

**2016-04-08-14.43-From-the-Bottom-Up-Tips-for-Building-an-Effective-Membership-Model**

[Start of recorded material 00:00:15]

Laurie: Hi everyone. Thanks for logging in early. We're going to get started in approximately 15 minutes.

[00:00:21 – 00:16:37 no recording]

Laurie: Hello, hi everyone and welcome to the last day of Wild Apricot's Membership Growth Online Summit. This has been quite a week of free learning with a webinar every single day, and we learned everything from how to build a marketing funnel to Facebook ads to engage in Gen Y. It's been fantastic, and today we are thrilled to have Robbie Kellman Baxter, the author of The Membership Economy joining us to talk about how we can build a membership from the bottom up, and by that we mean a model that truly speaks to our members' needs. So it's going to be a great presentation, I've seen it, so just hang tight. I see people are still logging in, so I'm just going to introduce myself. My name's Laurie Smith, I'm the Community Manager here, and on chat to help with your technical questions or any questions that you have is [unintelligible 00:17:26] and just keep in mind, as participants, you are muted so we can't hear you, but we do encourage you to use your chat box, and we're going to try to make this webinar as interactive as possible.

So do let us know if you have any issues hearing me speak right now and use your chat box, and we also encourage you to Tweet. You can use the hash tag wasummit2016, and if any of you are earning CAE credits, you will be eligible for receiving a credit by attending today, and we are recording everything. We've recorded all the sessions this week, and we'll be sending out a big email as of Monday. So don't worry, you can relax and just enjoy the presentation. So now ... oops backwards, so now I'd like to introduce Robbie. She is the author of The Membership Economy, which is a book I would highly recommend. I saw, from some of the chat messages, some of you have read it already, which is great. I read it and loved it. She brings over 20 years of strategy consulting and marketing expertise to [peninsula 00:18:35] strategies, which is her own consulting firm. Her clients have included everything from start-ups to midsized venture backed companies as well as industry leaders such as Netflix, Yahoo, Oracle, eBay, some big ones, and she's also making a big splash in the association world.

She was recently a speaker at the Great Ideas Conference, and she just told me that she's coming up to Canada soon, to speak with the Chambers. So also worth noting, I think this is worth mentioning, Robbie was a graduate from Stanford, for her MBA and also went to Harvard, so she's a smart cookie, and outside of work she supports women leaders, from girl scouts to boards. She's an avid reader, which

we're a big fan of, here at Wild Apricot, and she's a lifelong resident of Silicon Valley, and now I'll go back a slide, sorry, because Robbie and I cooked up this free giveaway, and so Robbie, I'm about to give you the mike and presenter control, but basically I've been told that there are some people who have been attending all the webinars this week, so we were really impressed by that. Some of them take notes, bringing it back to their board, so we want to know, who here has attended all five webinars this week? You can chat in your email, in the chat box, and you will get a 30 minute free brainstorm session with Robbie, and a free copy of her book.

So just chat in your emails if you've actually attended all five webinars this week. We definitely want to hear from you, and now Robbie thank you for joining us, and thank you for giving away some free consultation, and I'm just going to pass presenter control over to you, one second here. Alright, there you go.

Robbie:

Okay, well thank you for the really nice introduction. I'm so glad to be here. Oops, very sensitive and, you know, I'm thrilled to be here and to be closing out, what sounds like an amazing summit this week. You know, you've learned a lot. So far you've learned about using social campaigns to build awareness, at the top of the funnel. You learned about social media, how to reach millennials. John talked you through the whole funnel and what I want to do today is tie it all up and bring it together with the other part, the part that, in my opinion, matters most, which is how do you ensure that the people that you bring into the funnel ... gosh, excuse me here for one second. To tie it up and bring it together with the part that I think really matters most, which is how do you make sure that the people you bring in, at the top of the funnel, stay with you forever? What is it that needs to happen at the bottom of the funnel?

