join – they are important elements informing the engagement strategy for new and returning members;

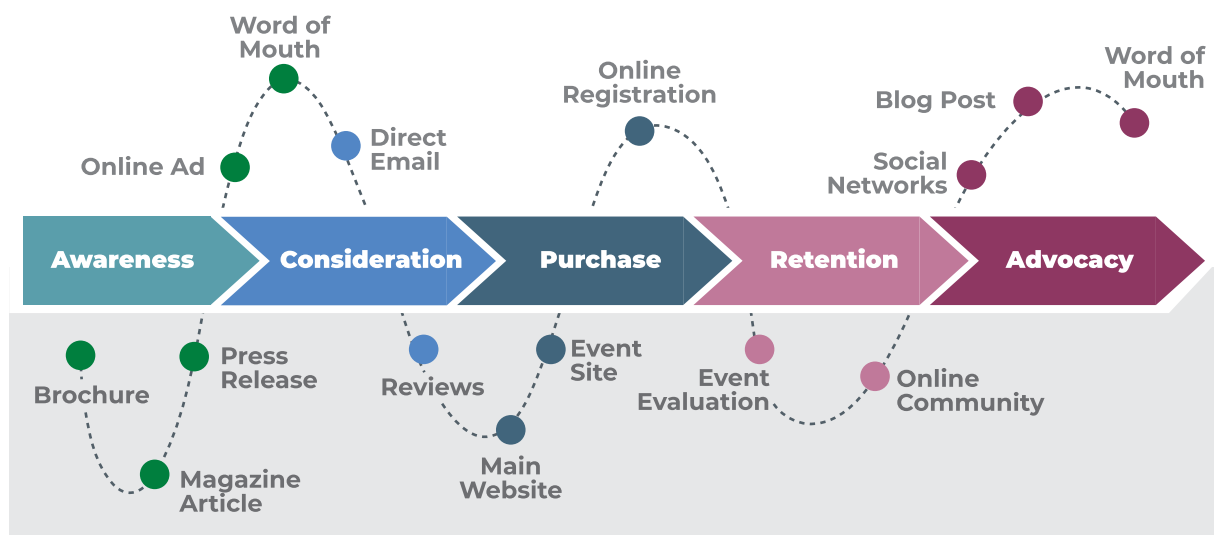
Adopt a one-size-fits all approach in delivering programs, services, and initiatives without considering how new or younger individuals may want to engage;

Limit members engagement to purchases and attendance, without taking into account the more emotional connection to the organization.

By consistently increasing member engagement, an EBMO will not only attract and retain members but will also have leverage to push through legislative wins, the ability to promote its advocacy agenda, and an increase in event attendance and other types of revenue-raising initiatives. Despite its importance, member engagement is still a fairly elusive concept. Part of the reason that member engagement is such a challenge is that there is no clear-cut process to conduct it and no single metric to measure it. However, it can be inspiring to look at company practices in that field:

## What do companies do?

- First, companies identify their “touchpoints” i.e. any time a potential customer or customer comes in contact with their brand—before, during, or after they purchase something from the company.
- Then, they create a customer journey map, so they don’t miss an opportunity to listen to their customers and make improvements that will keep them happy.
- The whole idea of customer journey mapping is to map the journey from the customer’s perspective - it is not the internal company view point. Information on customers actions need to be input as well as their emotions or feelings when taking these steps. There is no one-size-fits all.
- After mapping out the touchpoints in the customer journey, they step back and see how they all fit together. Are there any obstacles the customer might experience along the way? Are any of the touchpoints missing or underserved? Is it clear for the customer how to resolve potential issues?
- Once they have evaluated the experience, they go on to put measures in place to improve on their baseline and monitor progress over time - the objective being to create the best customer experience possible!



In the above picture,<sup>145</sup> the arrows represent the 5 main phases of the sales funnel: Awareness, Consideration, Purchase, Retention and Advocacy.<sup>146</sup>

The touchpoints above and below are both online and offline moments of interaction between the customer and the brand.

145 For more information on Customer journey maps, see: <https://associationanalytics.com>

146 Advocacy is here not used in the policy-making sense but more as a product of “word of mouth”

What this picture does not include are: differentiated paths for different segments (or personas) and the behaviours/emotions of customers during the process.

### What can EBMOs do?

- By consistently increasing member engagement, an EBMO will not only attract and retain members but will also have leverage to push through legislative wins, the ability to promote its advocacy agenda, and an increase in event attendance and other types of revenue-raising initiatives;
- Over the course of the year, an EBMO develops hundreds of opportunities to connect with members. These opportunities may include live events, meetings, training courses, direct mail, a website, e-newsletters, social media channels etc.;
- Developing a Member Journey Map can help the EBMO to take a closer look at regular member interactions in order to improve the relationship with members as the key stakeholders.

Engagement strategies span across the whole membership cycle (i.e. both parts of the bow-tie). Many actions fostering engagement are similar to what EBMOs do to recruit or retain members. Actions increase engagement when they create positive awareness about the association and its value proposition, track interactions to create a more substantial and emotional relationship, encourage members to not only renew but become brand advocates and ambassadors.

Let's remember three important things:

#### **1) Engagement is a matter of interaction with members:**

The specificity of measures to improve member engagement are that they

- Make it easier for members to engage with the EBMO in a way and with depth they like (ease of interaction);
- Ensure these interactions are frequent and valuable for them (frequency and value of interaction);
- Foster reciprocity of interactions (two-way interaction).

## 2) Emotional connection has a big impact on members loyalty:

In its study “Loyalty deciphered”, Cap Gemini<sup>147</sup> reports that the leading organizations have formed strong emotional connections with consumers focusing on 4 “Rs”:

### **Respect**

Organizations do what they say they will do to promote honesty, trust, and integrity. E.g. respond to customers’ queries in real time, ensure they do not make them wait, and use the information that consumers share to improve their experiences.

### **Reciprocate**

Organizations build a two-way relationship thereby drawing upon the human desires to contribute and to be appreciated. E.g. brands can use the information shared by consumers, respond promptly and authentically to complaints, thank consumers when they cross a milestone (e.g., spend history).

### **Recognize**

Organizations make the effort to truly know consumers and understand what they care about to create meaningful experiences. They treat consumers like they are an audience of one - truly unique and special. E.g. using all digital touchpoints to deepen relationships.

### **Reward**

Organizations provide timely, meaningful rewards that promote long-term relationships in exchange for loyalty. E.g. rewards having monetary value (competitive prices, special sales) or making people feel special (quality products, exclusive access) or making their lives easier (shorter lines, self-service options) or catering for opportunities to “give back “ (social advocacy).

## 3) Digital engagement is rapidly evolving

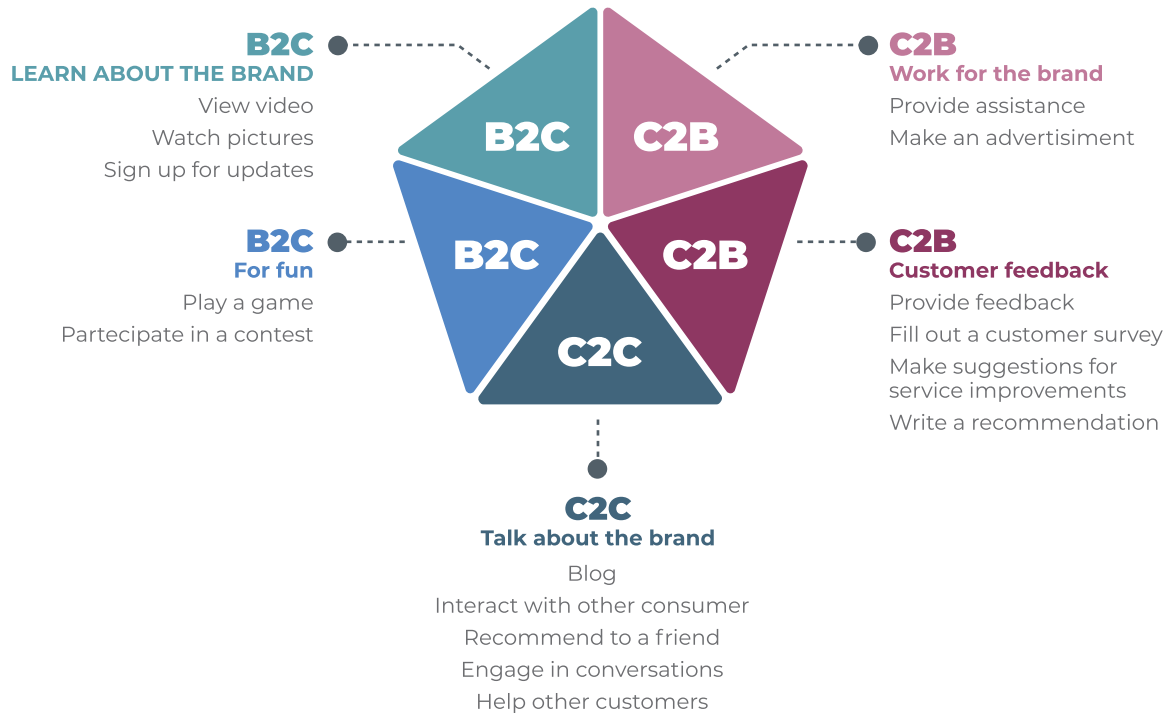
The digital landscape is evolving quickly - so are digital practices. Researchers study these practices and the willingness of consumers to engage with brands. Not surprisingly, consumers have different purposes for engaging with brands.<sup>148</sup>

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147 Report from Capgemini’s Digital Transformation Institute, “Loyalty Deciphered-How Emotions Drive Genuine Engagement”, 2017

148 See more in Chapter 6 on Retention

## Digital engagement practices



It may be important for marketers to pay attention to all types of digital engagement practices - the same goes for EBMO membership managers when choosing engagement metrics. They should make an effort to select metrics giving them insights into:

- How members get information (and what type of information) on the EBMO and the content it publishes;
- How members give feedback information (and what type of feedback) on the EBMO's activities;
- How members participate in available two-way communication channels;
- How members interact with each other, support the organizations' mandate and activities and advocate for the EBMO.

Marketers often recommend drawing fully-fledged engagement plans. Given the average size of marketing teams in EBMOs, this may not be realistic. However, it is still important to visualize as much as possible "what bad/good/excellent looks like" in terms of member engagement in each EBMO. This may be done by mapping a typical membership journey for each segments of membership, identifying key touch points and how

interactions can be optimized from the members point of view. Consider members motivations for joining, career stage, value drivers, demographics, attitudes, typical behaviours etc.

Finally, review against reality: is member value offered? Are interactions optimized (this presupposes close collaboration from marketing, services and other departments)? Is awareness on the value proposition maximised via targeted promotional messages?

### 7.3 How can we measure engagement?

Interactions between a member and the EBMO can be tracked and measured in a number of ways both quantitative (e.g. attendance at member events, popularity and usage patterns of member benefits, social media posts) and qualitative (e.g. feedback from opinion surveys).

However, such measures run the risk of being “vanity metrics” if they can’t be linked to what matters i.e. the impact on membership renewals, sales or active contributions to the organization. Measuring change over time will be easier than proving attribution i.e. how much of the measurable impact is the result of your engagement efforts (and not of other measures such as better quality of a service?) In other words, it may not be possible to fully prove a causal relation but still the contribution to the overall goal can be important.

For EBMOs, the goal of member engagement is to boost members’ perceived value of the membership and have a positive impact on members loyalty to the organization. Loyalty refers both to what members do (e.g. membership renewal, buying habits) and what they think (e.g. member sentiment and satisfaction) but it is not a metric. However, increased member loyalty can be evidenced through the rise of other ratios as listed below.

Some of these ratios have an impact on the average lifetime value of members and can therefore be related to financial returns. Others cannot.

We have collected below a number of elements to construct your own “engagement rate”:

### Retention rate

The retention rate is the percentage of members the EBMO retains each year. It is calculated at least every year, for the whole membership but also per segment of members.<sup>149</sup>

### Members' use of service

This is a basic but nonetheless a fundamental metric to monitor. An EBMO might offer a wide range of services to members from counselling, training to information seminars etc. Tracking the use of each service (when is the service used, by whom) and monitoring the evolution will give you information on how many members actually use the service, which categories of members they fall into, if they come back for it or not etc. You will gain a first sense of whether a service is outdated, unknown or out of reach to your members.

What is also important in the life of an EBMO is to know how members use other types of “services” in terms of attending meetings, committees, conferences, General Assembly meetings etc. A CRM system is the perfect tool to monitor service use and event attendance. It is essential, however for staff to input the information to the CRM system both regularly and consistently.

### Member spending

Members' spending on membership fees or on paid - for services, can be tracked either by surveying a representative sample of members or through a CRM database. The same method shall be used to follow-up every six to twelve months in order to track the level of spending.

For those EBMOs providing a lot of paid-for services, it may be interesting to calculate two more ratios:

#### ***(1) The frequency of purchases***

i.e. whether member X purchases more of product/service Y (e.g. training courses) during a year compared to the previous year. This will inform the EBMO of how committed the buyer is to the service/product.

#### ***(2) The average order value***

i.e. the average amount a member spends on services/products during a year compared to the previous year.



## Online conversion rate

Website visitors can take many “conversion actions” such as submitting a form, engaging with an online chat, signing up for membership, registering to a newsletter, downloading a document etc. For EBMOs, the most interesting conversions will be actions that

- Progress a potential member towards becoming a member e.g. submitting a membership request form;
- Allow an existing member to renew e.g. online payment of membership fee;
- Register a new client of a paid-for service eg. booking or online payment.

To calculate the *conversion rate*, you need to divide the number of conversions you get in a given period by the total number of people who visited your site or landing page. For example, if your membership page had 150 visitors in the last year and 25 submitted the membership request, your conversion rate is 16%.

Most analytics platforms (e.g. Google Analytics) can show you conversion rates in their interface. If you are looking to attribute the conversion rate to a specific campaign, you should only take into account new visitors in your calculations.

## Member satisfaction, member sentiment and net promoter score

*Member satisfaction* can be calculated through surveys (paper, online, telephone, message etc.) – the aim is to collect data on how satisfied a member is with a particular product or service they used. The *member sentiment* score measures attitudes towards the EBMO as a brand and is predictive of a member buying/using future (new) products and services from the EBMO. They are often calculated together with the *net promoter score* which measures whether a member is likely to refer others to also purchase/use the product.

Typical questions for these surveys read: “On a scale of 1 to 7, how satisfied you are with the product/service; how you feel towards the brand; or how likely you are to recommend a product/service to a friend?” Surveys need to be done on a regular basis and with a representative sample of members.<sup>150</sup>

## Customer service

### *Handling members requests*

It may be interesting to measure the ability of EBMO staff to handle incoming calls and emails more efficiently. Improvements in handling process can be tracked easily via a CRM software<sup>151</sup> – Staff should have the discipline to register incoming calls and emails systematically. Data on first contact resolution i.e. the number of calls a customer service takes to resolve the problem of a single member can also be retrieved from the database.

An illustration of *How to register individual service on the ITCILO CRM system* can be found in [Annex 7.1](#)

If your members can find an answer to their question online before contacting a member of the secretariat, this should ensure their satisfaction while maintaining low customer service costs. If you create a Frequent Questions and Answers section on your site, members can read about a solution to their problem before they ask the question – it is known as *call deflection*. The best method to measure satisfaction of members regarding handling process and handling time<sup>152</sup> is via a pop-up survey asking members to highlight if the problem was resolved to their satisfaction. If you have an active online community, you could also provide an opportunity for peer members to answer some questions.

## Social return

**Social return** is a critical metric for non-profit activities as it is closely linked to their mission. Analytics platforms can give figures on the number of times a particular topic is mentioned (and the percentage of those that mention the organization's work). Moreover, the capacity of members to take more informed decisions, handle their challenges, influence public policy or get support from peers can be measured through surveys. It will be possible to observe the increase in these scores as a percentage rather than as a financial value. If data is collected before and after certain information campaigns, or the launch of a particular service, the increase in the score can be attributed to enhanced member engagement.

151 For more information on how to register individual services in the CRM developed by the ITCILO See [Annex 7.1](#)

152 For more information, see: <https://www.zendesk.it/blog/average-handle-time/>

## Brand advocacy

Brand advocates are those members that are satisfied enough with the value you offer to spread the word to others. As an EBMO, you have a strong interest in developing this category of members, as word of mouth is the strongest mean of recruitment for membership organizations. You can measure brand advocacy online through *number of mentions or shares* via social media channels (Facebook, Twitter, Instagram, Snapchat, etc.). You can also do it offline through recommendations to friends and acquaintances. A common proxy metric for brand advocacy is the *net promoter score*: you can ask new website visitors, new users of services etc. through which channel they got information about the organization, collect and analyse the data.

Brand advocacy can be boosted by showing more prominently the “human side” and sense of community of your organization. You can for example ask Facebook followers to post their own stories, photos on your organization’s page, which will most likely boost the likes. You can also launch a contest (eg. share a selfie with one of our product) and use the results to create an album, which will serve as a “members-made advertising campaign”.

## Online two-way communication

Many metrics can give indications about how open members are to receiving information and how they react, e.g. enrolment to newsletters, number of Facebook Likes and Twitter followers, opening rates of emails etc.<sup>153</sup> A further question however, is how many people take action after receiving information – this can be measured when embedding click-through links in messages e.g. to a registration page, an online poll, an website article or blog post. A summary of *Five important user engagement metrics for the EBMO website* can be found in [Annex 7.2](#).

To measure two-way communication online, you can select a number of articles allowing comments on your website and collect data on *repeat visits* for these articles. It is unlikely that many people would read the same article twice. However, if someone participates in the comments, you can assume they will return to read the response to their comments and follow the discussion. This data can be collected by selecting each article being measured (Google Analytics > Site Content > Individual page) and selecting “User Type”.

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153 For more on two-way communication metrics, see [Annex 7.2](#)

## Community insights

Information on the members' community challenges, trends, opinions, mind frame etc. can be collected through solicited feedback (e.g. interviews, surveys, polls, direct questions) or unsolicited feedback (e.g. analysis of trends, audience profile data, comments, complaints and requests). Once researched and analysed, this "evidence of engagement" can be used to create a positive perception of community value. Communicating on the facts, emotions, and experiences collected, how they help build EBMO messages and policies and the role played by the EBMO to voice them adds value to the membership. To get a broader insight about how the EBMO is perceived in the community some EBMOs conduct brand image surveys engaging with members and the broader public to get their views and perceptions. Exercises like these can yield interesting findings but they can also be expensive without leading to tangible value adding results.

## 7.4 What can you do?

Let's clarify a question first: isn't engagement all about communication? Even if the two notions are inter-linked, they are not synonyms. Although communication can happen without engagement, engagement cannot happen without communication.

Petrina Frost<sup>154</sup> explains it in a straightforward way: "If you craft a message and press "send", you have communicated but your audience will not necessarily be engaged. Engaging your audience involves getting out of your chair and going to speak to people (informally, formally or virtually) to make sure they received the message and are taking action as a result. If you want to keep your audience engaged, you need to figure out how to involve them in a way that has them take ownership of what's happening e.g. by involving them right from the start in crafting the direction, the message etc. And if they start adding to the plan, driving it, and making it their own, then you have achieved higher levels of engagement". Petrina Frost also highlights that "quite often, even if you build in two-way feedback loops, communication remains a one way broadcast. You need to build frequency of your message to ensure the broadcast gets through. When you effectively engage people so that they take ownership of a task or an outcome, and then you manage them through to the completion of the task, you have much more chance of producing the result you are aiming for."

