



Association Laboratory Inc.

STRATEGIC ISSUE BRIEF

Insight is Information in Context

Points of Interest

- Future Trends in Research
- Introducing Performance Dashboards

Future Trends in Market Research

As Association Laboratory clients expand their understanding of their membership and product markets, many are gradually reviewing their research capacity and capability. Rockhopper Research interviewed 512 research organizations about 2010 trends in research that provides insight into how associations might continue to improve these efforts.

- More than 6 out of 10 respondents indicated that they would increase their use of mobile and electronic surveys.

To successfully use mobile or electronic surveys, the association must capture emails and cell phone numbers. An excellent way to do this is through the membership dues form. The expanded use of these methodologies reflects the continued reduction in the use of paper surveys due to cost and data quality issues. The study indicated a 20% decrease in the use of paper surveys.

This change also reflects the allocation of research dollars from paper and postage to analysis.

- Nearly 6 out of 10 will increase their surveys of online communities.

This trend reflects the growth in social networking and other forms of online interaction as a substantive component of activity within organizations. There are now membership

IN THIS ISSUE . . .

Future Trends in Market Research	1
Introducing Performance Dashboards	3
Developing Effective Goals and Metrics for Decisions	4
Focus on the Experience to Draw Young People	5
About Association Laboratory Inc..	6

groups who derive their primary benefit with the association through online interaction. The association must understand how these groups, as defined by this behavior, are similar or different to other membership or product market segments.

- **Nearly ½ (44%) will increase their use of proprietary panels.**

Very few associations currently use proprietary panels, where a select group of individuals is recruited to participate in research activities. This technique has a great deal of utility for associations because it allows for a representative group of members or customers to be selected for study. It also allows for the association to create a research mechanism that improves the ability to penetrate corporate firewalls since panel members pre-approve their willingness to receive emails or to be otherwise contacted.

The report highlighted how proprietary panels allow researchers to centrally manage their data gathering. This allows for more frequent research and improved data quality. According to the researchers, “Panel management is a win-win situation, and an example of why 51% of organizations are increasing their use of proprietary panels in 2010.”

In addition, a study by Tom Anderson of 855 members of the Next Gen Market Research Group (NGMR) identified substantive increases in the use of analytic techniques that do not rely on traditional research methodologies to improve understanding of the marketplace.

The study identified an increase in 3 fundamental techniques:

- **Data mining**

Data mining describes a series of tools that allow associations to comprehensively understand the relationship of members to the association by analyzing their historical behavior with the association. By creating analytical models of member behavior it is possible to make predictions of future member behavior to guide organizational, marketing and delivery strategy. An introduction to this technique can be found on Association Laboratory’s website at (<http://associationlaboratory.com/education/articles.asp>)

- **Data visualization**

The human mind is designed to assess information visually. Data visualization is the presentation of data in a visual format that quickly and intuitively identifies correlations between different types of information so that a user can understand implications and make decisions more quickly and effectively.



This technique is an essential product of management and marketing dashboards. Dashboards can be considered the entry point into business intelligence (BI). Dashboards provide a visual way to analyze business information and interact with that data on many different levels – from high-level sales analytics to advanced statistics.

- **Customer relationship management (CRM) analytics.**

CRM is the analysis of the interaction between a customer and the organization. This provides the association with a detailed understanding of the individual’s behavior relative

to the association. This analysis can be aggregated to provide insight into the behaviors of important market segments.

Association Laboratory has implemented these three techniques over the last 2 years through the provision of strategic decision support services. An article outlining these services is located on the home page of www.associationlaboratory.com.

These techniques provide powerful tools for understanding the behavior of markets and identifying correlations between behaviors that might otherwise have gone undetected. Primary survey research is then focused on motivations that drive these behaviors. ❁

Introducing Performance Dashboards

A common view of dashboards is that they are simply graphical representations of data; useful upgrades in how association executives review information that otherwise might be presented in tabular form. Nothing could be further from the truth.



The graphical representation of information in a dashboard is the final step in a management process designed to focus the association on performance.

In his excellent book, *Performance Dashboards: Measuring, Monitoring and Managing Your Business*, author Wayne Eckerson outlines three important components for the dashboard process:

1. Monitoring - convey critical information at a glance
2. Analysis - analyze and explore performance data
3. Management - foster communication among executives and provide continuous feedback necessary to “steer” the organization

The development of performance dashboards is about creating an ongoing process to identify strategy, determine how to measure progress, test progress against goals and then adjust strategy to reflect performance and the business environment. It is about implementing a continuous quality process dedicated to creating and sustaining a culture of performance based on data and objective analysis.