So, so far, we've talked about the top of the funnel, but while you've learned how to get your message out, before you should start shouting it from the rooftops you want to be sure that the people you attract are the right ones, and that the experience you offer is enough to keep these people happy forever. You don't want to invest in your megaphone before you have your message and your products, because if you do everyone might stop to hear what you're shouting about, but it's not going to make them buy. You have to start at the bottom of your funnel, with member mission fit. Who are you serving and what benefits do you provide them with? I'll give you a clue. You can't aim for all things at one time. Some of you are probably saying but we have lots of members, and so we have lots of targets, but what I want to make really clear is that for each group that you're attracting you need to be sure that you can justify a forever promise. The more different groups you serve, the more bullseyes you need to hit, and we only have so many arrows.

There are three things you want to keep in mind when you're building your target. The first one is demographics, which most people do. You

know, what's their age? Where do they live? What's their role, where do they work, what kinds of organisations, big and small, but that's just a starting point. You also want to really understand their psychographics, which is how they feel. Where are they emotionally? Are they really excited about their career? Are they struggling? Do they consider themselves bleeding edge or absolute beginners and, finally, you want to understand the behaviour of your ideal targets, and that means that you want to understand how they are already using the products and services that your organisation offers.

So I would guess that most of you that are listening are going concerns, your associations are non-profits that have been around for a while, and you have some really happy members, some really fully engaged members, and as you reach out, at the top of the funnel, to bring in more members, you want to keep in mind who are those happy, engaged people that are already there, and how do you attract more of them that elicit the same kinds of behaviours? You can use these strategies, both to built stronger relationships with the people that you've brought into your funnel, as well as brining in at the top. So it works to attract new people and it also works for retention. So I'm curious, just to get a feel for the people who are listening, can you say if you are more interested in attracting new members or retaining the ones you have, and a second question that I have is if you have more than 90% could you just type in a 90, 90% retention? Okay, so I can't see –

Laurie: Yeah, so I can read them out for you if you want. So I'm seeing a lot of 90%, 85% retention. Someone said here retention's not important, 70%, 77, 80%, some people don't know yet.

Robbie: Okay.

Laurie: Yeah.

Robbie: Okay, so first of all, it's great that people have these high retention rates, and it's actually pretty common in a lot of associations and the non-profits, because once people join they make that organisation a habit and part of their daily life, and the challenge is balancing that with the acquisition, but the opportunity that you all have, if you're already at 90% retention, is you know what brings people in and keeps them, and it's that data, it's that information about their behaviour that you can apply when you're looking for new members. You're, kind of, looking for lookalikes. Before I spend money on any of the excellent things that are at the top of the funnel, the things that you've been talking about all week, I like to make sure that my clients can pass what I call the airplane test.

So here's how the airplane test works. If you found yourself on a flight, let's say from ... and I'm from San Francisco, so from San Francisco to LAX, which is about a 45 minute flight, and you were next to somebody who fit your ideal profile for a new member, but they didn't know anything about your association, could you convince them to join

and would you be confident that they would love the membership? Find that it serves their needs well and be likely to stay a member forever or at least for a long time. So I'm curious if your answer is yes or no. Would you ... you know, quick show of hands, how many of you think you would pass the airplane test right now?

So I put you on a plane next to somebody who's never heard about you but could answer yes to all of your qualifying questions, but if you had 45 minutes to explain to them everything that your organisation does, your confident that they would sign on the dotted line and stay for a while.

Laurie: So I can read out those answers again. I'm seeing a lot of yeses, but definitely some no's, and probably a lot of hmm, still sussing out the member benefits, still figuring it out.

Robbie: Yeah, so here's the thing that I would think about, and I love ... I mean, I'm a lifelong marketer lawyer, as you know, and I love top of the funnel campaigns. Always really interested in social media and new techniques and new kinds of approaches to finding and bringing in new members, but I won't spend a nickel on, you know, what I call turning on that megaphone until I know that I could pass the airplane test, because it's that airplane test, and the first piece of the airplane test which, you know, actually a lot of our organisations struggle with, is who that person that you want in the seat next to you? I was talking to a client this morning that was talking about how, you know, this is a company that reaches out to pet owners, and they said we want pet owners who live in a city who love their pet.