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154 For more information, see:  
<https://www.linkedin.com/pulse/difference-between-communication-engagement-petrina-frost/>

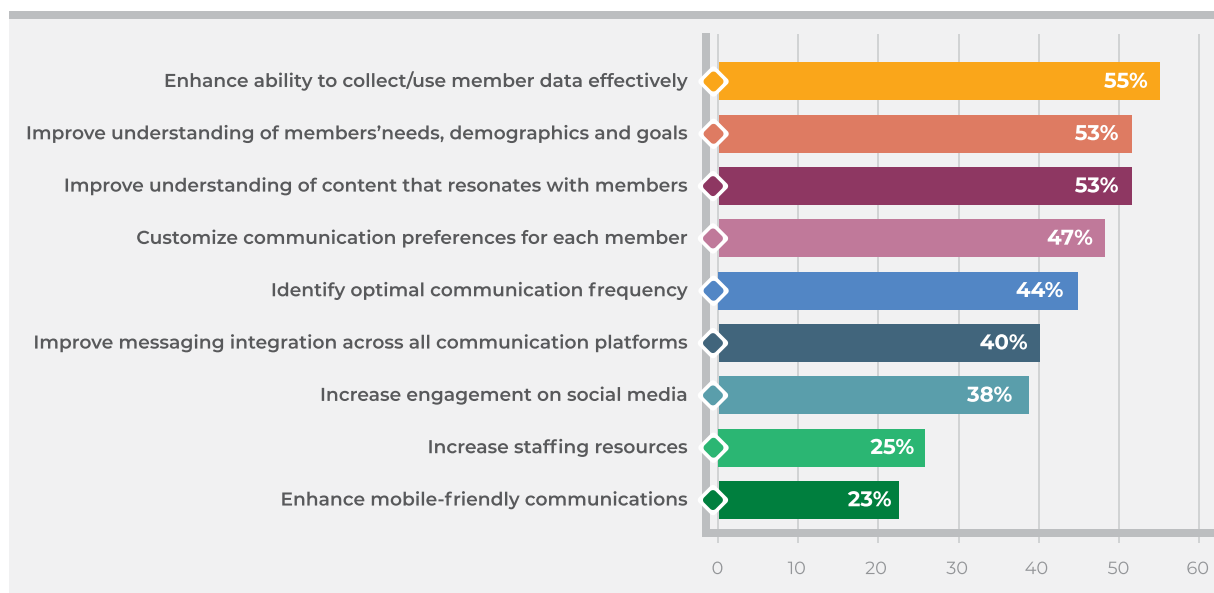
COVID-19 has profoundly impacted all EBMOs around the world due to travel restrictions, limited face-to-face interaction, and significant budgetary constraints from the economic fallout caused by the pandemic. According to Association Advisers' 2020 Communication benchmarking report,<sup>155</sup> the pandemic has had 4 major impacts on membership engagement:

- A decrease in member renewals;
- A slowdown in new members joining;
- A shift of priorities from members who were “distracted” by their own economic and social issues;
- Growing competition which made it difficult for associations to maintain pre-COVID level of members engagement with existing members.

To increase member engagement, the capacity of EBMOs to maximize digital technologies, collect and use data of their members – and to do this in a professional way – will be of paramount importance if they want to continue to respond to members expectations and grow in a sustainable way.

The figure below illustrates the centrality of data collection and analysis for member engagement strategies:<sup>156</sup>

***A majority of resources/strategies needed to increase member engagement center on data collection and understanding their needs, goals, demographics and preferences***



155 For more information, see: <http://resource.associationadviser.com/2020-BenchmarkingReport-Download>

156 For more information, see: <http://resource.associationadviser.com/2020-BenchmarkingReport-Download>

We have collected below a series of engagement tips with the hope that they can provide inspiration and focus to EBMOs member engagement actions.

These tips are structured in the following clusters:

- Be attractive (not just visible) - the key importance of adequate member communication;
- Get emotional (in messages, channels and actions);
- Become a content curator;
- Make member benefits tangible and rewarding;
- Personalize and customize;
- Innovate and excel in service delivery.

### **Be attractive (not just visible) - the key importance of adequate member communication**

A typical member journey will start by becoming aware of the existence of the EBMO, getting more information and considering becoming a member, being solicited and having a chance to experience some of the services before being recruited as a member.

Once recruited, the journey continues with:

- Onboarding as a new member and getting acquainted to the functioning of the organization and renewing membership (satisfied member);
- Ascertaining the value of being part of the “club” and becoming more active (loyal member);
- Taking more responsibilities within the organization and spreading the word about the advantages of membership (advocate member);
- To finally being an “ambassador” of the EBMO taking on prominent roles within the organization and possibly becoming an image/voice of the organization on the outside.







Whether the EBMO is able to promote such a journey and increase numbers of loyal, advocate and ambassador members depends on its attractiveness at each stage of the journey. Engagement with members certainly happens in an ongoing way through content, communication, and events but members perceive the value added of the EBMO differently depending on where they currently are in the journey. EBMOs therefore need to review all “touchpoints” i.e. instances where members (or at least segments of members) interact with

the EBMO brand, product, service, etc. in order to better understand how members derive value from the interactions i.e. in terms of direct benefits but also in terms of feelings, emotions or even pride. This will help EBMOs optimize the member experience across the whole membership cycle.

The term “engagement” is often used when referring to how individuals or companies behave online – in terms of website visits, page views, email opens, social media mentions, “likes” or “follows.” Being visible, however, is only part of the engagement equation for membership organizations. The key difference between visibility and engagement is “action” i.e. will there be a two-way interaction between the EBMO and the members? In response to EBMOs outreach, will a member take action? Following a comment posted by a member, will the EBMO provide an answer and a solution?

According to Association Advisers 2020 Communication benchmarking report,<sup>157</sup> membership organizations (any type of US based membership organizations, not only EBMOs) struggle to make their communications truly engaging: despite the high frequency of member communication touches overall, many associations say they struggle to articulate their membership value proposition. This has been further complicated by the COVID 19 pandemic, which brought live events - the top source of branding, member engagement and non-dues revenue for many associations - to a standstill. In response, webinars and podcasts gained significant traction, but the majority of associations expressed difficulty transforming live events to virtual ones.











### Top 6 Communication challenges:

<b>Top 6 Communication Challenges</b> % respondents agreeing		<b>2011</b> (first year)	<b>2019</b>	<b>2020</b>	<b>Year-over-year change</b>
	<b>Combating information overload/cutting through the clutter</b>	54%	70%	69%	Neutral
	<b>Communicating member benefits effectively</b>	32%	67%	68%	Neutral
	<b>Customizing for member segments</b>	23%	63%	55%	Better
	<b>Engaging young professionals</b>	n/a	53%	49%	Better
	<b>Facilitating member-to-member communication</b>	n/a	40%	47%	Worse
	<b>Producing video consistently</b>	n/a	41%	47%	Worse

The same survey shows that legacy communication channels (live events, training and certification events, print magazines, and e-newsletters) continue to be among the most highly rated member communication channels. However, social media emerged as the No. 1 vehicle for driving traffic to association websites.

157 For more information, see: <http://resource.associationadviser.com/2020-BenchmarkingReport-Download> based on 212 survey responses from US trade associations, professional societies and association management companies

*Top 10 communication channels in 2020:*

<b>Top 10 Overall Individual Communication Channels</b>		Consider very/extremely valuable	Rank 2019	Rank 2020	Year-over-year change
	Traditional conferences/events	95%	1	1	Same
	Webinars	86%	7	2	5 ▲
	Member magazine (print)	81%	3	3	Same
	Training/certification events	80%	2	4t	2 ▼
	Annual meetings (new)	80%	n/a	4t	n/a
	Member-newsletter	77%	4	6	2 ▼
	Association website	74%	6	7t	1 ▼
	Email blasts	74%	7	7t	Same
	Leadership conferences	68%	5	9	4 ▼
	Member ezine	62%	9t	10	1 ▼

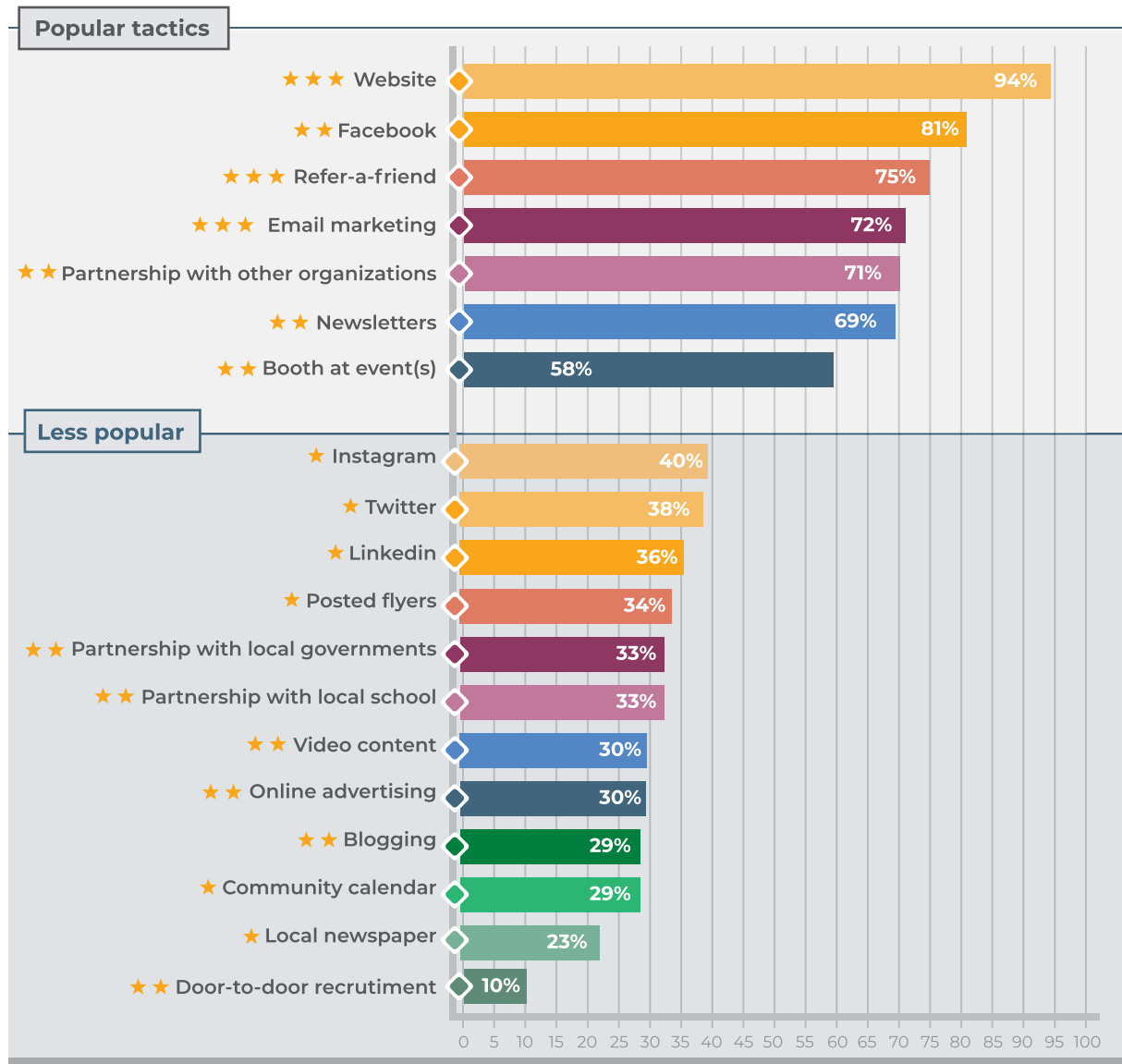
Not surprising given the implications of Covid-19, webinars rose 5 spots to be the second most valued communication channel in 2020.

In recent years, EBMOs websites and/or their social media became their primary identity. This is where members go for information and insight; where they can participate in the EBMOs online community, register for events, manage their membership profile and even their yearly renewal. This is where the EBMO can build the relationship and encourage action with every website visit and as often as possible, to ensure tangible member value is being provided.

We need to remember that many different communication tools (both online and offline) can boost engagement. What works best varies depending on demographics, geography and circumstances in general. What is crucial is that the EBMO follows evidence-based strategies avoiding any guess work.

As an example, below is the result of a survey conducted in 2020<sup>158</sup> among 1,207 associations from 38 different countries illustrating the tactics used to make contact with members. The percentage of popularity in use of each tactic is given as well as its effectiveness on a five-star scale.





Of the 7 most popular tactics, 3 are purely digital (website, Facebook, and email marketing), one is purely offline (event booth), and 3 can be either (refer-a-friend, partnerships, and newsletters). On average, organizations were found to leverage 9 different tactics.

How to make sure that the EBMOs' communications are truly attractive?

This involves reviewing both the channels used and the content of the messages.<sup>159</sup>

159 See also <https://www.naylor.com/associationadviser/improving-member-communications-part-1/> ;  
<https://www.naylor.com/associationadviser/improving-your-member-communications-2/>

## **Digital communication 101 for EBMOs**

The key goal for any EBMO website is to get members to the site and keep them coming back for more. Being attractive online means:

- Offering the right content – fresh, up-to-date, targeted to the audience and easy to find;
- Promote two-way communication (see more below);
- Presenting different ways to experience membership value.

Many small EBMOs rely on volunteers or staff with limited digital skills to update content on their website. This means that it is necessary to have a user-friendly platform or content management tool to make their job easier. Otherwise, fresh content may be put on hold while waiting for a “techie” volunteer or an outside service provider to upload the content to the site so that what starts out as fresh content ends up stale by the time members see it on the website.

As well as keeping content updated, it is important to also alert members to fresh or new content through other channels such as:

- Social media: social networks are effective ways to keep members informed of new content, alerting followers when a new article and/or blog has been added by Tweeting, and posting on Facebook, LinkedIn, WhatsApp etc.
- Regular updates in a newsletter: include a regular section and/or news article with live links to the new web material.
- Any publications created and/or sent to members: at the bottom of any member updates and all outgoing emails include the link to the blog, members’ forum or other news page.
- In face-to-face meetings: have the Chair of the Board and any meeting Chairs alert assembled members of new blog posts, articles, etc. that might be pertinent to the meeting.

Promoting two-way communication opportunities means opening channels so members can also communicate with your administration and leadership as well as with peer members. This can be done through:

- Online forums where members can post comments and provide opinions on issues currently being debated by the EBMO with replies from EBMO staff as well as other members adding to the dialogue;

- Online surveys or opinion polls conducted to elicit member input or posing mini surveys or questions on the website or Facebook page to get conversations started. Once two-way conversations take place, it is important to respond to and promote (and amortise) feedback and comments by noting these in blog posts, twitter and in your newsletter as well;
- A regular blog by the CEO on topics of interest with the ability for members to comment on the posts;
- Social media<sup>160</sup> by encouraging communication via Twitter or Facebook by asking questions and listening to members comments, posting mini surveys on Facebook etc.;
- Using networks such as LinkedIn to raise awareness and build membership through peer recommendations. While LinkedIn started as a social media tool used by individuals to network, find a job or further their career, it also has company pages that offer additional functionality where individuals can write recommendations about your EBMO, which in turn can drive membership growth and retention. One of the best things for any EBMO is good word-of-mouth from current members. Thus, to leverage positive feedback, members should be encouraged to post reviews on the EBMOs LinkedIn page;
- Emails remain the most direct, safe, cheap and low-tech form of mass communication. Emails are also easy to segment and can include call for action/reply.

Tracking the degree to which members are engaging with - and using - member data, to deliver future attractive messages and content is an area where effective communication is evolving. Metrics from digital communication channels can be used to determine members needs be that email metrics, mining data from their websites via Contact Us and landing pages, social media platforms etc. However, to do it professionally it is crucial to agree on an overall strategy.

Let's examine a few frequently asked questions:

***Is it sufficient to have an attractive looking website to be visible?***

No. No matter how attractive your website is, it won't grow your bottom line if potential members can't find it. Most people looking to find information on an EBMO, its advocacy or services, start their search on the Internet. This is why SEO, or search engine optimization, is key. When a potential member uses an online search engine, finds your EBMO, goes to your website, then the EBMO has the power to control the interac-

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160 For more information, see <https://virtualinc.com/social-media-for-associations-101/>

tion showing the potential member all the wonderful things you get with a membership to your organization.<sup>161</sup> SEO is the process of improving a web page's visibility by optimizing its content and structure to achieve higher search engine rankings.

Field experts suggest to:

1. Keep visitors on your website by interlinking pages so that visitors can see at once both the general topic they are looking for and subtopics they might be interested to explore in more details (like on a Wikipedia page). The more users click on internal links, the more they spend time on the website and the more search engines track favoured content and numbers of click – this will push you up in searches;
2. Make sure you use keywords – not acronyms or jargon – in the headlines, descriptions, body, urls and images on your webpages. You can use a keyword research tool to determine what relevant keyword phrases people are searching for and then include those keywords in your own website. Search engines pick the keywords and will recommend websites using them accordingly;
3. Determine which type of content is most popular among your target audience and create unique content on that basis. You can use browser analytics or dedicated software to get insights into how much traffic your site is getting, which sites are referring traffic to your site, what keywords people are using to find your site, what they are looking for on your site and for how long – these are very valuable indications;
4. Fresh, regular new content will help search engines recommend your site. Static websites are deemed dormant or less reliable by search engines. Having a calendar to plan regular updates on your site or related blogs should help.

### ***Can social media replace a website?***

Not if you want to be attractive and not just visible.

To ensure the best member experience, EBMOs need to invest in a quality, professional, modern and quickly uploading website as the central portal to all other online presences and tools, including social media.<sup>162</sup>

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161 For more information, see:

<https://blog.tangiblewords.com/search-engine-optimization-the-best-way-to-market-your-membership-association-website>

162 For more information, refer to the Chapter V. on Recruitment and see:

[www.dnlomnimedia.com/blog/nonprofit-digital-strategy-steps](http://www.dnlomnimedia.com/blog/nonprofit-digital-strategy-steps)

The reasons for that are:<sup>163</sup>

- Websites can easily be branded and customised to support EBMOs goals;
- Hosting compelling content on your website will promote your organization directly and increase the likelihood that people will share it on their social networks;
- Thanks to Search Engine Optimisation (SEO) your website delivers search results that drive traffic to the pages where you want visitors to land;
- The best analytics are generated from website tools;
- Members join and renew using a hard-copy membership form and on your website – not through Facebook or Twitter.

However, today social media is fast becoming the number one means through which your members (and potential members) reach your organizations website. This means that you need to have a social media engagement strategy in place in your EBMO.

### **Tips for social media engagement:**<sup>164</sup>

#### **TIMING**

First, ascertain which social media channels your members use the most, what kind of content they are looking for and possibly at what times of the day they are likely to be on social media sites;

#### **STORIES**

Second, share inspiring stories and images that tell more about the work you do: your organization's mission, behind the scenes, and secret previews that only people who follow you will get to see. Including content that's different across your social media channels gives a reason for people to follow you and engage with you on all of them;

#### **INTERACTIVE CONTENT**

Third, create interactive content. Tactics such as conducting polls on Facebook, mentioning your top followers in your Instagram stories, and asking questions on Twitter are all ways that you can share more information about your organization's activities while still giving members a chance to feel like they're part of the conversation;

<sup>163</sup> For more information, see:  
<https://alexwhite.org/2011/12/five-reasons-your-union-should-fix-its-website-before-getting-onto-social-media/>

<sup>164</sup> Adapted from  
<https://www.wildapricot.com/blog/member-engagement#how-the-alliance-for-women-in-media-awm-engages-members-through-social-media>

## CONTENT INPUTS

Fourth, ask your members for content. People love having the chance to share their stories! Quick social media posts are a great way to do so without devoting too much time to creating it. For example, you could ask members to send in a photo of themselves doing an activity related to your organization for a chance to be featured, or feature something that one of your members is doing that other members would like to hear about.

Finally remember that search engines love social media so the more active your social media accounts are the more you will be visible to members and potential members in web searches.

### ***Should all your communication be accessible to everybody?***

Again, not if you want to be attractive and not just visible.

Online communities are increasingly critical to membership organizations – they are a way to connect members to each other, not just to the organization. They are the point of convergence of several factors impacting on member engagement as described in this section: digital communication, personal interaction, peer connections, content curation etc. Whether the online community is hosted on a membership portal or a Facebook group page, what's important is that members are introduced to the community on day one and can easily find their way to interact as much and as frequently, as they wish.

## **Online community building tips<sup>165</sup>**

Online communities help organizations increase member engagement if they offer the following benefits:

- One location to share tips and resources;
- A safe and secure network for asking questions;
- Members-only access to peers and experts;
- Members-only access to member-generated content on relevant topics;
- Anytime, anywhere, any-device access to all of the above.