A large, complex association faces substantive challenges. They often serve multiple markets with a complex product/service line and manage a wide variety of Boards, committees and other volunteer entities within their governance. This complexity makes it difficult to assimilate and use information effectively. Staff credibility with volunteer leaders suffers and the association struggles to retain its focus on key strategic objectives.

The dashboard process is a tool designed to create executive consensus on strategy and measurement. It represents an evolutionary step in the association’s growth. When developed properly, a performance dashboard transforms an underperforming organization into an industry leading organization.

Association Laboratory provides development and ongoing staff management of the dashboard process. For more information contact us at 312.466.5702.



Effective Goals and Metrics for Decisions

Associations often struggle with the development of goals and the alignment of goals with strategy.



Marketing professor and industry leader Phillip Kotler in his textbook *Marketing Management, The Millennium Edition* states that “goals describe objectives that are specific with respect to magnitude and timeframe.” For example: the association will increase membership 7% (magnitude) within one year (timeframe). Without clearly specifying magnitude and timeframe, goals become subjective and open to interpretation.

Phillip Kotler outlines four characteristics of a goal:

- Goals should be arranged in a hierarchy from the most to the least important
- Goals should be stated quantitatively
- Goals should be realistic
- Goals should be consistent

By developing business strategy goals, the association executive creates a clear understanding of the definition of marketing success.

Each goal should be assigned a metric designed to provide the executive with a means to measure progress and to evaluate the success of marketing efforts. A metric is a measuring system that quantifies a trend, dynamic, or characteristic.

There are a wide variety of potential metrics to provide guidance on the nature and attitudes of the market, financial performance, competitive insight, and sales and operational status.

When developing the metrics to guide decisions, consider the following:

- The metric should be identifiable, measurable, and quantifiable so that subjective interpretation is minimized.
- The metric should be useful and actionable, not just interesting. Constantly review how you will make decisions using the information.
- The metric should guide future decisions, not just reflect past activity.

It will be important to balance your marketing goals with your other business goals. For example, a discount pricing strategy established by marketing may increase the number of participants at a conference but may also reduce the net revenue produced by the program. ❁

Focus on the Experience to Draw Young People

Many recent online discussions within the association community have been characterized by a high level of drama regarding the next generation's participation in groups in general and associations specifically. It seems you can't go a single day without some blogger penning how member organizations as we know them are facing obsolescence.

How, many people wail, will membership organizations survive in the face of the younger generation's failure to join or participate in member organizations?

Too often though, the proclamations of these doomsayers are made with little perspective and less information.

Consider the following:

The number of nonprofit organizations is growing. The IRS currently recognizes approximately 1.8 million non-profit organizations. In 2006, the IRS received form 990s from \approx 238, 000 501(c)(3) organizations compared to \approx 150,000 in 1996.

New, successful membership models have been created and are prospering. Business models which rely on an individual's decision to join a group have never been more prevalent. Recent options that have never before existed include meetup.com, LinkedIn, and Facebook.

Members of the Y or Millennial generation are more likely to join. A study conducted by the William Smith Foundation found that members of the Y generation are as likely, if not more likely, than members of the Baby Boom generation to join professional associations.

The evidence clearly supports the conclusion that the younger generation will continue to join, support, and otherwise be active in member organizations.

The key question is not whether or not the next generation will join, but whether or not they will join your organization vs. some other organization.

The key to association growth is not to presume young people won't join but to focus on creating a membership experience that clearly differentiates the association from other sources.

Creating this definition necessitates investing in understanding the association's markets and the path an individual may take through the course of their career or time in an industry. It also takes a focus on understanding the needs of the market, how these needs change over time, and focusing on creating a member experience consistent with these needs.



Associations that focus on clearly defining their audience and creating a substantive experience for members will continue to prosper. This will require improved understanding of which audiences you serve and why, the similarities and differences between these audiences, and a relentless focus on the implementation of high quality programs and services. ❁

Association Laboratory **Strategic Decision Support Services** help associations make timely, effective, data-driven decisions through objective, independent research, integrated online information reporting dashboards, and ongoing staff support.

Four key features of **Strategic Decision Support Services** support these goals:

1. Comprehensive Decision Management Blueprint The Decision Management
2. Visual, Interactive Decision Support Dashboards
3. Independent, Objective Primary Research
4. Ongoing Staff Support by Association Laboratory Consultants

Want to learn more? Visit our web site for our complimentary articles regarding the unique issues of association management:
www.associationlaboratory.com

About Association Laboratory Inc.

Association Laboratory Inc. is one of the nation's leading association business strategy consulting firms. The award-winning company specializes in the research and development of association business strategy.

The company serves a nationwide client base representing some of the nation's leading trade, professional, credentialing, and philanthropic organizations.

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