Well, really, you know, they haven't even dug beneath the surface, you know, to figure out how much money, how do they feel about spending money for their pets? What kind of behaviour have they elicited in the past, in terms of taking care of their pets? You've got to get really, really precise before you go back up to the top of the funnel, and you also have to be really confident that you'd say if I could talk to that person for 20 minutes I know they'd be thrilled to be customer, or to be my member. It's always about sales before marketing. If you're not confident that you can sell and retain, on a one-on-one situation, and that you're going to keep that member forever there is no point in investing in outbound marketing.

So, you know, if you can tap into your member's mission, whatever that is, you can tap into tremendous loyalty. It's what I call the forever transaction, and that's really, I think, what we all want, isn't it? We want our members to join our organisations, to stay for as long as their need stays constant. If we're a professional society, that means as long as our members are working. If we're a gym, it's as long as our members care about their health, which hopefully is their whole life. The idea is that someone joins your organisation and says to themselves as long as I have this need I'm not going to look anywhere else for my needs to be met.

So when you think about your membership, you have to start with this forever transaction. What is your forever transaction? What is the promise that you make to your new members, that you're going to take care of for them forever, and what features have you introduced that help them to be successful? This mission stays constant, even if the way you serve them, the products you have, the processes you have, the people who provide them, even if all of those things change. So I'd love to hear, you know, a couple of people, if you know what your forever promise is. Laurie, maybe you could share a couple of those? I can give you an example.

I did a lot of work with Netflix. Netflix has, as their member's mission, is efficient and economical access to professionally created video content, and as most of you probably know, originally that was for DVDs, then it was through streaming of the content because, you know, the way they deliver it has changed. Now they actually create custom content for their members. So they continue to evolve how they deliver, taking into account the changing environments for their members, but that core mission ... you know, I'm still looking for an efficient and cost-effective way to get access to great professional content. So Laurie, are there any promises coming in?

Laurie: Yeah, they're slowly trickling in here. So Rosanne says special invitations to all events, so that's for her association. Representation at the capital, that's an interesting one. Staying –

Robbie: Yeah.

Laurie: Yeah, staying connected. This is from Karen, staying connected to opportunity to have positive community transformation. Alright, Todd here says to develop and maintain a constant stream of qualified referrals for more business. Interesting, so maybe that's a Chambers or something, Todd? Let's see, training for volunteers and advocacy, that's from Julie, and then another Smith here, I'm a Smith. We will work with them, on their behalf, to preserve the state's historic places and to educate others about their value and meaning. Okay, sounds good. Shall I keep going here?

Robbie: Yeah. No, these are great. I think we've got a good representative sample. So a lot of these are about representation and advocacy, a lot of them are about training so that people can be successful in achieving whatever their mission is, and the third one is about connection, connecting them with people who matter to them, whether that's their peers or whether that's people in related worlds, but it's those kinds of things that I think of as being core to a forever transaction, as opposed to being product-focussed. So it would never ... you would never want a forever transaction to be about we provide a car, it would be we provide transportation, and it's really about what is it, when you ask your members why do they stay, why do they come?

It's about that thing, you know? I stay healthy because I belong to a gym, but 25 years ago that was Jazzercise, and today maybe it's Zumba, right, or maybe it's CrossFit, but I trust the organisation that provides that. I trust my YMCA to continue to evolve what it is that they're providing me with, and the interesting thing to remember, especially for those of you with those great 90% plus retention numbers, which are fantastic, is that often it's easier to keep somebody than to attract a new person, because it's easy to confuse inertia with loyalty. Sometimes people just don't have enough energy to look for other alternatives, whereas when people make that initial forever transaction they're really comparing their alternatives.

So you have a much higher bar to bring in the new person than you do to keep the existing member, which is why it's cheaper and easier to retain, and it's ultimately going to have a bigger impact on your organisation, but it's ... you know, you've got to be willing to invest and understand when you bring in the new members, make sense?

Laurie: Yeah, it makes sense, and I just wanted to clarify with your example, you know, Zumba and then it changed to CrossFit, so are you saying the forever transaction can change over time then, or it should be changing over time?