Engaging members through online communities can be done via online forums, a blog (allowing members to comment on your blog posts), online surveys (regular surveys to elicit member input or mini surveys or questions to get conversations started), social media (asking questions and listening to members' comments;

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<sup>165</sup> Adapted from <https://www.feverbee.com/50-community-building-tips/> and <https://www.feverbee.com/building-an-online-community/>

posting mini surveys and polls etc.) or reaching out to members directly (a quick phone call or a personal message can go a long way with some members). Last but not least, creating a member directory can encourage members to reach out to each other, meet up and share resources and information directly with other members.

## **8 practical tips** for transcendent member engagement through creative communication

Tom Hadley has worked as the Director of Campaigns & Policy for the Recruitment & Employment Confederation in the UK and as external consultant to the ILO and the ITCILO. Based on the insights and examples of good practice collated from EBMOs around the world, here are some practical tips on how new communication approaches can boost member engagement:

### **1. Less is more**

Business leaders have information coming at them from all angles. Keeping communications short and punchy is the trend; this includes breaking research and reports into bite-size 'chunks', making the most of infographics and video and being explicit on required responses. 'Opt-in' mechanisms are enabling members to select most relevant areas for their business.

### **2. (Re) set the tone**

EBMOs are not only reviewing content and channels, they are changing the tone of their communications. The aim is to be less 'corporate', more approachable, more dynamic. Using external communications experts to help retune 'tone of voice' is a starting point, backed by internal sign-off procedures and 'style guides' to embed change and consistency.

### **3. Change the channel**

EBMOs are adopting a multi-channel approach. More use of video is a trend and is a cost-effective way of relaying core messages and 'calls to action'. Accelerated use of digital platforms, podcasts and webinars will continue post-pandemic. These enhance popular engagement hooks for members, such as peer to peer exchanges and access to influencers.

### **4. Digital reinforcement**

Investing in CRMs, websites and digital services will remain a building block; EBMOs must make engagement as easy as possible. Understanding the member journey by regularly testing access to services and website navigation is an important step. Digital services facilitate segmentation and automation such as chat-bots to answer basic queries.

## 5. Use it or lose it

How can EBMOs provide members with information they can use, not just peruse? Examples include filtering intelligence from research reports or government guidance into short videos and slides that can be slotted into internal or external presentations. The more members make use of services and information, the less chance of the EBMOs losing them!

## 6. Spread the net

Widening and deepening relationships within member businesses enhances engagement. It means not just relying on one main contact to cascade information to colleagues and ensuring that information on services and campaigns reaches functional experts. It is also a good way of mitigating risk in case the main contact leaves the business.

## 7. Reframe and energise

Successful EBMOs are experts at reframing, explaining context and answering the “why?” question when it comes to businesses actively engaging in advocacy campaigns and buying into services. Good communication is also about creating positive collective energy within the EBMO itself and across the membership.

## 8. Raise the bar

Retention rates and take-up of additional services are the ultimate success markers. Measures such as click-through rates, downloads and member interactions are used to monitor daily progress. Other practical steps include classifying members according to current engagement levels (e.g: hot, warm, cold) and being proactive in moving the cold to warm and the warm to hot! Raising the bar involves effective account management and relationship building.

## Get emotional (in messages, channels and actions)

In recent years, customer experience has become even more important for brands across all industries and world regions. Beyond the purchased service or product, what is valued by customers is the lifestyle, culture or community surrounding a brand. This is certainly true for internet native generations but also increasingly for older ones. Today, companies focus on creating superior customer experiences through connecting emotionally with their consumers in order to gain loyalty from them in a context of fierce competition. Brands want the loyalty of the consumers and consumers, in turn, act as brand ambassadors.

EBMOs need to increase the *perceived* value of membership through greater emotional connection. Membership of an EBMO equates to inclusion in a club. This “club” feeling that the EBMO offers is a unique point of difference from other service providers where once the information/advice is given or the service is provided and the bill paid, no on-going relationship exists. It is human nature that once the decision has been made



to become a member of any type of club, there exist a certain loyalty to it and by extension to other members of that club. This “club” sentiment therefore needs to be nurtured and reinforced by the EBMO. Members need to be told constantly that their opinions matter, that the community cannot function effectively without their input and engagement, that on certain issues such as a government proposal to increase the corporate rate of taxation, for example, it is essential that the membership acts as a unified and committed group, led by the EBMO. The value proposition of the EBMO needs to give more recognition to the “club” factor and talk to members in a more personalized, human-centred, tailor-made way.

There are different ways to “get emotional” and increase the human touch of EBMOs e.g.:

- Turn selected ambassador members into thought leaders and give them a voice to humanize your brand and engage your audience;
- Integrate more direct communication channels like social media into all your core activities planning (including governance related ones) not only big events or press activities;
- Integrate the good tips learned from online communication into your core communication channels. Being visual, using real stories, testimonies and references from peers, demonstrating care and values, getting personal are the things that make messages go viral online – EBMOs need to pull similar strings in face-to-face contacts with members and all other forms of communication, including emails – which are by far the means EBMOs use most to interact with members;
- Organize social events involving members and their families or wider social contacts;<sup>166</sup>
- Lead events and projects with a strong social cause to which members and their local communities can rally.

For example, the Federation of Uganda Employers (FUE) orchestrates private sector support to testing campaigns on HIV/AIDS; the Federation of Kenya Employers (FKE) organizes a long-standing project to “adopt a school” and promote basic education.

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166 For example, Business Botswana regularly organizes Golf Days, see more <https://www.bb.org.bw/>

## Become a content curator

EBMOs want their business members to thrive. They want to provide solutions to their challenges and be their port of call community when they need advice. Why? Because gaining the trust of their members adds tremendously to the perceived value of membership. However, EBMOs face two obstacles:

- many organizations or individuals provide content and advice to businesses - the internet has substantially reduced barriers to publishing and content distribution - so it is not necessarily easy to find the right niche;
- they have limited capacity to conduct own research.

Content curation<sup>167</sup> is about identifying relevant content for members, organizing it and sharing it. It is a recognized efficient marketing strategy to attract and retain customers. The core idea is that by sharing valuable content and adding your own commentary and analysis, you become the go-to place to find the best content. In this scenario, the role of the EBMO is closer to that of a trend analyst rather than a research institute.

Why is content curation great for members' engagement? Content curation is an opportunity to build on the strength of your EBMO: its membership. Knowledge about business trends, business leaders opinion, entrepreneurs' success stories are excellent sources to contrast international benchmarking reports, statistical reports, public authorities policy pieces and other material you will identify as of potential interest to your membership.

EBMOs are well placed to:

Offer an easily accessible go-to place to find information;

- Yield contacts with national and international bodies and use its position in policy-making bodies and boards to have advance knowledge of important publications;
- Retrieve from the community of members the peer-to-peer advice that members are looking for to add/contrast/digest other types of information.

Curating content allows an EBMO to deliver value to members while building their brand and increasing their sphere of influence. Last but not least, content curation allows an EBMO to produce valuable content and to start discussions with its members on hot topics more frequently than if it has to wait for the publication on its own research pieces.<sup>168</sup>

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167 For more information, see: <https://contentmarketinginstitute.com/2016/04/content-curation-strategies/>

168 As an example, the Federation of Belgian Employers publishes a weekly bulletin summarizing the "need to know" information for entrepreneurs in Belgium which is used as the first port of call by members, see <https://www.feb.be/>

## **Make member benefits tangible and rewarding**

We have seen before that engagement is nurtured both by emotions and transactions. Some members may prioritize the cause and sense of belonging to the EBMO while others will need a more tangible reason to engage regularly. This is where member benefits can make all the difference: products and services on offer as well as discount and other incentives schemes.

Most people like to participate in several loyalty programs be it from an airline, a supermarket chain or fitness studio. Loyalty programs are a classic formula for customer acquisition and retention. In its study “Loyalty deciphered”, Cap Gemini<sup>169</sup> explains that leading organizations have formed strong emotional connections with consumer focus, among others, on rewards to promote long-term relationships. Rewards can have monetary value (competitive prices, special sales), make people feel special (quality products, exclusive access), make their lives easier (shorter lines, self-service options) or cater for opportunities to “give back” (social advocacy).

Even if members appreciate different things in different contexts, we can identify a few items that can be used as incentives by EBMOs to reward loyalty.

- Personalized messages to thank the member for their loyalty;
- Early or exclusive access to publications, events etc.;
- Discounts for certain products, services or even fees;
- Partnerships with relevant institutions or companies;
- Referral Programs in which loyal members can also find a business opportunity;
- Contests and awards to promote excellence and deeper connection in the membership community;
- Social Rewards through increased visibility on EBMOs publications, buildings or a special status mentioned on the membership card etc.

Rewarding loyalty is also good business for the EBMO.

- Loyal members may want more than what the EBMO is offering to the general membership in terms of access, support and/or facilitation. It will then be possible to upsell some products to them specifically – this way the EBMO will increase its wallet share.

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169 Report from Capgemini’s Digital Transformation Institute, “Loyalty Deciphered—How Emotions Drive Genuine Engagement”, 2017

- Loyal members may be in a good position to identify who else they think should join. Word of mouth is still cited as the most efficient way to grow membership. You can add incentives to the referrals like a discount or a small competition.
- You can also ask loyal members for testimonials. Not only are testimonials great for your marketing, but asking for them encourages people to reflect on the positives of EBMO membership – and others seeing such testimonies will be encouraged by the prospect of similar outcomes for themselves.
- Have you thought of asking loyal members to volunteer? As VIPs they could have a special role in welcoming new members, coaching your staff, taking on the role of ambassador of the EBMO in certain occasions.

It may not be financially feasible, or culturally common, for some EBMOs to offer discount schemes. However, there are other ways to make member benefits tangible and improve member engagement. For example, it is increasingly common to use content to educate customers as a marketing strategy to enhance the customer experience and increases satisfaction. Commercial companies regularly propose tips, tutorials or blogs on their websites along with the possibility to buy their products.

In the context of EBMOs, more can be done to use conferences and meetings as professional learning opportunities.<sup>170</sup> This can be done by substituting the classical format of long presentations followed by squeezed questions and answers sessions with interactive sessions in which experts respond to challenges coming from the floor followed by set-aside time to think on how to apply new ideas and skills. Doing so can reinforce member representatives competences but also help them cultivate new networks, and create a stronger bond with the EBMO. This is all the more important today with newer generation business representatives for whom career-development opportunities are reported to be a top reason for joining a membership organization.

The perceived value of membership depends on several factors, one of which is the level of current engagement with the organization. For example, if the strategy is to increase the number of its advocate and ambassador members (i.e. members already well-versed and involved in committee work or governance institutions), it will need to understand what benefits such members would find attractive in compensation of a more prominent/visible role, more volunteering of their time and connections etc. Board members, for example, are likely to value the possibility to meet with VIPs, to influence decision-making, or to grow an international network more highly than rank-and-file members. The perspective of all “types” of members should be included in member-benefits strategies.

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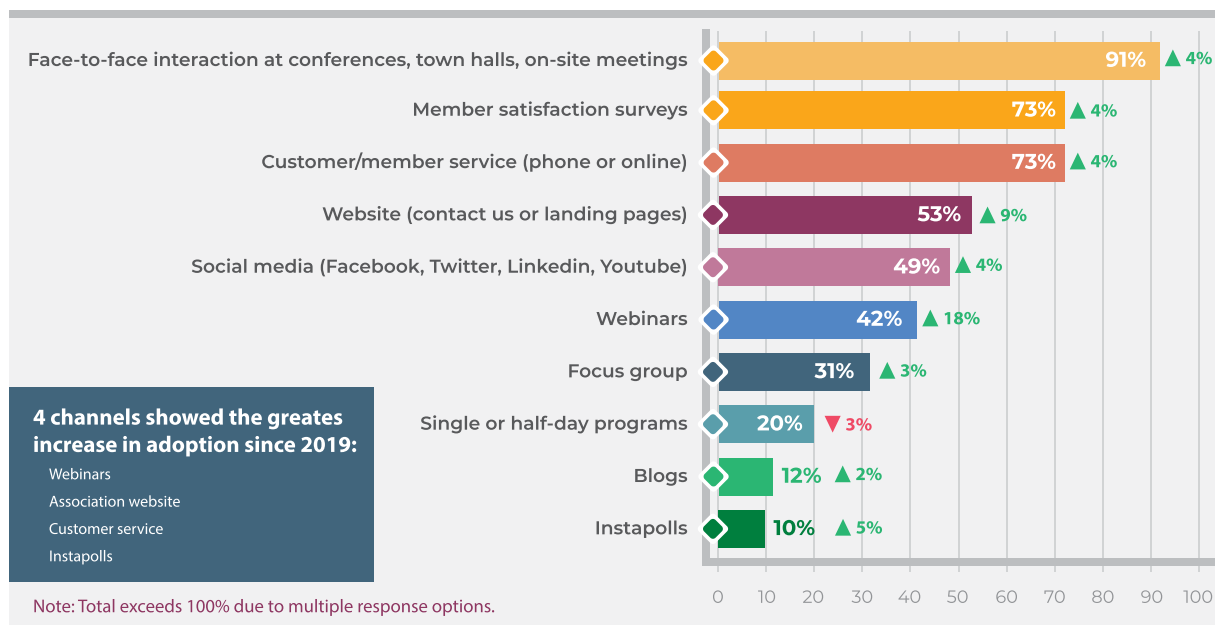
170 For more information, see:  
[https://www.asaecenter.org/resources/articles/an\\_plus/2018/june/encouraging-member-engagement-through-education](https://www.asaecenter.org/resources/articles/an_plus/2018/june/encouraging-member-engagement-through-education)

## Personalize and customize

Information technologies and the use of a CRM makes it easier for EBMOs to customize and personalize communication as well as service delivery.<sup>171</sup> EBMOs are increasingly expected to do so using membership data to engage and interact with members more often and more meaningfully. This will enable you to improve the quality and satisfaction of each interaction and maximize the profitability of your member relationships.

Data can come from a variety of sources (also not digital) but should be recorded in a central way to be exploitable, as shown in the graph below:<sup>172</sup>

### Vehicle and Tools Used to Determine Member Needs



Personalization can take many forms, from the auto-generated happy birthday email to a sophisticated algorithm that recommends products based on browsing history. EBMOs can achieve good results with simple solutions such as using a quiz to personalize product and services recommendations to members. EBMOs should, in any case, be in a position to go beyond personalized communication with First Name or Company Name. The more personalized and customized communication and delivery are, the more products and content materials feel bespoke, the more engaged members feel. Member segmentation around needs and interests is an important step to improve member experience.

171 For more information, see Smart Impact, White Paper - Personalising Membership Communications for Better Retention [www.smartimpact.co.uk](http://www.smartimpact.co.uk)

172 For more information, see: <http://resource.associationadviser.com/2020-BenchmarkingReport-Download>

There are varying degrees of personalisation:<sup>173</sup>

- **Basic:** Personalising electronic and hardcopy communications/literature with basic content, e.g. member name;
- **Intermediate:** Rendering and signposting content linked to knowledge of the member, e.g. membership record information – location, membership level, special interest, previous purchases etc.;
- **Advanced:** Regularly rendering and signposting online content linked to knowledge and behaviour of the member on multiple online/offline platforms (incorporating context), e.g. online behaviour, search criteria and personalized offers etc.

Some techniques, increasingly used online and on social media, can help customize the members experience and create loyalty programmes at the same time. Gamification is one of those techniques whereby a customer gains points for each purchase, gains badges for each completed learning course or obtains a reward for posting about his/her customer experience on social media. Such programmes have the advantage of prompting immediate feedback from users and thereby helping companies improve their performance. In EBMOs, gamification can be organized through the member user profile on the community portal and become a natural extension of membership cards widely used in many organizations.

Through quizzes, loyalty programmes, and more generally stated communication preferences or fields of interest, EBMOs can mine data to help segment, customize, personalise communication and service delivery in order to ensure that the “member experience” within their EBMO is on par to the “customer experience” members are familiar with from commercial brands.

Data collection and analysis are key to enable personalization and customization, and overall a better member experience. However, these are fields in which member organizations are still generally lagging behind, compared to companies – even if progress is reported. According to Association Advisers’ 2020 Communication benchmarking report, membership organizations are steadily improving their ability to “collect and use data effectively”. As digital technologies make it easier to collect data, the challenge is now mostly on data utilization to improve member engagement. In terms of communication, it means for example EBMOs avoiding to resort to one-size-fits-all communication blasts that are increasingly being ignored by the vast majority of members, and focussing on tailored two way communication responding to direct needs and queries of members.

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173 For more information, see:

<https://www.researchbydesign.co.uk/assets/Member-Engagement-Toolkit/Member-Engagement-Toolkit-2017-Version-1.pdf>

## **Innovate and excel in service delivery**

One of the best drivers for member engagement is change and innovation. Not only for product and benefit innovation, but also in service and customer service innovation. Similar to private sector companies, innovation for EBMOs comes from member insight. In turn, it can be supported by technology (not the other way round). EBMOs need to ensure that they have service delivery processes in place that guarantee or boost excellence in service delivery. Automation of internal and external processes, possible with tools such as CRM, is the number one condition for further progress towards innovation in services in EBMOs today.

It is all the more important that EBMOs are usually long established organizations and research shows that mature organizations (established at least 10 years) have more difficulty growing their membership. Older organizations have to make even more effort to connect their mission with younger members and diversify the tactics they use to connect with more (potential) members.<sup>174</sup>

We have seen already that member engagement is multifunctional: it depends on the perceived value of membership to each member as well as their satisfaction with the offer and services the EBMO is providing; it is triggered by member loyalty. In terms of service delivery, both the quality of the processes and the quality of outcomes are important factors to consider as they have an impact on perceived value and satisfaction and ultimately foster loyalty and engagement.

In general, service quality measurement can be carried out through three different approaches.

- Surveys and questionnaires can be used to explore service quality. Questionnaires, especially online ones, are rather inexpensive, can cover many aspects of a topic and offer actionable information.
- Investigations can be carried out post service – this is the practice of asking customers to rate the service right after the service has been delivered, just after a training course for example. Different scales can be used, usually 5 or 7 point Likert scales.
- Objective service metrics can also be used. This is the case when one measures the real response time to questions asked by customers. While time of analysis is not enough to judge the quality of services delivery, it can be useful to show which area should be improved.

Whatever the method, it is important to note that only the customer or member can determine and assess the service quality.

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174 For more information, see: Wild Apricot, The Membership Growth Report 2020 <https://www.wildapricot.com/>

## Measuring the quality of service delivery process – the SERVQUAL model.

SERVQUAL is a multi-dimensional research instrument, designed to capture consumer expectations and perceptions of a service along five dimensions of service quality. Developed in the 80's, it has become the dominant measurement scale in the area of service quality.<sup>175</sup>

The 5 dimensions of Quality are:

- Reliability i.e. the ability to perform the promised service dependably and accurately;
- Assurance i.e. the knowledge and courtesy of employees and their ability to convey trust and confidence;
- Tangibles i.e. the appearance of physical facilities, equipment, personnel and communication materials;
- Empathy i.e. the provision of caring, individualized attention to customer;
- Responsiveness i.e. The willingness to help customers and to provide prompt service.

Businesses use the SERVQUAL questionnaire to measure potential service quality problems and the model of service quality to help diagnose possible causes of the problem. When customer expectations are greater than their perception of received delivery, service quality is deemed low. When perceptions exceed expectations then service quality is high.

The model of service quality identifies five gaps that may cause customers to experience poor service quality. These are:

- The Knowledge Gap i.e. there is a difference between the target market's expected service and management's perceptions of the target market's expected service. Probable causes are insufficient marketing research, inadequate upward communications or too many layers of management.
- The standards Gap i.e. there is a difference between management's perceptions of customer expectations and the translation into service procedures and specifications. Probable causes are lack of management commitment to service quality, employee perceptions of infeasibility, inadequate goal setting or inadequate task standardisation.
- The Delivery Gap i.e. there is a difference between service quality specifications and the service actually delivered. Probable causes are technical breakdowns or malfunctions, role conflict/ ambiguity, lack of perceived control, poor employee-job fit, poor technology-fit or poor supervision or training.

