

Review and renew

When and how you run your renewal campaign can have a big impact on your member retention rate.

Membership renewals are an essential component of any association's strength.

But in order for your renewal campaign to be a success, there are some important factors to consider.

Renewal period

The common periods for association renewal campaigns each have positive and negative aspects. The one you choose should be the most efficient for your association in terms of time and money spent, with opportunity to incentivise.

Anniversary – when renewals are sent out after one year of membership, at the end of the month joined. While this method can simplify the process of determining membership fees, given no pro rata is required, it can be inefficient time-wise as you are consistently managing renewals throughout the year. You can, however, incentivise this renewal method by offering a discount to those who process their renewals before the due date.

Annual – when all renewal fees are due on the same date, either at the end of the financial year (30 June) or the end of the calendar year (31 December). This rolls the renewal process into a once-a-year effort, although the fees per member will obviously differ. Another variable of using this method is whether your association and membership have the time and money at this annual milestone to dedicate to the process. For example, at the end of the year members are either on vacation and/or have limited funds due to the purchase of gifts and other things associated with holiday cheer. An added bonus of the annual renewal is the number of incentives you can offer renewing members. If your renewal date is mid-year for example, you could offer a deal whereby users joining in February receive three months free.

Quarterly – when renewal fees are due during the quarter of the year the member joined. While this method means the renewal-based workload can be more evenly distributed throughout the year, it can make application and reporting processes more complicated. And if members join in the last quarter of the year, the same challenges posed by the end of calendar year renewal period apply.

Making it easy

One of the best ways to encourage membership renewals is to keep the process simple. Ensure members have clear channels of communication with your association, whether by phone, fax, post, online or in person. You should also offer easy methods of payment via these same channels.

The option to set up a direct debit can be a very beneficial

payment method for both associations and members. Think about it like this – the less action a person needs to take to renew their membership, the better. The use of direct debit also means members would need to actively cancel their payment if they chose not to renew, which can lead to an uptick in retention rates. Another bonus of this method is that fees can be drawn out monthly, making the cost more palatable to members than a once-a-year lump sum.

Before the renewals go out

Start the process early by getting in touch with members to send the message that they are valuable to your association. Ensure your database is up to date and encompasses each member's renewal period, so you can target them a month in advance. If running an annual renewal campaign, you could send out a yearly report documenting your association's achievements before the process kicks off. Make sure to follow up with a phone call – an added personal touch to thank people for their (hopefully) continued membership.

Keep up your renewal efforts

Did you know 50 percent of the reasons why people don't renew their membership has nothing to do with the association? It could be personal or professional matters, but it's likely not you. When running your renewal process, remember to include an element of reactivation campaign. Consider a 'cheeky renewal campaign', where renewal notices are sent to people who have lapsed their membership.

But if members opt not to renew, try and figure out why so you can identify any trends. Give recently lapsed members a call about a week after their membership expires, expressing genuine concern and interest about their membership satisfaction and why they didn't renew – it could very well be the push they need. Remember to keep the grace period short, however. Cut off access to membership services around one month after the lapse of the renewal.

Lastly, at the end of your renewal period, it's essential that you measure and analyse your statistics. Understanding who did and didn't renew and why should be an instrumental part of your renewal strategy going forward.

POINTS TO PONDER

Are you using the right renewal period for your association?

How user friendly is your renewal process?