Robbie: Yeah, I'm saying that the transaction ... so let's go back to the gym example, right? So I might have been a member of MY Y for 25 years, but what I did 25 years ago at my gym is really different than what I'm doing there today. So, in other words, if my gym is still offering Jazzercise ... I don't mean to pick on Jazzercise. You know, great way to stay fit and healthy, lots of fun, but most organisations have found that there are other programs for fitness that are now more relevant to people. If you went in and they had 25-year-old equipment at your gym, you might not notice because you go every day, but if I come in as a new potential member, going on a tour, I'll notice that the equipment looks shabby.

So even though the existing members might not be complaining about your offering, even though they might seem satisfied, it may be inertia and a lack of having compared with other options they have. So if you want to attract new people you have to continue to go back to that forever transaction and say what do my new members expect? What does that mean for them? Does that clarify?

Laurie: Yeah, that's a great point.

Robbie: Great, because ... why am I ... I'm not moving here. Okay, so in the member ... because in the membership economy the transaction has to be the starting line and not the finish line. So your offerings, the product, the services all need to be flexible, with new benefits constantly being introduced, which also means all the benefits need to be [sunsetting 00:36:16], because we have limited resources, and that's a really hard thing to do in an organisation because, again, if you're trying

to attract new people you need to offer what's relevant to them, but in order to afford your continued evolution or iteration you have to be willing to let some things go.

The mission stays constant, but the environment changes, there are new competitors, there's new technologies. You've got to be investing for the long haul. It's not enough to get a new member, you have to keep them. The work really starts after someone joins. So you need to know about triggers and hooks. So triggers are the occasions that make somebody join, so a trigger might be I graduated from college and I'm getting my first job, so I need to join my professional association, or I'm looking for a new job so I need to join LinkedIn, and a hook is what keeps people from cancelling. This is like your future trends, research that comes out every quarter or benchmarking data.

It's the built-in professional development that happens every quarter, and constantly keeps refreshing, and it's the connections of other members. So triggers are usually that sharp pain or change in state or an aspiration, and the hooks can also be aspirations, the long term goal, but they can also be, you know, the connections that you've made. It can be fear of missing out. Like well, I've learned a lot from this group, maybe I don't need it anymore, but what if something new comes along and I miss it, and also it can become a habit. So if you say, you know, every spring I take a course with my professional society, or every fall I take a trip, you know, with my favourite non-profit, they organise a learning trip.

So they're often very different things because the trigger is a moment, and in the membership economy, when you have a long term formal relationship with your constituents you need to figure out how you're going to keep them engaged for a long period of time. So I see that you're asking about what the hooks are and what the triggers are within the organisations that are on the call. So I'm really interested to hear what some of those might be.

Laurie: Okay, so we'll wait for a few answers to come in. Here's one from Lisa, families who want to save money on their utility bills, it's a pretty good hook.

Robbie: Yeah.

Laurie: So Daniel, our situation's sort of different, he says members can join for free, but we have a monthly donor program that constitutes members, okay. Mark says they have a free e-book, so that's kind of like, top of funnel stuff, isn't it?

Robbie: That's top ... I think that the e-book is top ... you know, maybe I should clarify a little bit more. The trigger is what makes you buy? So a trigger for me to join Netflix ... you know, the story with Netflix is, you know, the Reed Hastings we watched on Netflix, he had a movie and he forgot that he had it out for too long, and he ended up having to pay like \$50

in late fees, and he said this is ridiculous. It's too hard to return the movie and the late fees are absurd, so I'm going to have a subscription model, all you can eat, [unintelligible 00:39:53] time, it's going to be much better. So the trigger is I'm going to join Netflix so I don't have late fees anymore.

The trigger is going to be I went to my local movie rental place and they have no Bollywood titles and I'm a huge Bollywood fan, and I heard Netflix has the biggest collection of Bollywood titles in the world, right? You know, one of my clients is in the pet insurance business, so the triggers are either getting a new pet and wanting to be a good pet owner or having an emergency situation with your pet and having outrageous costs, those are the triggers. The hooks are the weekly wellness, you know, the access to vets for wellness care. The access to vets when you have a question or a problem, discounts on your shots, things like that. So the trigger is what makes you say I need to sign up and join, the hook is oh, I don't want to leave because this is just great.

Laurie: Right. Okay, so a lot more have come in.

Robbie: Oh, good.