175 For more information, see:

<https://en.wikipedia.org/wiki/SERVQUAL#:~:text=SERVQUAL%20is%20a%20multi%2Ddimensional,believed%20to%20represent%20service%20quality>



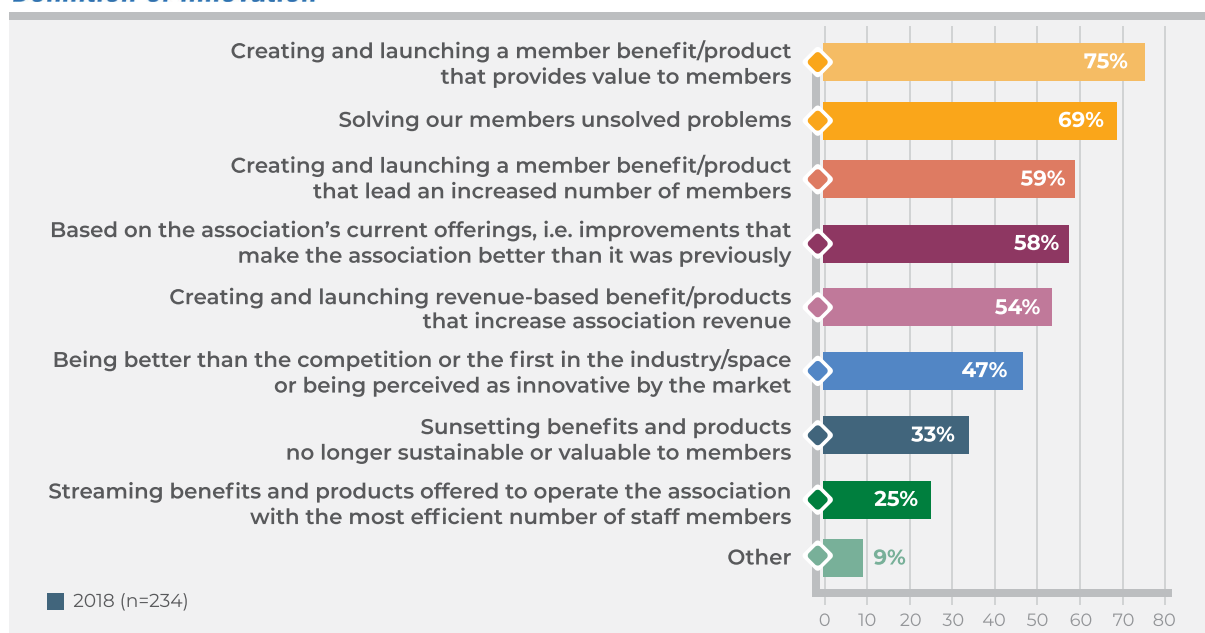
- The Communications Gap i.e. there is a difference between service delivery intentions and what is communicated to the customer. Probable causes are lack of horizontal communications, poor match with communication strategy, inadequate communications between sales and operations, differences in policies and procedures across branches or divisions of an entity, propensity to overpromise.

Many examples of SERVQUAL questionnaires can be found on the Internet. SERVQUAL can be a useful model to assess the quality of the services delivery, but it does not take into account the outcome of the services encounter.

Innovation is a way to ensure quality in both the process of service delivery but also in its outcome.

The 2018 NBAA survey reports<sup>176</sup> that the two most common interpretations of innovation involve creating a product or benefit that provides value to members and solving a member's currently unsolved problem.

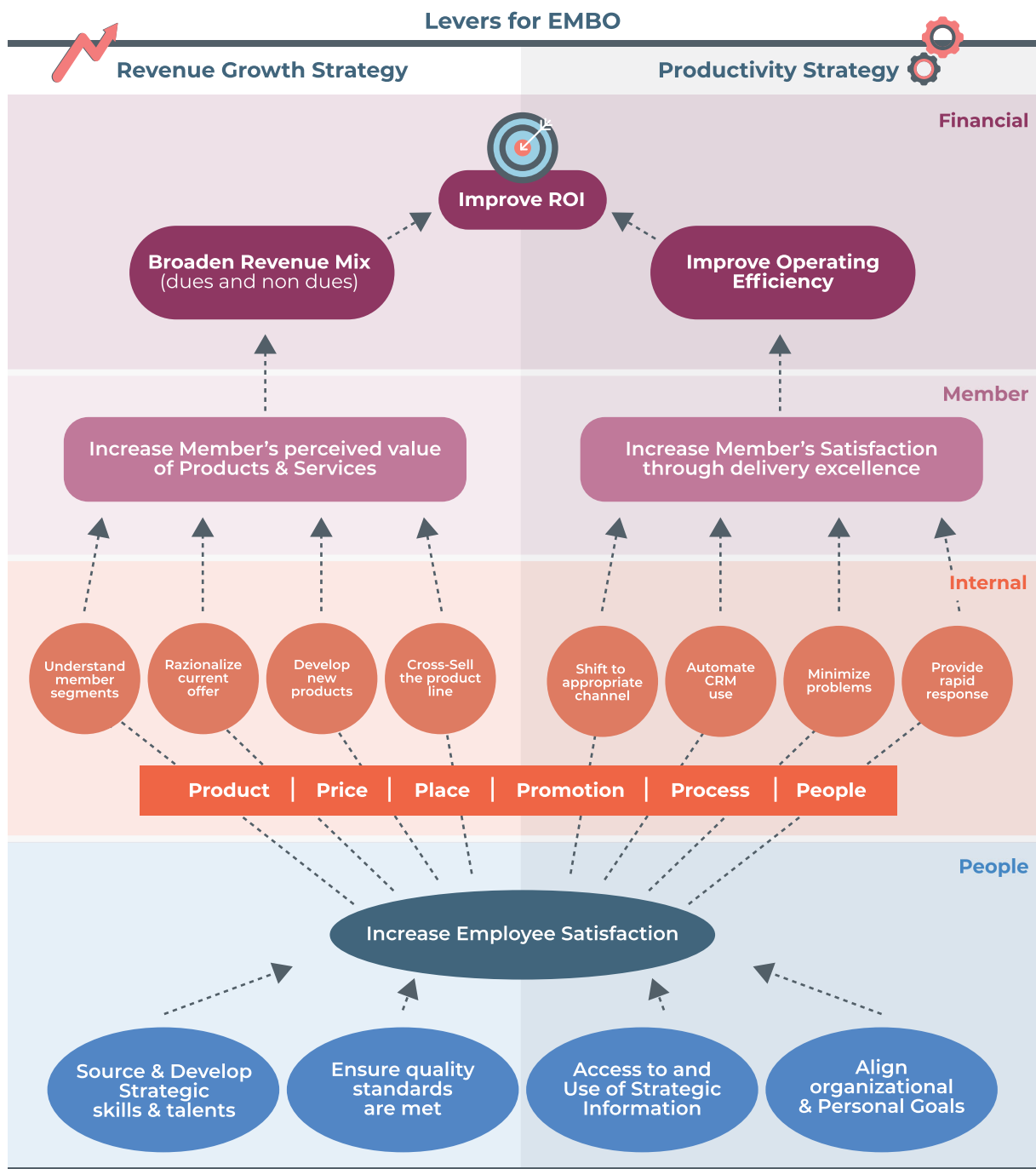
### Definition of innovation



176 The National Business Aviation Association (NBAA) Association Innovation Research Report (2018) is available here: <https://www.marketinggeneral.com/knowledge-bank/reports/>

One of the challenges often felt by EBMOs is the lack of a blue print on how to innovate in terms of service delivery - not only when it comes to product or benefit innovation, but also service and member service innovation.

The ITCILO has elaborated a blueprint which illustrates the levers for the EBMO, as service provider, to increase the perceived value and satisfaction with its services. It is reproduced below:



The blueprint has four dimensions to take account of the financial requirements, member focus, internal processes and staffing dimensions of an EBMO. It distinguishes between two broad strategies, which are complementary:

- Increase members perceived value of products and services;
- Increase member satisfaction through excellence in delivery.

The possible actions and relations between them are highlighted.

The ITCILO has used the blueprint as a basis for discussion on possible Innovation strategies in services with EBMO CEOs and managers over the last two years. The identification of possible innovation touchpoints resulted from these discussions.

The main touchpoints, i.e. areas on which EBMOs felt it was urgent to innovate, are reproduced below:

Dimension	Innovation touchpoints
<b>Financial</b>	<p><b>KEY PERFORMANCE INDICATORS</b></p> <p>Use organizational, team and individual KPIs;</p> <p>Set financial KPIs that matter (i.e. net profit NOT gross income);</p> <p>Set and monitor membership KPIs (Recruitment, Retention, Satisfaction etc.).</p>
<b>Member</b>	<p><b>SEGMENTATION</b></p> <p>Distinguish categories of member as per their service needs;</p> <p>Further segmentation using regular surveys &amp; day-to-day processes (discussions, participation at events, follow-up enquiries etc.) as well as interviews with stakeholders;</p> <p>Input in CRM and use the data (e.g. Department's reports).</p> <p><b>PRODUCT - UPSELLING</b></p> <p>“Go broader”: offer services in other fields (e.g. Tax, investment, financial literacy, business linkages etc.) often involving partnerships (facilitation, referrals);</p> <p>“Go deeper”: offer services in the same field but with different value added (e.g. From training to audits (compliance or linked to SDGs) to internal policy writing;</p> <p>“Go social”: offer services that cater to members social and networking (e.g. organization of social events etc.);</p> <p>The same with lobbying and advocacy;</p> <p>Develop-deepen or examine to develop social dialogue strategies</p>

Dimension	Innovation touchpoints
<b>Member</b>	<p><b>PRICE</b></p> <p>Introduce upfront payment (e.g. Online services);</p> <p>Accept mobile money;</p> <p>Introduce “early bird” discounts for membership fees and services;</p> <p>Increase prices if possible to create exclusivity- snob effect;</p> <p>Lower prices for digital services for mass consumption.</p> <p><b>PROCESS</b></p> <p>Introduce/generalize online registration (services) and payments;</p> <p>Introduce/generalize online registration (membership), feedback and payment.</p> <p><b>POSITIONING</b></p> <p>Have clearer value propositions for each segment;</p> <p>Develop partnerships with other associations and other bodies;</p> <p>Remember that EBMOs “sell” content but also their convening power (e.g. member list);</p> <p>Develop/Curate attractive content (e.g. Opinion pieces/ Blog).</p> <p><b>PACKAGING</b></p> <p>Separate services in different thematic packages to encourage multiple buys;</p> <p>Mobile solutions for existing services (e.g. App for existing FAQs).</p> <p><b>PLACE</b></p> <p>Online (e.g. eLearning);</p> <p>Member portal (with automated passwords).</p>

Dimension	Innovation touchpoints
<b>Internal</b>	<p><b>CRM</b></p> <p>Adaptations/customization to software;</p> <p>How to ensure full use?</p> <p>Enact an internal policy of use;</p> <p>Integrate in performance management (KPI % of visible work in CRM, Achievement of targets evaluated using only CRM data);</p> <p>Celebrate internal CRM “Champions”;</p> <p>Ensure there is strong and visible buy-in and push by the CEO/ED.</p> <p><b>CHANNEL AND TECHNOLOGY</b></p> <p>Use of CRM (set targets);</p> <p>Website review and update;</p> <p>Members’ portal up and functioning;</p> <p>Automation in registration and payment modalities.</p> <p><b>ORGANIZATIONAL CULTURE</b></p> <p>Introduce personal accountability;</p> <p>Link organizational, team and individual KPIs and targets;</p> <p>Set quality standards;</p> <p>Empower EBMO members to represent the whole organization.</p> <p><b>TROUBLE SHOOTING &amp; TIMELINESS</b></p> <p>Clarify who is responsible to respond to what query and link to performance management;</p> <p>Ensure functioning infrastructure and, especially email systems;</p> <p>Clarify process and responsibility regarding general org. email address;</p> <p>Introduce KPIs on response rate and response time in strategic plan.</p>

Dimension	Innovation touchpoints
<b>People</b>	<p><b>HR PERFORMANCE MANAGEMENT</b></p> <p>Introduce personal accountability;</p> <p>Set quality standards (mastery): expectations, targets, means of verification;</p> <p>Modify internal structures for more clarity, delegation, autonomy of staff;</p> <p>Build capacity of staff and reward with trust and autonomy;</p> <p>Financial incentives/rewards for work outside job description and/or exceptional results;</p> <p>Smart sourcing of staff (e.g. Students competition, being innovative beyond salary reward);</p> <p>Smart sourcing externally (e.g. IT);</p> <p>Put HR development as the number one strategic priority (remember: EBMOs sell content);</p> <p>CRM becomes the only central system to record work for all staff.</p>

Despite social change, recession, economic shifts, and rapidly changing technology, the majority of EBMOs still aren't intentional about planning for innovation and struggle to include new ways of working and technology. The global pandemic has rocked the world and EBMOs capacity to innovate – in a member centric manner – is certainly a sign of their resilience and sustainability. Not only do EBMOs need to take existing changes into account but they also need to invest in anticipating future changes and envision their organizations servicing members in fast evolving contexts.

When it comes to member engagement, the future environment will need to take account of elements such as:

- The crucial importance of EBMOs online presence. This includes updated websites, valuable content creation and curation, social media presence;
- Members need for transactional and emotional links with the EBMO. This may mean to venture into new areas or to innovate in increments. Actively listening to members needs is crucial to detect trends and to tailor opportunities;
- The need to find alternative ways to generate revenue for organizations. The more the economic crisis, following the pandemic, will hit countries, the more this will be a pressing need for EBMOs. Innovation will be sought in terms of processes (e.g. automation and simplification of systems, remote work systems, mobile solutions) but also in terms of product development (e.g. repackaging, cross-selling etc.);

- The need to offer excellence in digital products.<sup>177</sup> It is clear that organizing a webinar is not equivalent to delivering a training programme and that “putting” training material online does not have the same impact as a carefully designed online courses. The learning curve in delivering quality online services is huge. However, past the first period of “urgency”, members will want to access services of the same quality online and offline. The future will most likely be a hybrid and multi-location model, combining virtual and in-person events.

## 7.5 Conclusion

In setting a context for this chapter we recall the early principle that differentiates between an organization purchasing membership of an EBMO from the purchase of a product or a once off service. When a company joins an EBMO it marks the beginning of a relationship that the EBMO must make every effort to nurture and retain throughout the lifetime of that company. Member engagement is the bedrock of member engagement contributing in a most practical way to member satisfaction by illustrating in concrete terms the value of being a member.

Accepting the importance of member engagement this chapter proceeds to outline what good practice engagement with members looks like with helpful guidance in terms of useful ‘dos’ and ‘don’ts’. As part of the professionalization of EBMOs approach to serving member needs the importance of measuring activities and interactions has become of central importance in recent years. Developments in technology now make it possible to measure EBMO activity effectively through use of good CRM systems and this measurement helps the EBMO to keep accurate records of all its activities on behalf of members and in doing so to evaluate their relative effectiveness in serving member needs over time.

In concluding this chapter we review what the successful EBMO can do to promote member engagement by overviewing the latest international thinking in best practice marketing, communications and customer service techniques giving these principles a very specific focus on the unique needs of EBMOs and their members.

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<sup>177</sup> For more information, see:

<https://www.wildapricot.com/blog/2021-association-trends#7-members-and-attendees-are-going-to-expect-a-better-virtual-event-experience>

# CHAPTER 8

## The Key Membership Enablers





# The Key Membership Enablers

## Introduction

In this chapter we look within the EBMO itself to consider the core components essential to support and enable the organization fulfil its potential as a successful member representative organization. Beginning at the most senior level of the organization the role of the Board is reviewed. The Board plays a crucial role in developing the organizations rules of governance and then implementing good governance practice. It is the Board who ultimately bare the responsibility while the actual implementation of rules is largely delegated to the CEO and secretariat. The Board takes the global perspective making sure that the organization has appropriate strategies in place, that policies and actions are well conceived and that the secretariat is properly staffed, well managed and utilizes organizational resources in line with the organizational vision.

The secretariat is tasked with implementing the Board's vision and as we move through this chapter we take a very close look at a number of key roles within the organization's staff. The CEO plays a crucial role in leading the organization, and a clear distinction between the role of the board and the role of CEO is an essential part of good governance. We explore, in addition, the important role and influence of a membership manager or department and look at the various ways departments within the EBMO may interact in order to achieve the organizations strategic objectives particularly as they relate to membership issues.

Finally this chapter looks at the growing role of IT systems for EBMOs in successful membership development and retention strategies. We conclude this chapter with an outline of the latest learning and reflections on Customer Relations Management (CRM) systems. The development of CRM systems, and their adoption and adaptation to the needs of the modern EBMO, enables the professionalization of membership management and organizational communication for EBMOs throughout the world.

## 8.1 The role of the Board

### (i) Considerations on the extent of the role of the Board

The Board has a crucial role to play in the development, the design and the monitoring of membership strategies.

Having affirmed this, the extent of the Boards role and relationship with the daily work of the secretariat is open for discussion and for different practices.

To clarify:

- In every EBMO, there is a governance system which defines the respective role of the two major “institutions” of an effective organization: the Board and the Secretariat;
- In theory, the respective responsibilities are well defined: The Board sets the strategic direction of the organization, it determines the resources made available for policies and it monitors implementation. The Secretariat is the executionary body, implementing the strategic directions which are set by the Board and proposing additional courses of actions, for decision, to the Board;
- In practice, the demarcation is not always clearly set: governance rules, historical practices and individual behaviour may result in different roles for the Board and the Secretariat;
- In general, and from a membership perspective, the key outcomes are that the organization achieves its goals: to be both representative of and exert influence on behalf of the business community and to generate sustainable membership income.

In the end, there are a number of roles that a board must play as a minimum requirement for the EBMO to function properly.

### (ii) The different roles of the Board in ascending importance

#### Role 1 - Monitor membership developments

Membership development is central for organizational development. Therefore, board members should be fully informed on the state of affairs regarding membership evolution.

Many organizations, and especially those where membership fluctuates year by year, attach great importance to such information: it is of strategic importance for revenue (membership fees) and

for representativeness (the number of members and its share of the private sector).

Board information should follow a consistent format and be simple and straightforward for all Board meetings.

Many organizations communicate two types of data to give Board members a quick overview:

- Absolute figures - with comparison indicating + or – (for a comparable period in year x-1);
- Key performance indicators e.g. ratios - which accurately report the business performance against certain agreed parameters.

#### List of essential information on membership evolution for Board members



#### KPIs – ratios



The timing of such information may vary. In certain organizations the Board meet once per month; in others it is every three months while others meet less frequently.

The overview of written information on membership, as a recurring item on the agenda of each Board meeting, is often an excellent opportunity for the Director General or the Chair to highlight some membership development issues or for board members to raise questions.

## **Role 2 - Develop clear membership governance rules and continuously monitor them**

The Board is responsible for determining the rules governing the organization. Such rules are embedded in the Constitution, Statute or in the by laws of the organization.

Membership rules are clearly very important for governance.

These rules concern:

- Who can become a member?
- How can I become a member (procedure, affiliation cost, membership fee)?
- What are my rights and obligations to be and remain a member (nomination of legal representative, payment of fees, etc.)?
- What are the consequences if I do not respect these obligations as regarding the continuation of my membership (“grace period”, loss of membership, procedures)?<sup>178</sup>

Governance rules can become static and hence it is very important to review and audit them regularly.

Below are two areas where an EBMO may need to audit and sharpen their governance rules, to make them more “recruitment or retention friendly”.

- **Simplicity of the membership application procedure**

In some organizations, Board members formally approve the registration of new members. If Board meetings are not held regularly, this can unnecessary delay the process. It is advisable to have clear constitutional rules on who can join and delegate authority to formally approve the registration to the Director General. If Board members want to have the last word, emails can be circulated by the Secretariat to the Board who should then

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178 In other sections of this manual we look in detail at practices regarding new membership and in the retention chapter we look at the detail of retention rules.

make a prompt response to the Director General only if they foresee impending reasons for the members to join. The registration process should be as smooth and fast as possible, because it is the first “touchpoint” between the EBMO and the newly registered members.

Finally, it is essential to have clear constitutional rules regarding who can become a member to avoid the risk of a Board exercising excessive power, which could include vetoing a new member registering because they are considered a threat to the maintenance of the power status quo and the Board members authority.