Laurie: Kirsten has a hook. They have monthly Tuesday talks, discussions each week with different industry segments with Facebook group to continue the discussion and sharing between video conferences, that's ... wow, that's great.

Robbie: Yeah, I love that.

Laurie: Yeah. We have a lot of ... so discounts people mentioned as triggers, is a good one. Yeah, what about this one, because I think a lot of people have put this, is it considered a hook or a trigger, to have that sense of belonging, you know, a feeling of belonging, because that's what a lot of them do.

Robbie: Yes, that's a hook. It can be a trigger if you're lonely. So, for example, in the world of professional ... you know, independent consultants, speakers, thought leaders, authors, which is my world, it can be very, very lonely. So sometimes you join because you say I'm tired of being lonely, I'm tired of not having any peers. I need to find people to brainstorm with and share ideas with. So there it's a trigger, the loneliness is actually the trigger, but in a lot of groups, where you don't maybe realise that you're lonely, that you need this collegial environment, but then you join and you say wow, I feel like I belong, and if you think about Maslow's hierarchy of needs, right, he's the psychologist in the 1940s, he said that once our basic physiological needs have been met, things like food, shelter, Wi-Fi, we move up the pyramid to mitigate risk, to feel like we belong and we're known by others, then to be held in high regard, high esteem by those others, and finally it's to reach our full potential.

So belonging is a core human need, and organisations that can make you feel like you belong and then go one step further and make you feel like you're held in high regard, those are the organisations that are going to get engaged within loyalty, because it's tapping in to what is core to all of us.

Laurie: That's great. I think we should keep going here, but thanks everyone for sharing these triggers and hooks. Maybe we'll blog about them after.

Robbie: Yeah, so what happens to membership economy? I've alluded to it a few times, and Laurie mentioned that I wrote a book by the same title, and I'm not going to into a lot of detail here, but I just wanted to give you a quick sense of what the membership economy is. It's a massive transformative trend that I've observed and chronicled over the last 15 years, and it's characterised by a few traits. The first one is a move from ownership to access. It's about going from a single one-time payment to recurring payments. It's about moving from an anonymous transaction to a relationship, and finally it's about going from one-way communication, where you as the organisation are talking and they just listen to one where not only do your members respond to what you're saying, but they can actually communicate among themselves under your umbrellas.

So here's the four key attributes of the membership economy, and what's really important to understand is that, you know, most of you on the call have been thinking about this for a long time. You've been membership organisations forever, but in the membership economy, where technology is really extending the infrastructure that enables trusting relationships, it's becoming something that's interesting to a lot of organisations. So, you know, I am seeing membership everywhere. It's not just with non-profits and associations. It's not just with gyms or fitness clubs or private clubs. It's really everywhere, and so I'm going to ask you to think about, you know, the cards you carry in your wallet.

The subscriptions that you pay for every month or every year, and all the things for which you have a password and, you know, maybe you can throw in some of your examples, and Laurie you can read those out while I go to the next slide, but it's really ... you know, it's a very broad and far-reaching trend. You know, we see membership in online communities like Pinterest and LinkedIn. We see it in mainstream businesses that have been around for a long time, that are continually evolving toward this access over ownership, a sense of belonging, long term relationship, all of that.

We're seeing it now just emerging in consumer products, with all of the subscription boxes with Amazon Prime, Amazon Subscribe & Save, they're real leaders in the area of membership, and even like, organisations like Nestle that now have subscriptions to their coffee pods, where you get pods delivered monthly and you actually have access to their clubs, all around the world, where you can, you know, go

have a cup of coffee and connect with coffee [unintelligible 00:45:50]. We see it online subscription companies.

We, of course, see it in non-profits and, you know, loyalty programs are really the gateway for the membership economy. There's lot more that I ... you know, I feature all these in the book. Laurie were there any that I left out or anything that you want to raise right now?

Laurie: Yeah, no, people have put in lots of things like Amazon, Starbucks, grocery stores. I'm seeing a lot of that.

Robbie: Yeah, absolutely.

Laurie: Yeah, of course libraries, girl scouts, Veronica has just put that in.

Robbie: Okay, girl scouts are my favourite, so whoever said that, you know, I can send them a book. That's a good one. Go on.

Laurie: Yeah, I mean, some more classic ones are coming up here. Gyms, Daniel loves the YMCA, historical societies, Panera bread. I mean, I just want to ... oh, the Dollar Shave Club, that's great, they're –

Robbie: Yeah, absolutely.

Laurie: Yeah and I just want to comment, I've had two friends, you know, open small businesses and one is savoury ice-cream, so strangely flavoured ice-creams, and a bar, and they're adding memberships to their businesses.

Robbie: Yeah, absolutely. It is everywhere, and it is the big organisations, it is with small organisations, start-ups, long term companies and, you know, I want to bring this back to, you know, this group, which is what is this name for associations and for non-profits and what it means. You know, as I said before, technology is extending the infrastructure that enables trusting relationships and, as we discussed, trusting relationships are required, to have this long term recurring revenue model, and everybody wants that. That's like, the Holy Grail of business. So what it means for associations and non-profits, who've been doing membership for a long time, is that suddenly you have all of this competition for Mindshare.

All of your members are now being given lots and lots of other opportunities to be part of communities. They're being given a lot of content and activities and connections, and we talked about how it's about, you know, access to content, like educational content, influence and community and advocacy. All of those things are now being offered by a lot of different kinds of organisations. So, you know if I'm busy writing reviews on Amazon or writing my own blog or participating in someone else's blog I might not have time for my local parent teacher organisation or my professional society. So it's really important, and organisations that have been membership-orientated for a long time, really need the leverage technology and to think about what

all of these changes mean, not just in terms of how to acquire members, but in how to retain them and engage them.

So one example I wanted to share is the Sierra Club, which has always attracted people for a broad range of reasons. Everything from I want to help the environment and I know the Sierra Club is looking after it, to I have a particular cause that I'm really passionate about, to I want maps and instructions about the best places for me to enjoy wildlife, and others enjoy the magazine or the hiking trips. So they recently launched a new platform called addup.org, which integrates Facebook tools into their platform, and they've created, kind of, sub-communities. So, for example, one of them that I like is called tell the Obama administration no more offshore oil and gas drilling group, and what's neat is it's a freemium model so you don't have to pay to be a member, but it allows you to join campaigns and also to meet up with people in the real world.

So it's more than just clicktivism, as they call it, but it's actually designed to get you engaged locally. It works for new members, to bring people in, but it's also something for current members to adopt and allow them to engage more fully, and I think this is a really nice and not very expensive example of how to further engage people that have come to you, and also to leverage your current members, to bring in new members. Again, it's, kind of, starting at the bottom of the funnel, the engagement, and then using that as the driver for acquisition. Another example that I love is AARP, which probably nobody on this call ... so I will explain it.

It's the Association ... formally known as the Association for [the Advancement 0050:16] of Retired Persons, now just known as AARP. Mission is to improve the quality of lives of people over 50. Their focus is firmly on that forever transaction, which allows them to stay nimble, in terms of the offerings they provide, one example of which is this device, which is called the RealPad, which was introduced last summer, and they introduced it because one thing that was getting in the way of having a better quality of life for people over 50 was being able to use tablet devices to stay connected, and they had an idea of what their members needed, in terms of a table device with bigger buttons and live support and preloaded apps, but nobody wanted to build it.

So they built it themselves and I asked them, right when they were launching it, I said what are you going to do? You've spent all this money building this, marketing it, what do you do if you find that Amazon announces the Kindle for seniors right after you launch it and they said, you know, we would do a happy dance, because we're not in the business of creating tablet devices, we're in the business of helping people over 50, and today that means creating a tablet device and tomorrow that means something else, and we're going to continue to evolve, to continue to stay true to that mission and so, again, it's really about that focus on the member product matchup, which is all about mission, as a giant magnet that brings in new members and makes acquisition so much easier.

Yeah, so I wanted to talk briefly about ... you know, there's five challenges that I see when I work with companies. You know, I've been a consultant, working with membership companies, for over 15 years and, you know, getting from idea to start-up and offline to online and, you know, all these other things, but handling competitive disruption is really important, especially when you're trying to bring in new members, and so I want to just talk briefly about a couple of things that I see coming down the pipe that are, kind of, competitive threats and trends to consider. So one of them, you know, an example is this organisation called APPO, Association of professional photo organisers.