- **Clarity about the consequences of non-payment of membership fees**

In some organizations, there is a soft approach to rules regarding the consequences of non-payment of membership fees. This relates to the point from when a member is no longer entitled to the benefits of membership. This concerns the grace period (3, 6 or even 12 months) but goes beyond. Does a member who has not paid remain a member? Does the member need to officially communicate that it does not want to be a member anymore or does non-payment automatically lead to deletion after a grace period?

Clear governance rules concerning the end of membership may be a useful means to reinforce the retention policy by ensuring consistency. Vagueness and too much freedom for the ad hoc treatment of members (then called dormant members) is not generally a good policy.

### **Role 3 - Define the strategic approach to membership**

This is an extremely important Board role. In many cases the membership plan is a component of the strategic plan. In some cases the Board may request the Director General to develop a specific membership strategy for further discussion and approval by the Board.

Membership development should be on the agenda for Board attention at least once per year. The Board should reflect on the organization goals and the approaches to membership development and assess performance against targets set. The board should also consider which approach towards membership they consider to be a priority i.e.

- **High market share approach:** high number of members and a high degree of representativeness;
- **Revenue approach:** The sustainability of the EBMO and the revenue streams, which guarantee resources and capacity;

- **Exclusivity approach:** The high-level status of the organization;
- **Influence approach:** The influence capacity of the organization at political level.

Throughout the world there are examples of EBMOs focussing (only) on one of these approaches; and all have justified reasons to differ in strategy: some have adopted a priority for historic reasons while others represent deliberate choices by the respective Boards.

All of these approaches are legitimate and the goal is to exclude none, however it is clearly impossible to prioritize all at once.

The Board has a strategic role to play in orienting the organization regarding which strategy to follow. A lack of clarity from the Board may hamper the effectiveness of the secretariat in developing more detailed membership policies.

#### **Role 4 - Define the level of fees**

The level of membership fees is a prerogative of the Board in most organisations. The EBMOs value proposition is linked to price setting, answering the question:

***What does the member get in exchange for the member fee?***

***What does the “membership package” entail?***

***Which services are included for “free”?***

#### **Role 5 - Assist in the execution of the membership activities**

This role of the Board is more disputed. Whilst the previous four roles are obviously within the Boards mandate to direct the organization strategically, the role of assistance is more linked with the operational side of EBMO activity and hence is not a role that a Board should normally be involved in.

It is nevertheless current practice in a number of organizations, where resources are limited, or where the Board is composed of enthusiastic members who wish to personally engage with certain activities to move the organization forward.

The *advantages* of such support by Board members can be very significant for the EBMO. Board members have access to peer CEOs; they can lead by example which encourages peers to follow suit or actively encourage peers to join the EBMO. Their assistance in more operational issues can be a welcome support.

This type of assistance may take different forms:

**Support new member recruitment, board members play a role as “EBMOs ambassadors”.**

In various countries Board members play a role in activities such as:

- Speakers at recruitment sessions;
- Putting the company facilities at the disposal of the EBMO to organise a meeting with potential members;
- Testimonial in communications;
- Personal calls to CEOs of prospective members;
- Welcome and integration of new members;
- Active recruitment through member-get-member campaigns.

**Retention and recuperation of arrears**

- Personal mail after a few months non extension of membership (during the grace period);
- Personal intervention with CEO of company with arrears;
- Personal request on non-prolongation of membership.

**Complaints policy**

- In relatively small organizations, a Board member can play a role in dealing with member complaints;
- In bigger organizations a formal complaints process include, as a final stage, some Board members.

**Communication**

- Board members can play an important role in the EBMO recruitment and retention campaigns.

### (iii) The membership committee

In essence the membership committee<sup>179</sup> is a way to achieve several objectives:

- Stronger involvement of the Board (at least via some Board members) in membership issues;
- Real engagement of the Board;
- Availability of a Board representative to deal with membership in the periods in between two Board meetings and putting at the disposal of the CEO a representation which “covers and orients” his/her decisions in the absence of a direct Board intervention;
- Ensure that the Board has a technical capacity and good information to reflect and decide on membership issues.

There are, of course, also some possible drawbacks. The Boards role is to take a global and strategic overview of the organization and there should be a clear boundary between this role and that of the CEO and the secretariat, who are responsible for execution of the Boards direction. The Boards membership affairs committee has to be disciplined in its functioning and engagement, so that the organization can continuously count on its efforts; it should also maintain its “subordinate” role as a Committee to the Board and not act to replace the Board in any way, even if the committee is better informed and more capable in membership matters.

For a good example of Terms of Reference used for a membership committee see **Annex 8.1**.<sup>180</sup>

It is important for the EBMO secretariat to engage with the Board to raise their awareness about all issues relating to membership development.

179 An interesting case is MEF Malaysia which established by art 23.1 in its statutes a membership committee

180 For more details ,including terms of reference and roles, organisation of the membership committee, see the full text of Terms of reference of the MC of the International Federation of Consulting Engineers (in the Annex), as well as:

[https://www.asaecenter.org/resources/articles/an\\_plus/2015/december/the-basics-of-board-committee-structure](https://www.asaecenter.org/resources/articles/an_plus/2015/december/the-basics-of-board-committee-structure)

<https://www.aem.org/groups/boards-and-board-level-committees/membership-committee/>

<https://www.educause.edu/about/mission-and-organization/governance-and-leadership/member-committees/committee-guidelines-and-responsibilities>

[https://cdn.ymaws.com/www.nena.org/resource/resmgr/Membership/Membership\\_Committee\\_Stateme.pdf](https://cdn.ymaws.com/www.nena.org/resource/resmgr/Membership/Membership_Committee_Stateme.pdf)

<https://www.pma.com/-/media/pma-files/volunteer-committees/membership-committee.pdf?la=en>

<http://ocof.net/en/term-of-reference-membership-committee>



Board members are not necessarily experts in EBMO internal dynamics. A number of good practices exist to make sure that Board members fully acknowledge the importance of membership development to ensure organizational growth:

- *On-boarding process for newly elected Board members with a dedicated briefing on membership – why members are a fundamental asset of EBMOs;*
- *A contact (once a year) with the membership department staff to inform Board members about developments in recruitment and retention helping them to understand the challenges, to motivate them to become involved in membership development and to share their own companies experiences about marketing and selling;*
- *Regular information on membership development statistics and involvement in the membership strategy and plans;*
- *Celebrate successes in membership development when they are achieved.*

## 8.2 The role of the Director General (DG)<sup>181</sup>

Very specific responsibility for all membership issues rest directly with the DG (or CEO) as the head of the secretariat. Depending on the size of the EBMO there may be a membership manager or head of the membership department but, in addition to these roles, staff from all other EBMO departments have a contribution to make as does the HR policies of the EBMO which can be targeted to boost and support member centric activities and actions. All secretariat roles ultimately report into the DG.

### (i) The Director General is the leader in membership strategy and implementation

The Director General has primary responsibility for the development of the membership strategy and its smooth and efficient implementation. This is not surprising considering the central importance of membership to the existence of the EBMO.

A short test confirms this.<sup>182</sup>

181 The head of EBMO's Secretariat reports directly to the Board and is referred to as the Director General (DG), the Executive Director (ED), The Secretary General (SG) or the Chief Executive Officer (CEO) throughout this manual reflecting the variety of terms used for this role by different EBMOs.

182 Analysis done based on references cited in footnote above.

An analysis of 50 job descriptions for Director Generals in non profit member associations of different types, and at different levels (national, sectoral, regional, local), indicates that in 90 per cent of cases, tasks in the field of membership were expressed as a priority in the full job description.

This section now systematically overviews the possible roles of the Director General in the field of membership. In bigger organizations, with a dedicated membership department, the Director General is supported in these tasks by the department staff and especially the membership manager or director. Some of the tasks we outline can also be delegated to the role of the membership manager, if that role exists in the EBMO.

The key responsibility for the Director General in an EBMO is to lead in identifying, developing and executing strategic initiatives for the association that align the organization to serve present and future membership needs while providing a strong resource base to insure the association's continuing ability to operate.

## **Possible roles of the Director General on membership**

### **Role 1 - Design of the membership strategy for approval by the Board**

This implies:

- The drafting, in collaboration with the membership department, of a long term membership strategy, for presentation to and approval by the Board;
- Constant seeking out of new ideas and strategic approaches to membership by networking with colleagues and competitors nationally and internationally.

### **Role 2 - Constant monitoring of the organizations performance on membership and implementation of strategies.**

This implies:

- The Board of the EBMO should receive regular information on membership as set out in the organizations membership KPIs. In addition to KPI information the Director General should have daily access to more detailed data on membership including income, attrition, financial contribution of different parts of the membership base, member behaviour (accessing service, active participation in committees etc.). Detailed financial information, covering membership from different angles and at different levels is required. In this role the Director General should stimulate deep data analysis and mining to uncover trends or potential developments.

- Setting specific research objectives for membership staff the Director General should also determine some specific “ research” on the membership situation he/she wants to concentrate on, in order to have facts on which to base new initiatives or develop new policies or conduct new recruitment campaigns.

*Example: What is the retention rate of new members? This information can be interesting to strengthen retention policies focused on new recruits.*

- Monitor and improve data management and data mining in the organization, as these are key for monitoring membership;
- Monitor and allocate of resources for membership (staff, budgets).

### **Role 3- Create an organizational culture that centres on members.**

Essentially, this is an EBMO culture where every staff member is focused on supporting member needs.

- Ensure that all parts of the EBMO are well informed on membership goals, issues, data and share in the common goals of the EBMO;
- Create a culture to ensure that from a new members first orientation, client friendliness and member focus determine the way the departments operate. This should involve all departments of the EBMO such a finance (payment of membership fees), IT (data registration and management), communication (campaigns for recruitment, retention via good communication), events (recruitment – retention), back office (frontline for members ), policy and advocacy (create value proposition for members), services (create value proposition for members);
- Enhance the coordination and collaboration between these departments;
- Develop HR policies, which support the EBMOs focus on members. Staff performance incentives and sanctions should all be shaped to reinforce member orientation.

### **Role 4 - Participate in membership actions**

The Director General has an operational role to play, on occasion, when his or her presence gives a signal to the potential new member, to a member who is unhappy or a member who is particularly important because of size or for other strategic reasons. This may be at an individual meeting or a broader event where his or her presence is a mark of respect, signalling the member’s importance to the EBMO.

Membership recruitment of new associations: this target may need the strategic input and the institutional importance of the Director General to successfully complete the recruitment.

- Particularly for larger companies but also for companies who may have fallen into arrears but are considered possible for redemption – the Director General can play a crucial role by making a strategically timed intervention to keep the member in membership.
- Important membership events may need the visible presence of the Director General, in an active role, to achieve a result. Because of the public status and respect for the role of EBMO Director General his or her visibly for the member in terms of access and acknowledgement, can make a huge difference.

## 8.3 Having at your disposal a professional membership department

Most EBMOs have a membership department or, in smaller organizations, a membership manager in charge of members development and relations. Although there is evidence of change, still very few EBMOs have a marketing department or a marketing specialist.

In the following sections we review the average size of membership departments, their role and functioning, with special attention to account managers, and the required competencies.

### (i) Size

Most national EBMOs have relatively small membership departments, particularly when considering the importance of membership as revenue stream and asset.

From the limited regional data available we can tell the following;

- **Africa:** average 1-2 staff with exception of Uganda (FKE) (5 staff);
- **Europe and Latin America:** at national cross sectoral level on average 1-2 staff; at sector level most organizations however have a substantially more staffing; including regional branch offices;
- **Asia:** average 1-2 staff with exceptions (SNEF Singapore, MEF Malaysia, UMFCCI in Myanmar) where there are more staff.

Overall we find that the dedicated resources in place for membership differs by country, by type of EBMO and has evolved and changed over time.

For many EBMOs, membership has traditionally been treated as a 'given' administrative function requiring little effort. However, more recently organizations have come to appreciate the requirement to become pro active in membership management and have started to professionalize and to adopt a marketing approach to membership departments.

The size of the membership department is usually a reflection of the importance of membership recruitment and retention to the EBMO – an issue where there can be subtle differences between organizations. For example an EBMO that doesn't depend on direct membership fees for income is unlikely to place many resources into having a membership department. National cross sectoral organizations, that are mainly composed of sectoral associations, require more one off efforts of an institutional nature, than the continuous efforts of a membership department. Their objective is to get the most important sectoral organizations into membership rather than, hundreds of individual companies. Sectoral associations, which have to get individual company members, generally have more resourced membership departments. The same holds true for national cross sectoral organizations recruiting individual companies to membership.

But organizations may also name their membership departments differently and they may have professional staff with different titles, or administrative staff all fulfilling the regular tasks of a membership department.

For a number of organizations regional and local offices play an important role in membership tasks.

**Case:** Two examples of employers organizations with different membership department structures from the Netherlands and South Africa

The Confederation VNO-NCW<sup>183</sup> in the Netherlands being the only representative EBMO, is a strong and powerful organization bringing together all business and employers in the country. It has a dual membership structure: with about 450 corporations as direct members, and about 90 branch associations which cover most of the industries. VNO-NCW itself has a very small membership department. Out of about 120 staff, only 2 employees deal directly with membership. The branch associations, however, have well resourced membership departments. For example the branch organization for the construction industry employs about 5-7 staff dealing with membership. It is interesting to note that membership staff (and membership development activities) are

often located at regional level using local antenna and contacts.

In South Africa, the Business Unity South Africa (BUSA),<sup>184</sup> has a few corporate members and trade and branch associations but no membership department. Under the BUSA umbrella, however, there are branch organizations, such as the Metals and Engineering Employers Association, SEIFSA,<sup>185</sup> or the mining sector association, the Minerals Council South Africa.<sup>186</sup> These associations have dedicated staff for membership matters (average 3 to 4 out of a total workforce of about 40-50).

### (ii) Roles

It is interesting to note the difference in membership role and responsibility between the CEO and the membership manager. The main difference is that the membership manager has technical tasks and responsibilities in membership management and works under the supervision and guidance of the Directo General.<sup>187</sup>

In **Annex 8.2**, we provide samples of job description of a membership manager.

## 8.4 Database management and Customer Relationship Management

In this last section we will briefly describe, and comment on, the IT aspects which are an intrinsic part of the enabling environment to allow an EBMO to maintain effective and efficient membership strategies.

This section highlights;

- The key role IT plays in membership management;
- The functional benefits achieved by IT systems and CRM;
- Typical IT and CRM challenges and some best practice solutions;
- The benefits of making the most of IT and CRM to support membership management.

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184 <https://www.busa.org.za/>

185 <https://www.seifsa.co.za/>

186 <https://www.mineralscouncil.org.za/>

187 The tasks listed are extensive and should be read as a general ideal to be adapted to local needs and requirements.

### (i) Some data on the link between IT systems outputs relating to membership activities and the IT challenges

While there currently is no data to prove that organizations without IT systems do a worse job at membership management than those organizations with data management systems we do have information about the main data challenges that confront membership associations.<sup>188</sup>

The top 5 data challenges are the following:

- Lack of marketing results tracking and analysis reporting (39 per cent);
- Inadequate membership dashboards and reporting tools (35 per cent);
- Lack of ability to model and segment members and customers (33 per cent);
- Poor data hygiene and accuracy (32 per cent);
- Lack of skilled professionals to manage and work with organizations data (30 per cent).

The precision with which challenges are identified, the large number of organizations facing the same challenges, the persistent character of challenges over many years are all sufficient reasons to recognise the importance of IT systems in EBMO management.

### (ii) Which data management systems, and their potential to boost organization efficiency and effectiveness in membership

It is a well-known *adage* that to be managed it must be measured.

A membership development strategy needs an identified baseline, as a starting point, to monitor change.

An IT system used by the whole organization, which allows for data to be registered, combined, analysed and edited, as well as used to organize work processes, is essential to monitor progresses.

This is usually called CRM software, it supports customer relationship strategies, which dominate marketing.

### **What is a CRM?**

Customer Relationship Management (CRM) is a business strategy that stresses optimal ongoing relationships with customers. It holds that maintaining these relationships drives growth and profitability. There are two core elements of this customer-centric strategy:

1. Presenting a unified face to the customer
2. Providing a seamless customer experience

### **What is a CRM software?**

CRM software can help by synchronizing customer communications among business units. Sales, marketing and customer service can all get on the same page. It acts as a system of record for contacts and accounts throughout the customer lifecycle. With CRM tools companies can track, automate, analyze, and optimize customer interactions. At its core, a CRM is a database of contact information and interaction history for each individual contact.

Multiple departments may be using the CRM within the organization. These include sales, marketing, customer success or service, and potentially other teams too.

In general, customer relationship management technology provides the following sets of capabilities:

#### **Customer Data Management**

CRM software collects and organizes customer data. This includes contact information and interactions via email, phone, web chat and social media.

#### **Sales Acceleration and Enablement**

CRM software helps streamline and automate certain sales-related duties. This helps enable sales representatives to do their job better and also accelerates sales cycles through automation of repetitive tasks.

#### **Marketing Automation**

Many CRM software products include some marketing automation features. Others integrate with dedicated marketing automation products. Some features to look for include Email marketing, Lead management etc.



### Benefits of Using a CRM System

CRM systems hold a number of benefits for both small businesses and enterprises. When implemented properly, a CRM can:

- Create a single storehouse for customer data
- Provide greater visibility into sales, marketing and customer service processes
- Help optimize customer communications
- Improve customer retention
- Help companies understand and address the needs of customers
- Increase customer satisfaction
- Automate tasks
- Increase operational efficiency

### Challenges of using a CRM System

There may be some challenges in getting a CRM system to function,<sup>189</sup> such as

- The CRM does not fit;
- The CRM has integration problems with the accounting software;
- The CRM lack user adaptation;
- The CRM vendor lack expertise;
- The CRM is lacking business insight.

### (iii) CRM systems for EBMOs

Most CRM systems are geared and conceived for commercial companies sales and marketing of products, not for EBMOs. But the principles are the same.

The Programme for Employers' Activities of the International Training Centre of the ILO (ITCILO ACTEMP) designed a tailor-made CRM software for EBMOs. This has been made available to more than 75 organizations. The database has six integrated modules:

- Membership module: all data related to member companies and potential members can be stored.
- Activities module: all services (including services for individual companies or group activities such as training) provided to a member can be detailed.
- Billing module: payment of membership fees can be monitored enabling automated billing of membership fees and setting automatic reminders for membership renewals.
- Marketing/Communications module: enables emails to be sent to selected groups of companies/contacts targeting marketing material to members and non-members (useful for lobbying, surveys, communications, services, invitations, promotion to segmented targets, and membership recruitment and retention campaigns).
- Surveys module: facility to create, send and monitor surveys, add questions and get reports and analysis
- Report module: automating the creation of reports with relevant information about members features and interactions with the EBMO.

The effectiveness of such a database is highly dependent on its active use by all EBMO staff members, from the CEO to the receptionist. Rather than merely listing the name of the company and generalised contact details, such a database allows the registration of names, direct telephone and emails of all the professionals in the companies that might be useful contacts. The receptionist, the CEO, the CEO's personal assistant or secretary, the accounts manager, specific people within the human resources department, occupational safety and health, training, marketing, communications and legal personal, can be listed and updated.

Every interaction between a member company and an EBMO staff member must be recorded in the system; the range and the depth of the interactions can vary to a great extent: from the HR manager's secretary phoning the EBMO's receptionist to ask for a copy of an Employment Court decision, to the members payroll clerk sending an email to the EBMO legal officer requesting ad-

vice on the application of holiday pay, up to the company CEO speaking to the EBMO CEO at an evening function about company concerns regarding a potential change in customs and excise law. The CRM should hold information, regarding attendance at training, or a briefing session or a networking event organized by the EBMO. It can even record contributions made by the member to policy development by attending focus group discussions or by providing comments on a proposed position paper.

Such a full membership profile is vital for personalized communications and segmented marketing campaigns for particular services the EBMOs may be about to offer to raise the visibility of the EBMO among a wide number of member employees. A CRM enables better sharing of information between EBMO colleagues about the company and the sort of issues they may have experienced. For example, an EBMO officer advising a company HR manager about a disciplinary matter that has arisen, can, with the database open while the discussion is taking place, ask follow-up questions about a health and safety accident that was raised a few weeks before with another staff member of the EBMO. An update on the policy that the member was interested in can be provided. Such a personalised approach reinforces the value proposition that the member is known, valued, and is part of the club that the EBMO is there to serve.

At the end of each year of membership, a report of all contacts between the member and the EBMO is generated by the CRM system. This report is invaluable at membership renewal time. It clearly shows members who have had high contact rates with the EBMO the value that they have received. It can show a CEO, who might be doubting the value of renewing membership, the number of times staff members interacted with the EBMO or raised their skill levels by attending training sessions. Conversely, it enables an EBMO to identify which members have not contacted the EBMO, used any of its services or engaged in any policy development so that follow-up actions can be taken.

The Billing module activates a system of “traffic lights” which identify, at a glance, the status of members (active, lapsing, in grace period, suspended). This feature is very helpful for monitoring renewals and the payment of membership fees and, therefore, constitutes a driver for the retention efforts of the EBMO.

The CRM can be used to identify the industry or sector the member operates in, its regional / geographical coverage, its number of employees, whether it is export oriented or focuses on the domestic market only, the main areas of policy interest and any other information that is useful to gain a thorough understanding of the membership profile.

The CRM for EBMOs is an open source database and it does not require the payment of licences, while allowing an unlimited number of users.

On the commercial market, other software systems, developed for member associations, can be found.<sup>190</sup>

### Existing experiences with CRM membership software

Most EBMO leaders agree on the usefulness (indeed necessity) of using CRM software to support efficient membership management processes. And many organizations report having good experiences with the introduction and deployment of CRM software as an essential tool.

For example, the Confederation of Private Enterprises in Bolivia (CEPB)<sup>191</sup> mastered ACTEMP CRM and at a later stage offered it as a service to their associates at sectorial and local level.

Thanks to their CRM, The Federation des Entreprises du Congo (FEC)<sup>192</sup> in the Democratic Republic of Congo was able to publish a renewed version of their “Annuaire des Entreprises” with detailed and updated information.

Based on its experience installing CRM systems in EBMOs, the ITCILO ACTEMP and DECP have come across the following challenges experienced by EBMOs:

- Lack of discipline in using the CRM; tendency to keep own systems; lack of trust in the system and individual or cultural obstacles in sharing information with the team;
- Difficult linkages with other systems e.g. website, social media;
- Need for better IT integration;
- Maintenance of accuracy of data;
- Insufficient exploitation of analytical abilities of the system;
- Linkages with sectors regions;
- Technical issues such as clouding, bugs etc.;
- Concern regarding security protection.

190 A good overview is given by [www.capterra.com](http://www.capterra.com)

191 <http://www.cepb.org.bo/>

192 <https://www.fec-rdc.com/>

Good practices and solutions to manage the challenges are:

- Sufficient training for all staff with regular updates (refresher courses), to enhance both knowledge/familiarity with the system; the refresher trainings should be conducted by the CRM-champions or master users in the organization;
- A CEO driven policy which incentivises and sanctions staff, to use CRM software as a daily tool;
- Motivation of staff for better and more frequent use by showing the advantages to the organization of using the software;
- Provision of sufficient manpower for maintenance and bug solutions;
- Special investments (students, temp staff) to regularly check the accuracy of data with the members;
- Continuous investment in upgrading the system in collaboration between membership department and other departments;
- Ensure flawless security protocols, backups and systems firewalls;
- Plan for continuity. There should be clear rules for passing CRM know-how to new colleagues, if the CRM expert(s) leaves the EBMO.

#### (iv) Cloud vs local server

There are two modalities for the CRM installation: (a) Cloud based or (b) on a local server.

**a)** Cloud based installation grants higher security and facilitates helpdesk interventions and the upload of patches or regular updates. It represents the most recommended modality particularly if the EBMO is not equipped with a strong IT department. The cost of Cloud hosting is modest and depends on the volume of the data (normally between 400 and 500 USD per year). Cloud hosting provides easy access to all users, including from mobile devices, such as smartphones.

**b)** Installation on the local server is a good option when the country is subject to frequent Internet connectivity cuts. However, it requires full IT support by the EBMO. In addition, in order to receive the upgrades, the owner of the server should provide access to external technicians, which is not always allowed.

## (v) New IT developments

The COVID-19 crisis has clearly quickened the digital transformation of many companies and EBMOs.

The notion digitalisation, covers many realities and is somewhat of a buzzword with which to summarise the advent of new technologies (of which some are evident and not so new) but also one with potential to encourage organizations down the route of unnecessary investments unless there has been proper planning and the project or investment and its implications have been fully thought through.

At present, we see nevertheless the following “new” tendencies appearing which affect membership management:

- Creation of members portals;
- Systems integration enhancement;
- More links between CRM and social media;
- Hyper personalisation;
- More links between CRM and website;
- Improved analytics for better knowledge of customers, segmentation and customers needs;
- Mobile use of the CRM through a dedicated App.

## 8.5 Conclusion

This chapter has reviewed a number of key EBMO roles essential to enable the organization achieve excellence. Starting at the pinnacle of the organization, the role of the Board is crucial for its strategic direction, good governance and creating a vision for the EBMO to strive to achieve.

Within the Secretariat the role of the CEO, or DG, often the public face of the organization, is the central inspiration for a member centred culture whereby every member of staff knows and understands the role that they play in serving member needs. Reporting to the CEO, having a membership department or a membership manager enables the EBMO to fully integrate membership development, retention and member relations across all functions within the organization.

In conclusion a comprehensive overview of CRM systems and how they work is given, along with details about typical functions and the way such systems are applied within the EBMO. In profiling some of the typical challenges faced when trying to successfully implement CRM, we identify best practice solutions and highlight some of the future directions whereby IT is supporting more focused, personalized and relevant member relations management helping EBMOs to continuously improve both customer relations and member communications. A core message in this chapter is that IT and CRM can be a precious asset for an EBMO at a modest investment but to make full use of any systems capacity, it takes good internal processes and committed individual behaviour when it comes to inputting and maintaining data.

# CHAPTER 9

## Proposing a results framework for your membership strategy





# Proposing a results framework for your membership strategy

## Introduction

In earlier chapters we learned that for the EBMO, membership is a complex issue. Ad hoc or random interventions for membership development can often lead to poor results or even failure. A comprehensive and well thought out membership strategy, which includes setting goals and articulates the expected outcomes and metrics for measuring results, is key for success. The EBMOs membership strategy can be part of its organizational strategy or it can be a separate document describing parameters for future success (over, for example, three or five years). Given the importance of the membership strategy for organizational growth, it is good practice for the Board to be closely involved in its development and formal approval.

In previous chapters we dealt with key enablers for strong membership development and took an in-depth look at membership recruitment, engagement and retention. These elements are all essential pillars of a membership strategy.

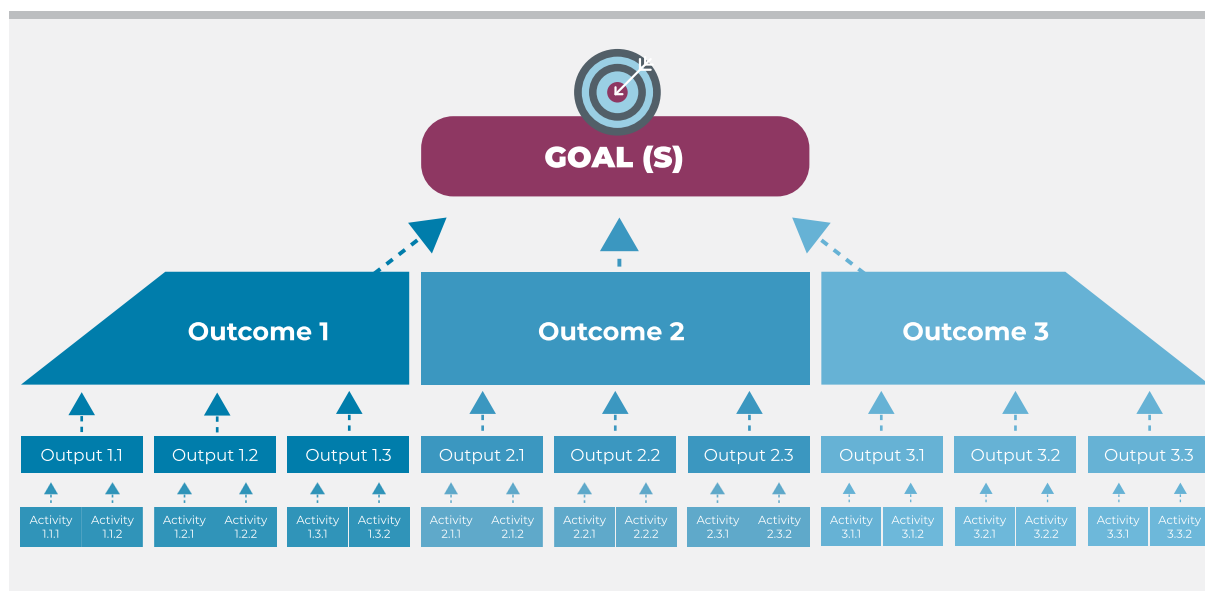
This final chapter now pulls all the separate components together to create a membership strategy template.

## 9.1 The results framework of a membership strategy

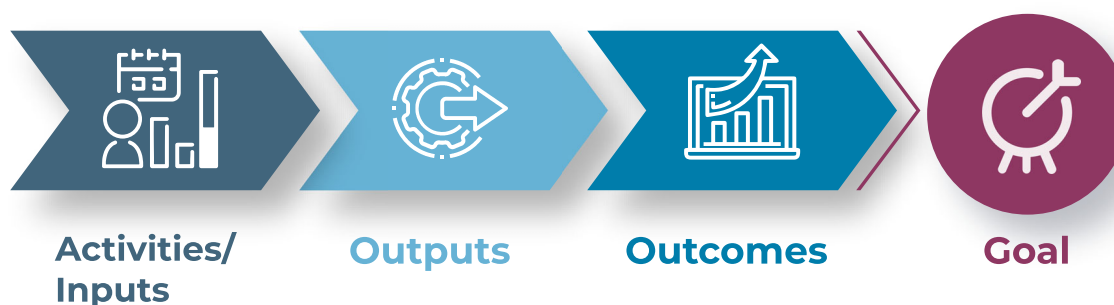
It is difficult to know if a membership strategy has succeeded or failed unless the expected results have been clearly articulated. An explicit definition of targets (i.e. precisely what is to be achieved) within the strategy keeps measurable objectives in sight, helps the EBMO to monitor progress, and assists with ongoing adjustment and management of strategy implementation.

Results-based management has, in recent years, become a key tool to enable organizational efficiency and effectiveness. A results framework enables practitioners to discuss and establish strategic goals and to link interventions to both outputs and outcomes that directly relate to those strategic goals. Such a framework is an explicit articulation (i.e. a graphic display, matrix, or summary) of the different levels, or chains, of results expected within a particular strategy. There are many ways of defining, in a hierarchical scale, the various long, medium and short term objectives and how they are interrelated. There are many debates and considerable controversy, on the distinction between outputs, outcomes, and goals but for the sake of simplicity we will use the following scheme in our proposed results framework of the strategy template: it looks like a pyramid with the main goal(s) at the top, underpinned by a number of outcomes. Activities and related outputs are the result of specific interventions envisaged to achieve the outcomes. As part of the framework it is also possible to set milestones which are intermediary check points for any outcome or goal in the strategy.

### *Results framework of a membership strategy*



Structure of a membership strategy		Objectively verifiable indicators of achievement or input
<b>Goal(s)</b>	Broad overall objective of the membership strategy.	Key indicators related to the overall goal(s).
<b>Outcome</b>	Necessary underpinning outcomes to reach the desired goal(s).	Indicators clearly showing that underpinning outcomes have been achieved.
<b>Outputs</b>	Specifically deliverable results envisaged to achieve the outcomes.	Indicators to measure whether the activities/actions have achieved the expected outputs.
<b>Activities</b>	Key activities to be carried out in order to produce the expected outputs.	Resources required to implement the activities.



Moving from a generic description of strategy structures to a member focused one, we have identified the following goal(s) and underpinning outcomes for a clear and successful membership strategy.

The main goals of a membership strategy are:

- To increase organizational representativeness: more representative organizations are usually more influential and powerful<sup>193</sup> and/or;
- To increase the financial resources of the organization: with more resources the EBMO will be able to better fulfil its mandate and improve the organizational value proposition.

The underpinning outcomes or the key pillars needed to have an active, engaged, growing membership are:

- Member recruitment;
- Member retention;
- Member engagement.<sup>194</sup>

193 Ref. Chapter 2.7

194 Ref. Chapter 5, 6 and 7.

## 9.2 The membership strategy

The basis of a strategy is simple: *An organization is at point A. It desires to get to point B in X years. What is it going to do to make that happen?*

### Where are we now? Establishing a baseline

Those involved in the process of developing a membership strategy, usually start by reviewing the present circumstances and characteristics of the organization. In order to plan for the future, EBMO leadership must reach a common understanding of the present situation. The focus is generally around the following issues:

- Analysing the external and internal environment;
- Reviewing the key enablers and current practices within the organization;
- Analysing the data to establish clear baselines.

There are several management tools to analyse the internal and external environment, but the analysis and presentation of such tools go beyond the scope of this manual. We have noticed however, that in practice, many organizations still rely on the tried and tested simple SWOT analysis<sup>195</sup> as an initial assessment tool. The process of setting a baseline, in our proposed approach, starts by defining the baseline related to main goal(s).

### Representative and/or resourced EBMO

As we have seen in chapter 2.7, **representativeness** can be measured through different indicators, but the most frequently used key indicators for organization representativeness are:

- a) The total number of active (paying subscription fees) direct and indirect members;
- b) The share of total private sector employment represented by direct and indirect members;
- c) The share of the economy represented by direct and indirect members.

If the EBMO has access to this data to categorize their current membership base (and in our experience only a few EBMOs do have this information) a valid baseline would look like this:

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195 For more information, see

[https://www.mindtools.com/pages/article/newTMC\\_05.htm#:~:text=SWOT%20Analysis%20is%20a%20simple,advantage%20of%20chances%20for%20success.](https://www.mindtools.com/pages/article/newTMC_05.htm#:~:text=SWOT%20Analysis%20is%20a%20simple,advantage%20of%20chances%20for%20success.)

### Example

*At the end of 2020, the EBMO represents 2000 companies providing employment to 2,000,000 employees and representing 20% of employment in the formal private sector and 15% of GDP.*

It is slightly more difficult to select the best indicators to measure progresses on financial resources, as they are by nature, intrinsically linked to the overall financial strategy of the organizations. Nonetheless, it is usual to have financial indicators within a membership strategy related to the amount of revenue generated by membership fees or to the revenue generated by members as a percentage of total income or as a percentage of the income from services.

### Example

*At the end of 2020 the revenue generated by membership fees is equal to 350,000 USD and this represents 50% of the total income of the EBMO.*

The process of setting a baseline should not only relate to the over riding goal of the membership strategy. All membership goals and targets underpin the main objective of the strategy so it is important to set a baseline for all contributory goals too. This will increase managements understanding around the EBMOs strengths and weaknesses across the three pillars of the membership strategy: i.e. recruitment; retention; and engagement.

In chapter 5, 6 and 7, several frameworks were presented to measure the results of recruitment, retention and engagement activities. EBMO management, with a deep appreciation of the context for their own EBMO must decide which KPIs are most useful and relevant to their situation.

## Outcome 1: More members recruited (i.e. number of members)

The most widely used KPIs for this outcome is the recruitment rate or the number of newly recruited members.

### Example

*Baseline: At the end of 2019 the organization had 2050 members. Throughout 2020, 200 new members had joined the organization. The recruitment rate in 2020 is therefore 10%.*

Checking the average recruitment rates over of the last 3 years is important in order to base your strategy on sound trends and to avoid a situation where an exceptional result in one year (for example 2020 as a result of the COVID-19 pandemic) would wrongly influence the goal setting process.

## **Outcome 2: More members retained (i.e. numbers retained)**

The most “evident” KPI is the retention rate.

### **Example**

*Baseline: Out of the 2250 active members in 2019, 1800 renewed their membership subscription in 2020. The retention rate in 2020 is 80%.*

Once again for this KPI it will be useful to check average retention rates over the last 3 years to avoid the possibility that an exceptional result in one year might wrongly influence the goal setting process.

## **Outcome 3: More engaged members**

Member engagement refers to the participation of members in the “life” of the organization or their use of services. This outcome could eventually be considered a sub-outcome of “Achieve high retention rate” as happier and more engaged members are more likely to renew their membership; nonetheless, due to its importance, it could also be considered as an outcome itself. This is the approach we are using in the proposed results framework.

Member engagement can be measured through several indicators and a combination of them might provide a better overview.

### **Example**

*Baseline: In 2020 average member spending on paid-for services is 80 USD and 40% of members buy at least one service; Member satisfaction score is 3.5 out of 5*

Again for accuracy and reliability, we recommend checking the average over 3 years engagement rates to avoid an exceptional result wrongly influencing the goal setting process.

At this stage, the EBMO will have analysed its internal and external environment and determined the relevant environmental baselines. It is now time to move on to fix the targets for membership development.

## Where do you want to be? Setting targets

Setting targets is a delicate task. To ensure that targets are realistic and attainable, account should be taken of both the analysis of where we are and the environmental opportunities and threats, to ensure that the target at “goal level” describes the ambition of EBMO leaders in terms of future representativeness and/or level of resources. In a multi-year membership strategy it can be useful to set intermediate annual milestones to help monitor progress and prompt redress actions if needed.

### **Example:**

**Baseline:** At the end of 2020, the EBMO represents 2,000 companies (actively paying subscription fees), providing employment to 2,000,000 employees and representing 20% of employment in the formal private sector 15% of the GDP. At the end of 2020 the revenue generated by membership fees is equal to 350,000 USD.

**3-year Goal:** At the end of 2023, the EBMO will represent 2,800 companies providing employment to 3,000,000 employees and representing 20% of the GDP. The revenue generated by membership fees will be equal to 500,000 USD.

**Milestone 1:** At the end of 2021, the EBMO will represent 2,300 companies, providing employment to 2,200,000 employees and representing 17% of the GDP.

**Milestone 2:** At the end of 2022, the EBMO represents 2,500 companies providing employment to 2,700,000 employees and representing 18% of GDP.

Fixing targets at outcome level is an equally delicate task as they are instrumental for reaching the desired goal(s).

### Example:

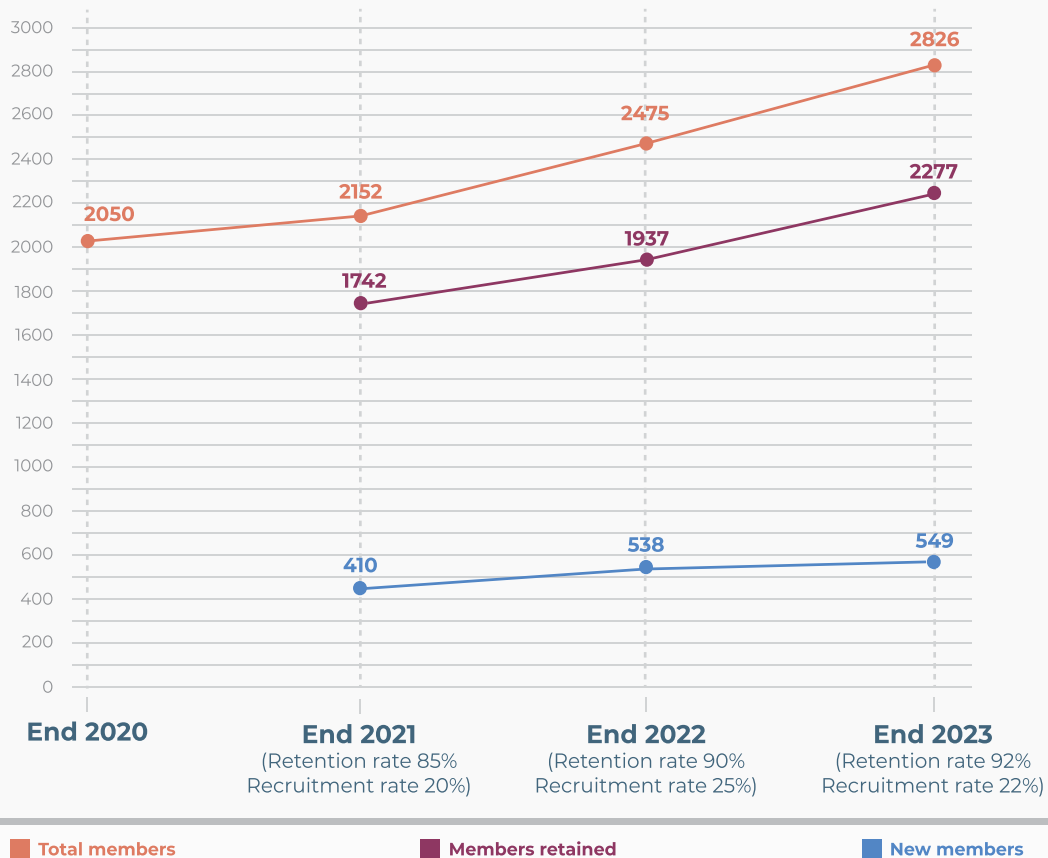
**Baseline:** at the end of 2020, the retention rate is 80%, recruitment rate is 10% with 200 new members joining the EBMO throughout 2020. Average members' spending on paid-for services is 80 USD and member satisfaction is 3.5 out of 5.

**3-year Goal:** At the end of 2023, retention rate will be 92%, recruitment rate 25% with 1500 new companies joining since 2020. Average members' spending on paid-for services will be 100 USD and member satisfaction will be 4 out of 5.

**Milestone 1:** At the end of 2021, the retention rate will be 85%, the recruitment rate 20%. Average members' spending on paid-for services is 90 USD.

**Milestone 2:** At the end of 2022, the retention rate will be 90%, the recruitment rate 25%. Average members' spending on paid-for services is 95 USD.

### Membership expected evolution





## How to get there? Activities, outputs and budget

Once goals and outcomes are set, the EBMO will discuss what activities, actions, and initiatives are needed to achieve the target outcomes. This too is a complex process:

*Which activities will support the EBMO in improving member retention?*

*Which recruitment actions and campaigns are most likely to be effective?*

*What can the EBMO do to encourage members to be more engaged?*

We hope that we have provided some useful tips about this in previous chapters, but creativity and evolution in membership relations will continue to stimulate new ideas about novel ways to engage with members and approach potential members.

The logic is the following: each activity will determine outputs that contribute to the achievement of certain outcome(s).

In terms of activities, it is important to pay attention to the logical link between the activity and the outcome. Not all activities have a direct impact on the membership strategy targets.

### **Example**

**Activity 1.1.1:** *Recruitment campaign in district X through the organization of an information event for business owners.*

**Activity 1.1.2:** *Radio advertisement in district X.*

*The activities 1.1.1. and 1.1.2 lead to Output (1.1) the recruitment of 25 new members.*

**Activity 1.2.1:** *Mapping and profiling of SME associations in region Z.*

**Activity 1.2.2:** *Needs assessment of SMEs associations and development of a unique value proposition for SMEs associations in region Z.*

*The activities 1.2.1. and 1.2.2 bring as Output (1.2) the recruitment of 2 SME associations. Each SME associations has 140 members, representing a total of 280 new indirect member for the EBMO.*

**Outputs 1.1 and 1.2 contribute to the outcome “More members recruited”.**

To support many activities or initiatives, the EBMO will need a budget and this brings into our equation the financial aspects of a membership development strategy. Unless sufficient resources are allocated, it will not be easy to achieve significant results from the strategy. If the time horizon is, for example, three years, an estimated 3-year budget should be planned for; this can then be divided into annual allocations, which will contribute to the achievement of the three outcomes.

Once the main activities and the dedicated budget have been determined and the strategy formally approved, the organization is ready to start the implementation.

### Who decides what on the membership strategy?

There is no one size fits all approach to answering this question and practices differ.

The Board, in consultation with EBMO Senior management, will most likely define the main goals, outcomes and related targets; the Board is also responsible for allocating sufficient budget for the organization to reach membership targets. And finally the Board has responsibility for formally approving the membership strategy.

The implementation of the strategy, including defining the activities, is the responsibility of the secretariat headed by the Executive Director; selected board members might intervene ad hoc in the implementation of certain activities (members recruitment and arrears recovery for example).

As noted in previous chapters, some organizations set up a dedicated committee for membership development, often a combination of selected Board members and secretarial staff.<sup>196</sup>

The membership strategy might be a lengthy document because, on top of the targets and activities, it includes an analysis of the external and internal environment, the revision of the key enablers and current practices within the organization.

To help with clarity it may be useful to synthesize the results framework of the membership strategy in a compact and simplified table. This can be very useful for regular reviews (at least once per year) and for giving updates so that appropriate revisions can be made should performance diverge from the course set out in the plan. A summary table can be used as a guiding tool by the Secretariat and the Board.

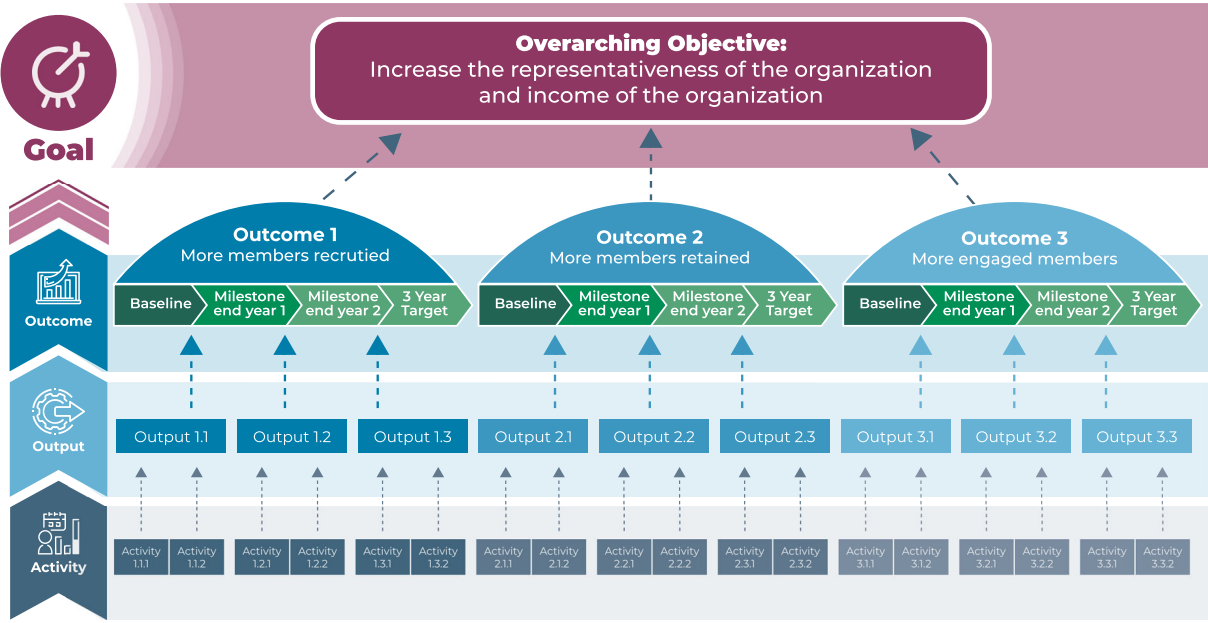
It is important for the results framework to be complemented by an implementation plan that includes budget allocation and operational work plans.

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196 For more details, see Chapter 8 on Key enablers

Below we have created an example of a template for a results framework.

**And now, let's get into action! Here is a possible template for the result framework of your EBMOs membership strategy.**



In addition to this results framework,<sup>197</sup> implementation plans or separate worksheets will be needed to detail each activity further including budgets and work organization.

An example of worksheet is given in the **Annex 9.1**

197 For more information, examples and tools see <https://www.itcilo.org/resources/employers-and-business-member-organizations-training-resources>

## 9.3 Conclusion

There is much about membership management that is intuitive and automatic for the busy EBMO. By focusing on the many benefits of having a formal membership strategy, this manual highlights the need for a modern and thriving organization to reassess its approach and to professionalize its membership strategy. Chapters 1 and 2 give an important background with insight as to why EBMOs exist in the first place and how this has evolved over time. There are many different formats of organization that make up the global community of EBMOs and, within this, a variety of different membership relationship options and structures exist. Chapter 3 looks at the various factors that typically form part of a company's decision to become a member of an EBMO and how best an EBMO can position itself, using leading edge marketing techniques, to encourage new members to join. Chapter 4 explores the complex array of options available when it comes to fee structures that apply. Chapters 5, 6 and 7 explore, in detail, the three pillars of the member relationship cycle; recruitment; retention; and engagement, each of equal importance and all working together to help the EBMO grow and expand its membership base. The broader and deeper the EBMOs membership base the stronger its role in the economy will be as the representative voice of its members. Chapter 8 then takes an overview of the key enablers that contribute to successful membership management, supporting the growth of the EBMO in terms of its representativeness, its effectiveness as a service provider and its recognized role in society.

It is appropriate to conclude this manual in chapter 9 with practical guidance, useful pointers and suggested tools to assist in the development of a formal framework for a membership development strategy. Chapter 9 is a culmination of all we have covered in the previous chapters of this manual, drawing on the various strands with focus on the three key membership pillars of recruitment, retention and engagement. The suggested templates, along with useful tools contained in the annex of the manual, are all capable of adaptation to the particular circumstances and needs of your EBMO. The reality for most EBMOs is that the demands of day-to-day activities can be consuming and sometimes management focus is dominated by what is urgent at the cost of what is important. This manual has highlighted the importance of formality when it comes to membership strategies and through the detailed analysis, examples from successful EBMOs, and with reference to the latest thinking on best practice marketing, selling and communications techniques, this manual aims to be a useful tool for any EBMO developing, or updating, their membership strategy.





# MEMBERSHIP STRATEGIES AND POLICIES

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A manual for Employers and Business  
Member Organizations

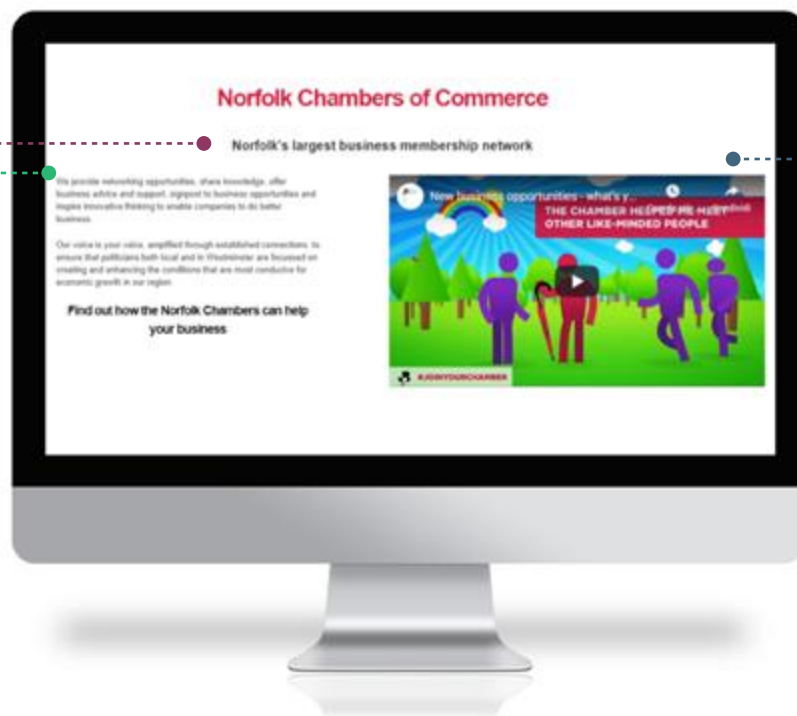
# List of Annexes & List of main References

# Annex 3.1

## Example of Value Proposition

Example of an effective Value proposition from Norfolk Chamber of Commerce

### ◆ Good heading



### ◆ Clear messages

### Inspiring video ◆

<https://youtu.be/ECKJ0F-HTSw>



## Annex 3.2

### Example of Value Proposition

Example of an effective Value proposition from Canterbury Employers Chamber of Commerce

#### ◆ Simple Words



#### Focus on benefits ◆

#### ◆ Sense of proximity

# Annex 6.1.1

## Sample Satisfaction and needs assessment survey

Sample Members' Satisfaction and Needs Assessment Surveys - based on Steel and Engineering Industries Federation of South Africa (SEIFSA)

Satisfaction and needs assessment Survey Template

**SECTION A: COMPANY INFORMATION**

\* 1. Company Name

\* 2. How long have you been member of our EBMO ?

\* 3. Designation

<input type="radio"/> Managing Director	<input type="radio"/> Financial
<input type="radio"/> Industrial Relations/Human Resources	<input type="radio"/> Marketing
<input type="radio"/> Skills Development	<input type="radio"/> Other
<input type="radio"/> Health and Safety	

Other (please specify)

\* 4. Where is your company located?

\* 6. Rate the effectiveness of your EBMO

<input type="radio"/> Good
<input type="radio"/> Average
<input type="radio"/> Poor

Comment

\* 7. How has the EBMO effectiveness evolved in the last 3 years?

<input type="radio"/> Very positively	<input type="radio"/> Negatively
<input type="radio"/> Positively	<input type="radio"/> Very negatively
<input type="radio"/> Stayed the same	

**\* 8. Which sector does your company fit into?**

- |                                     |                                   |
|-------------------------------------|-----------------------------------|
| <input type="radio"/> Manufacturing | <input type="radio"/> Repairs     |
| <input type="radio"/> Production    | <input type="radio"/> Servicing   |
| <input type="radio"/> Assembling    | <input type="radio"/> Maintenance |
| <input type="radio"/> Installation  |                                   |

Other (please specify)

**\* 9. Number of employees in your company**

- |                               |                                 |
|-------------------------------|---------------------------------|
| <input type="radio"/> 0 - 10  | <input type="radio"/> 100 - 249 |
| <input type="radio"/> 11 - 24 | <input type="radio"/> 250 - 499 |
| <input type="radio"/> 25 - 49 | <input type="radio"/> 500 - 999 |
| <input type="radio"/> 50 - 99 | <input type="radio"/> 1000+     |

**\* 10. Annual turnover**

- |   |  |
|---|--|
| <input type="radio"/> Less than 100.000 USD       | <input type="radio"/> 1 - 5 millions USD       |
| <input type="radio"/> 100.000 USD-500.000 USD     | <input type="radio"/> More than 5 millions USD |
| <input type="radio"/> 500.000 USD - 1 million USD |  |

Satisfaction and needs assessment Survey Template						
SECTION B: EBMO IMAGE AND RELATIONSHIP						
* 1. Please, read the following statements and rate each of the statements on the scale provided						
	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
I consider the EBMO to have a well respected name in the industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO offers high quality products and services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO provides excellent service to its members	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO provides a valuable service to my company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The products and services that the EBMO provide are appropriate to small and medium enterprises	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The products and services that EBMO offer are only appropriate to large organizations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The employees at EBMO are competent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO has helpful staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO staff solve problems quickly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO staff are effective in dealing with complaints	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO staff treat me with respect	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO employees are available at all times	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO is quick to respond to its members' changing needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
The EBMO is in touch with changes in the industry	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I receive regular communication from the EBMO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The information that I receive from the EBMO is appropriate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
EBMO's administration and reporting is up to date and accurate	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The EBMO is good at keeping you informed about relevant industry developments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would like to receive more information from the EBMO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comment	<input type="text"/>					
<b>* 2. Rate the usefulness of the following sources of information from the EBMO</b>						
	Very Useful	Useful	Neutral	Not Useful	Not at all Useful	N/A
EBMO News	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Annual Roadshow	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Annual Conference	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workshops and training sessions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interaction with the EBMO staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attending EBMO meetings	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social Media	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comment	<input type="text"/>					

\* 3. What would you regard as the biggest strength/weakness of EBMO?

Strength

Weakness

## Satisfaction and needs assessment Survey Template

## SECTION C: EBMO's CURRENT SERVICES

\* 1. Are you aware that the EBMO offers various products and services to its members in the following fields

	Yes	No
Industrial relations	<input type="radio"/>	<input type="radio"/>
Economic and commercial	<input type="radio"/>	<input type="radio"/>
Skills development	<input type="radio"/>	<input type="radio"/>
Labour Law and Health and safety	<input type="radio"/>	<input type="radio"/>

Comment

\* 2. Have you previously made use of any of the EBMO's products or services?

Yes

No

If not, why not?

**\* 3. Industrial Relations Services**

Please, rate each of the following industrial relations product and service aspects listed below.

	Very Satisfied	Satisfied	neutral	Dissatisfied	Very Dissatisfied	N/A
Consultancy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workshops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In-house training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Publications	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wage negotiations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telephonic/electronic advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Representation on national bodies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dispute resolution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

**\* 4. ECONOMIC AND COMMERCIAL SERVICES**

Please, rate each of the following economic and commercial products and services.

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	N/A
Consultancy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Open Workshops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In-house training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Publications	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telephonic/electronic advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Representation on national bodies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)



**\* 5. SKILLS DEVELOPMENT SERVICES**

Please rate each of the following skills development products and service aspects listed below.

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	N/A
Consultancy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workshops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In-house training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telephonic/electronic advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Representation on national bodies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

**\* 6. LABOUR LAW and HEALTH AND SAFETY SERVICES**

Please, rate each of the following health and safety products and service aspects listed below.

	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	N/A
Consultancy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Workshops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
In-house training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Audit programme	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Publications	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telephonic/electronic advice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Representation on national bodies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

Satisfaction and needs assessment Survey Template

SECTION D: ADDITIONAL SERVICES

\* 1. Our EBMO is continuously seeking better and new ways to serve members' needs. It is important that we understand what additional services are of interest to you as a member.

Please, read each of the product and service aspects listed below and rate each of them on the scale provided.

	Very Interested	Interested	Neutral	Not Interested	Definitely not Interested	N/A
Human Resources	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information Technology	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal (law, policies, advice, representation)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marketing, public relations and media services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Stock and inventory management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Electronic tender/procurement opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Industrial relations retainers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Legal compliance audit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Skills development best practice audit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Environmental management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accounting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Administration (secretarial)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Please, list any other proposed additional services

Satisfaction and needs assessment Survey Template

SECTION E: INDUSTRY VOICE

\* 1. From your perspective, which one of the following statements is true?

- All EBMO member companies have an equal voice in industry
- Small companies have less voice than larger corporations in industry
- Small companies have more voice than larger corporations

Comment

## Satisfaction and needs assessment Survey Template

## SECTION E: INDUSTRY VOICE

\* 1. From your perspective, which one of the following statements is true?

- All EBMO member companies have an equal voice in industry
- Small companies have less voice than larger corporations in industry
- Small companies have more voice than larger corporations

Comment

## Annex 6.1.2

### Sample Satisfaction and needs assessment survey

#### Sample Members' Satisfaction and Needs Assessment Surveys - based on Association des Employers du Burundi (AEB)

##### MEMBERSHIP SATISFACTION AND NEEDS SURVEY – Prepared for Association des Employers du Burundi (AEB)

Target audience: Members, incl. dormant members

##### PART 1 IDENTIFICATION

Name

Name company
Function respondent

Size

	yes	no
-more than 250 employees		
-between 50-250 employees		
-less than 50 employees		

Sector

	Tick box
Manufacturing	
Agriculture	
Financial services	
Otherservices	

Type company

Public sector	
Parastatal	
Private profit	
Private non profit	

Member since .....

##### PART 2 GENERAL SATISFACTION AND IMAGE OF AEB

Would you recommend membership of AEB to a friend – a colleague<sup>1</sup>: Y – N

How do you rate your global satisfaction with AEB (1 totally unsatisfied- 10 totally satisfied)

--	--	--	--	--	--	--	--	--	--

Which statements do you associate with AEB : (1 totally disagree to 5 totally agree)

	1	2	3	4	5
-influential					
-members					

<sup>1</sup> Question to evaluate net promoter score

oriented – democratic-transparent					
-practical-solution oriented					
-high quality					
-fast - responsive					
-representative of the business community					
-strong leadership					
-visible					
-useful for companies					
-good value for money					

What is in your opinion

-the 3 biggest strengths of AEB?

.....

-its 3 biggest weakness?

.....

**PART 3 SATISFACTION WITH SPECIFIC AEB SERVICES AND PRODUCTS AND POSSIBLE IMPROVEMENTS-NEEDS**

**A) COMMUNICATION TO MEMBERS**

SATISFACTION

Are you aware of communication tools of AEB (circulars- newsletter) Y – N

Do you read the AEB communications Y - N

Is the AEB communication important for you Y - N

Is it satisfying in general (1 not satisfying to 5 highly satisfying)

1	2	3	4	5
---	---	---	---	---

Specifically rate the AEB communication package

	1	2	3	4	5
Frequency communication (circulars- newsletter- social media)					
Relevancy for your company					

Quality of contents Each publication separately					
--	--	--	--	--	--

**SUGGESTIONS-NEEDS** : what should AEB do more – do better in communication

More..... Better.....

**B) POLICY WORK OF AEB**

**SATISFACTION**

Are you aware of what AEB performs in policy advocacy (eg Labour code): Y – N

Is the policy work of AEB important for you Y - N

Is it satisfying in general (1 not satisfying to 5 highly satisfying)

1	2	3	4	5
---	---	---	---	---

Specifically rate the AEB policy work (effectiveness for the employers' community, meaning relevant and useful)

	1	2	3	4	5
on Labour Code reform					
on health and safety					
on taxes					
on skills policies					
[Add categories as needed]					

**SUGGESTIONS- NEEDS** : what should AEB do more in policy work – do better ( eg other issues- more studies- more publications, more social dialogue ...)

More ..... Better .....

**C) SERVICES OF AEB**

**SATISFACTION**

Are you aware of AEB services for companies ( eg legal advice, conflict resolution, negotiations of collective agreements) Y- N

Do you use one of these services Y - N

Are these services important – useful for you Y – N

Is it satisfying in general (1 not satisfying to 5 highly satisfying)

1	2	3	4	5
---	---	---	---	---

Specifically rate the AEB services

	1	2	3	4	5
Training					
Legal advice					
Conflict resolution					
Information					
HR advice					
[Add categories as needed]					

#### SUGGESTIONS- NEEDS

Suggestions and needs : what should AEB do more or better as services provider for individual companies

More .....

Better .....

#### ***D) MEMBERSHIP***

##### SATISFACTION

How do you rate price-quality of AEB membership ?

(1 not satisfying to 5 highly satisfying)

1	2	3	4	5
---	---	---	---	---

Specific satisfaction for AEB events you participated to during years 2020 and 2021

	1	2	3	4	5
AGM					
Board meeting					
[Add categories as needed]					

OTHER SUGGESTIONS OF ANY NATURE FOR AEB STAFF AND BOARD (OPEN QUESTION)

**THANK YOU!**



# Annex 6.2

## Sample Member Exit Survey

### Sample Exit Survey from Employers Consultative Association of Trinidad and Tobago (ECATT)



#### ECA MEMBER EXIT SURVEY

No. of Years as a Member \_\_\_\_\_  
official use only

Company Name: \_\_\_\_\_

Representative Name: \_\_\_\_\_ Date: \_\_\_\_\_

**How often would you say you used our services?**

- Weekly   
  Monthly   
  Annually   
  Never   
  Not Sure

**What was the reason for joining the ECA? Please, check all that apply:**

- Assistance with IR issues   
  Training Services   
  Assistance in HR  
 To be part of a membership/professional organization  
 Employer Representation at national, regional and international level  
 Other \_\_\_\_\_

**What is the reason for cancelling your membership? Please, check all that apply:**

- |   |  |
|---|--|
| <input type="checkbox"/> Unsatisfactory Service<br><input type="checkbox"/> Staff members not helpful<br><input type="checkbox"/> Financial Reasons<br><input type="checkbox"/> Merger/Acquisition<br><input type="checkbox"/> Closure of Business<br><input type="checkbox"/> No Longer Interested<br><input type="checkbox"/> Not satisfied with member Benefits<br><input type="checkbox"/> Membership Fees too Costly<br><input type="checkbox"/> Other | <p><b>Other comments:</b></p> _____<br>_____<br>_____<br>_____<br>_____<br>_____<br>_____<br>_____ |
|---|--|

**Can you make any suggestions for how we can improve the ECA and/or the Membership Experience?**

## Annex 7.1

### How to register individual services on the ITCILO CRM

The CRM developed by the ITCILO ACTEMP Team has five main sections. In the Services section, one module is called “Individual services” in which EBMO staff are able to register the services they provide to members (association or company). This is to be differentiated from “events” or services provided to groups of members (e.g. conferences, group trainings etc.). The list of individual services is potentially very long but usually includes professional advice on issues tackled by the EBMO, in-company audits or trainings, visits to the members’ headquarters, representation in court or in negotiation meetings etc. These kind of services can be easily overlooked as they will not necessarily be publicly marketed or advertised for – yet, they constitute an essential value add for members and take a lot of the EBMO secretariat time and resources.

This explains why the ITCILO ACTEMP CRM provides for a specific module to register Individual Services, keep track on the issues discussed, method of delivery (phone call, email, meeting), timing of delivery, results etc. as well as organises workflows within the EBMO between staff receiving the request, staff delivering the service and staff invoicing the service (if so foreseen).

At any specific time, it is possible for the EBMO to print a document listing all the services provided to a particular member, including all individual services. Such document can usefully accompany any membership fee invoice sent by the EBMO to a member due to renew – it provides concrete proof of the membership value.

## Annex 7.2

### A summary of important online metrics

#### Five important online metrics for the EBMO website<sup>198</sup>

What?	How to track?	How to improve?
<b>Pageviews</b>	You can use Google Analytics to track most user engagement metrics. It's free. You can find pageview metrics under Audience > Overview, and selecting a relevant time period.	Some things you can do to increase pageviews: ensure your website loads fast, use user-friendly design, make sure that your website/content is mobile-optimized, enable keyword research and internal linking of related content.
<b>Time on Page</b>	Google Analytics under the 'Acquisition' tab. This metric provides an indication of interest. It also counts time spent watching videos on your site.	You should focus on comparing your current website statistics to your own past data. Make your way to Behaviour > Content Drilldown. On the Primary Dimension field, choose Page. Then, make your way to the Advanced filtering option. Choose to filter by Unique Pageviews, then choose a number to match up against. You'll see the average time spent on page change. If you know that your average blog post is about 500 words, and your readers spend between 1-2 minutes reading them, then you're in a good range.
<b>Unique Visitors</b>	Google Analytics under the 'Acquisition' tab. This metric provides an indication of interest. It also counts time spent watching videos on your site.	Know your audience. If you have a good grasp of who your existing audience is, you can use these metrics to take steps to find a new/related audience segment.  Promote your website, taking care to look toward the impact on different audience segments.

What?	How to track?	How to improve?
<b>New vs. Returning Visitors</b>	Whenever you visit a website, Google Analytics assigns you a client ID that is stored in a cookie in your browser. In Google Analytics, go to Audience > Overview and look at the Users metric. This will tell you the number of unique visitors (persons that visit a website at least once during the reporting period) to your site.	If your returning visitors metric is higher than new users, this might be a sign that you have a loyal band of followers. The opposite situation demonstrates that you have some work to do to get people to come back again. Overtime, these metrics will help you understand the impact of your marketing campaigns e.g. reaching out to new segments. You can segment results according to traffic sources (e.g. direct traffic after typing your website url in a browser vs. traffic generated by email campaigns etc.).
<b>Conversion Rate</b>	There is a dedicated tab on Google Analytics for conversions, which allows you to analyze data based on actions taken by users on your website (purchase, download, form submission, engagement etc.)	Marketeers have detailed many ways you can test conversion rate optimization (CRO). The basic principle of CRO is to make everything seamless and easy for the website visitors to convert. <sup>199</sup>

199 101 Tips and tricks to improve your CRO can be found here <https://www.searchenginejournal.com/conversion-rate-optimization-tips-tricks/291783/>

# Annex 8.1

## TORs Membership Committee

### Examples of TORs for a membership committee

**Composition:** selected board members (4 to 6), EBMO Director General and/or the Head of the membership department.

**Mandate-Terms of reference:**

- Drafting the membership strategies and annual plans;
- Regular monitoring on the membership KPIs and targets, especially in intervals between Board meetings;
- Review of governance rules and proposals to the Board, for decision by the Board, including drafting membership policy for non-paying members;
- Direct involvement in the recruitment campaign and members retention processes;
- Welcoming new members;
- Taking decisions on the members reinstatement;
- Preparing Board decisions on admission of new members and or getting a mandate from the Board that the membership committee is formally empowered to make such decisions;
- Prospection on (new) associational membership

## Annex 8.2

### Job description Membership Manager

#### Sample job description of a membership manager

The tasks listed are extensive and should be read as a general ideal to be adapted to local needs and requirements. It is useful to compare against current practice to assess where the EBMO is today and where there are gaps. It is clear that “membership manager” is a demanding and challenging role going beyond company visits and calls to potential members.

#### **Role 1 - Design of members strategy and operational plans**

Produce draft for submission to the CEO (and afterwards the Board) of;

- Medium (3-year) term membership strategy directed at companies and associations;
- One year membership plan;
- Operational plan for implementing 1 – 3 year strategy including budgeting, resource planning;
- Continuous review, evaluation and adjustment.

#### **Role 2 - Data collection and management of membership data**

- Ensure that the database and/or CRM systems for membership (potential members and stakeholders) registration and management are functioning and up to date via regular updates and checks of the database (includes organisation of staff allocation or outsourcing or automatic customers initiative systems for such activity);
- Verify and ensure that the database is up to date and completed by all staff, propose corrective measures to CEO if not;
- Once approved, implement improvements in the data management systems.

### **Role 3 - Data mining**

- Regular and systematic monitoring and reporting on membership situation through KPIs and graphs to the CEO, the Board and the other departments;
- Marketing research: develop information on the marketing environment for the EBMO (new trends, targets, segments, competitors, customer evolution) and collective external opportunities for membership (associations);
- Marketing research on internal databases: analyse and predict members behaviour (services use, services relevancy, loyalty, engagement) and define risk categories;
- Develop, execute, analyse members' needs and satisfaction surveys, exit surveys and draw operational conclusions.

### **Role 4 - Products development as assets for value proposition**

- New products developed for recruitment, retention and engagement, in collaboration with services, policy, communication and other departments. The products can be generic and target the entire membership or target certain market segments such as SMEs, women entrepreneurs, companies whose operations are outside the capital city. The role of the membership manager can include packaging the services, adapting the contents, suggesting pricing options and distribution, etc.

### **Role 5 - Management of recruitment, retention and engagement actions**

- Organisation of the department: leadership of the team, tasks and time allocation for collaborators, organisational schemes for the implementation of the membership strategy. This might include planning for recruitment campaigns, engagement and retention actions, organisation of reporting systems on member visits, budget allocation, proposals for recruitment and retention actions, determination of goals for the team (after approval by the CEO), performance management of the team, evaluation of membership actions;
- Organisation of account management systems and team (if existing): In order to offer a more personalized service, some EBMOs allocate overall responsibility for a grouping of members to professional staff. This is called an account management system. It is copied from large private companies (mainly insurance and banks) which have account

managers to create a closer relationship between big clients and the company. The concept behind this is that a large or important client should have a personalized relationship with the company through one key point of contact or relationship manager.

EBMO staff have a list of members for whom he/she is responsible. If a member needs something from the organization, their account manager will be the first person they contact. The account manager may answer the query or channel it to the appropriate specialist colleague. This personalized access, and one to one relationship, aims to give the member a sense of familiarity with their EBMO building an intimate client centred relationship. By dealing with a specified list of members (as opposed to the full membership) the account manager is in a position to become more familiar with the member and to build a deeper understanding of their needs.

- In some national cross-sectoral organizations, for example the Association of Tanzania Employers, the account managers system is based on sectors: dedicated staff are in charge of companies operating in specific sectors; this helps the staff to get a better understanding of the specificities and particular needs of the sector. This may also compensate for the lack of staff at the level of a sector association.
- In other organizations size and locations are the main criteria for allocating members to an account manager. Finally in others, for example in the Federation of Uganda Employers, staff are randomly assigned to liaise with a specific number of companies – for example 20 to 50 companies allocated to each staff member in the Secretariat.
- Some organizations extend the role of the account managers to typical functions of the membership department. Each account manager is responsible for retaining the members and in some cases he/she is responsible for recruitment of new members in specific areas (sector or location or other criteria). In some organizations staff remuneration is partially linked (especially bonus payment) to their performance as account managers.
- The key point for all EBMOs is that the membership development and management is every staff members responsibility. It is the role of the membership manager to coordinate efforts, to guide the staff by selecting targets and spearheading initiatives while also following up, reviewing and reporting on developments.



- The membership manager is responsible for ensuring that the appropriate tools are in place for professional staff to use in membership development and management. These tools may include:
  - A membership pack: (design, contents, production, printing, distribution, evaluation, renewal);
  - Regular surveys: annual satisfaction, needs survey and regular exit survey;
  - Promotional materials: A video, advertisements for radio, TV, physical evidence such as flag, backdrop or placard, template for PPT.;
  - An up to date list of the major organizational achievements in policy influence and in servicing members;
  - A comprehensive and practical welcome pack for new members and other actions for new members;
  - Forms for membership application and a process to follow;
  - A well organised up to date reporting system throughout the organisation on membership.

## **Role 6 - Coordination with other departments**

- All departments involved, directly or indirectly, in membership interaction are well informed and engaged in the membership plans and progress;
- The finance and membership departments share all information on membership payments (fees, arrears, services income) to ensure essential information on payments of fees and other relevant information is available to all staff serving members;
- The communication department and the membership department work closely together to ensure that whatever channel is used, all communications are member centred (recruitment, engagement, retention).
- The IT department provides support in the data management system(s) and digital marketing;
- The services department and the membership department share information on service use by members and potential members and cooperate in developing new or adapted services for membership;
- The membership manager, in collaboration with the training department, organizes

capacity building on membership and customer orientation for all, including the back office staff;

- The membership department trains, coaches and supports regional offices in relation to their membership role in the region;
- Increasing membership is a shared responsibility and each staff member plays a part. From the receptionist, through to the service providers and policy analysts, up to the Director General, everyone should have knowledge about customer services and a culture of appropriate sharing of information across all departments should be a leading principle in the EBMO. Too often we see organizations where departments operate as siloes caring only about their department target, being territorial about member information, and failing to share it with colleagues.

## **Role 7 - Operationalization of the strategy in recruitment, engagement and retention:**

Result area's:

- Enhance recruitment of new members: organisation and participation in recruitment activities: (collective actions such as awareness sessions, events, email campaigns, digital marketing campaigns and individual actions such as visits, members meetings etc.
- Enhance engagement and retention through different means including awareness events, social activities, networking, branding.

## **Role 8 - Liaise with stakeholders having influencing capacity on membership and membership actions**

- Branding of the EBMO with the wider public via PR actions focussed on membership recruitment and retention;
- Facilitation of recruitment via networking and the extension of supportive channels for creating awareness of the EBMO (trade agencies, embassies, and networks);
- Improve the connection with sectoral associations and regional local employers networks;
- Make contact with trade unions and public authorities to make sure they have a good understanding of the role of EBMOs. Membership strategies and policies

# Annex 9.1

## Template operational workplan

This workplan template is to be read together with the template of membership plan as outlined in Chapter 9. It goes a step further, to make it operational. It helps to plan membership activities and their sub-activities in a practical way, keeping an overview of all important aspects to be taken into account. Staff members of EBMOs need to carefully plan activities to ensure that they will lead to the expected results and contribute to the achievement of the overall recruitment outcomes. This workplan identifies the main questions and steps to do so. It can be very useful to discuss such workplans with teammates and colleagues to check any missing link, ensure the logical flow, and question the assumptions underpinning each action. The process may seem a bit artificial but good preparation and reflection upfront may save important efforts at a later stage. Obviously this template is just an example and can be adapted, different people having different ideas and approaches.

We first describe a number of steps, which can be followed to define activities under any of the three presented main outcomes (recruitment, retention and engagement) and then summarize everything into a final table.

*For illustration purposes, we chose the organisation of a provincial member recruitment session. We call it “Activity 1.3 Regional clinic for recruitment in the North province”. The activity fits within the RECRUITMENT outcome of the membership plan.*

### Step 1 Defining the expected result of the activity

*In the case of Activity 1.3, the expected result is to have 10 new paying members from the North province recruited by end 2021.*

### Step 2 Segmentation – Targeting

- Define the target group(s) - companies and/or organizations
- Determine the size of the target group needed to achieve your objective. This will be derived from your experience and data.
- Determine the target audience - Within companies/organizations, who are you targeting? The CEO, HR manager, the legal staff or all staff? This influences later on your messages, the contents and the approach.
- Collect concrete names, addresses, contact details of your target audience.

*In our example, we want to target CEOs of SMEs in the North province. If the conversion rate is 10 to 1 (meaning that on average you make one member out of 10 contacts), we will need at least 100 participants to our activities to reach our desired result for this activity. We have different sources at our disposal such as our potential member list for the North province, which is available in the database, a commercial business directory, a list of contact persons provided by members; the list of Board members, especially those coming from or having activities in the North province.*

### **Step 3 Activity preparation**

- Design, infrastructure, materials needed, communication channels and stakeholders to be involved

*In our example, we will need to first define the features of our “Regional clinic”. We can organize it as a road show all over the North province, as a promotional event, with a session on latest labour law developments to show the organization’s subject expertise or with a more high-level policy debate to demonstrate the policy influence of the EBMO, we can make it an exclusive event or an open-door one etc. We will need to select the venue, develop material including the tailored value proposition (brochure, membership pack, other advertising material), determine precisely the contents and communication strategy etc. Another important feature will be the stakeholders (internal and external) we wish to involve.*

### **Step 4 Implementation**

- Role of Staff, Members and Board members
- Timeline of preparation
- Resources needed (budget, others)

### **Step 5 Follow up and evaluation**

- Follow up to reach the desired activity objective and evaluation of the activity

*The follow up calls, emails etc. will be crucial to ensure conversion from “event participant/potential member” to “paying member”. This needs to be carefully planned and executed. The evaluation of the activity will enable us to compare our expected results vs. actual results.*

## OPERATIONAL WORKPLAN – SUMMARY TABLE

Activity: ...				
Expected result(s): ...				
Task	Responsibility	Timeline	Resources needed	Observations
<b>Segmentation/ Targeting</b> a. b. c.	<i>Who?</i>	<i>When?</i>	<i>What?</i>	
<b>Activity preparation</b> a. b. c.				
<b>Implementation</b> a. b. c.				
<b>Follow-up and evaluation</b> a. b. c.				

# List of main References

## **Dutch Employers Cooperation Programme (DECP)**

Reports on activities, news on partner EBMOs including on Membership

<https://www.decp.nl/publications>

## **International Training Centre of the International Labour Organization, Programme for Employers' Activities (ITCILO ACTEMP)**

Reference guides, presentations, practical checklists and tools and videos showcasing best practices from EBMOs all around the world or short excerpts of "lessons" from key note speakers

<https://www.itcilo.org/resources/employers-and-business-member-organizations-training-resources>

## **International Labour Organization, Bureau for Employers' Activities (ILO ACT/EMP)**

Many publications on EBMOs' management and policy involvement, including *Leading business in times of COVID crisis - Analysis of the activities of employer and business membership organizations in the COVID-19 pandemic and what comes next, 2021*

<https://www.ilo.org/actemp/publications/lang--en/index.htm>

## **Marketing General**

Membership Benchmarking reports

<https://www.marketinggeneral.com/>

## **The International Organisation of Employers**

Representing more than 150 EBMOs around the world

<https://www.ioe-emp.org/>





# MEMBERSHIP STRATEGIES AND POLICIES

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A manual for Employers and Business  
Member Organizations

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Jeanne Schmitt, Paolo Salvai, Arnout De Koster



DUTCH EMPLOYERS COOPERATION PROGRAMME



International Training Centre