So this is an association that basically is run by one person, and because in the membership economy technology allows you to build these relationships really quickly, to find the right people, to bring them in, to serve them and to learn from their behaviour so that you can become increasingly accurate about who you're reaching and how well your offerings are serving them, because that price of doing that is declining more and more entrepreneurs are starting their own organisations, and some of you on this call may fit that model, and some of you may be under threat or under attack from them. So when you join APPO, your onboarding experience is amazing.

You're immediately given access, not the Star Wars clone character, by the same name, thank you but, you know, you're immediately given access to the founder, Cathi Nelson. So if you have questions for her you can reach out. There's weekly calls, where you can ask your ongoing questions. There's webinars that cover specific lessons that take you from I've never organised photos before to I am a professional photo organiser, where you learn all the skills in order, so you really feel connected and heard and like you belong. She has mentors who can help you right away and she continues to evolve her offering, to stay relevant and approachable by new members, and she started it because nobody else was taking care of these people and she was getting so many enquiries as to how to do it, that she said I'm going to just start it myself.

Another example is, you know, what's going on with the American Medical Association? So, you know, let's just take a look. You know, APO is a teeny-tiny organisation, you know, run by one person, but the American Medical Association's this big organisation and they're facing really big competition. You know, one of the competitors that they've really had to deal with recently is Doximity and, you know Doximity is an online community where physicians can talk to one another. They can share questions, challenges they're having with particular patients, ideas they have, looking for information, and Doximity actually ... the founders of Doximity actually went to the AMA and said hey, we want to create a community where people can ... you know, where physicians can exchange ideas.

AMA said we can't afford that, we don't have the resources for that, so Doximity became a for profit corporation, and 60% of physicians are members of Doximity today, compared to 15% of physicians that are involved with the AMA. So you think about how quickly ... and Doximity didn't exist ten years ago, and now they have 60% of all physicians in the US. The AMA is also facing competition from the other side, which is traditional big companies, so Johnson & Johnson wants to have Mindshare of physicians. You know, so that they can sell them stuff, so that they can sell them products. They don't particularly need to build an association for them, but they want to build relationships with the physicians, trusted relationships and, as I said before, technology allows them to do that.

They are now providing continuing education programming, they're providing deep content, they're providing research to physicians for free, as a loss leader, as a means of building relationships, which makes a lot of the services that fund the AMA no longer relevant. So the AMA's getting this competition on both sides as for profit organisations either explicitly are organised to do things that the AMA's not doing for their own members, or are providing things that used to have real value. Now they're offering them for free and so the value, in the eyes of the members, is declining. Does that make sense Laurie? Do you have questions there?

Laurie: Sorry, I was muted. Well, I have questions more for the end, but I would say just keep going but anyone, if you have questions or comments as she's talking, throw them in and we'll bring them up if they're relevant.

Robbie: Awesome. Okay, so I'm going to jump into what you can do about all of these challenges, and how to really build that understanding in your organisation of who your best member is and how to bring them in so that they stay because, again, I personally am ... I feel like there's a million ways to bring people in, but you want your funnel to be a funnel and not a sieve, and so understanding what you can do, and some of the tactics is key, and something that I want to convey right now. So, you know, I have a seven part framework that I like to use, and I'm going to go through them quickly and then focus in on two that I think are particularly relevant, which are onboarding and how to think or rethink the funnel, which is a little bit different, I think, than what John talked about earlier this week.

So, you know, when you think about these seven things. So, you know, the organisation is really about governance, and just as the human body is constantly sloughing off cells, so is your organisation. You have to love your mission more than the people, processes or products that you have. So many organisations keep products that are neither triggers nor hooks, or they refuse to innovate processes because of the employees that are on staff, and they say well, we don't have anybody who does social so we're not going to offer social, or we don't really have a great way of doing live conferences so we're not going to do

them. You have to have your offerings evolve with the changing needs of your members, and you have to have metrics that support that.

So, you know, one thing that I would ask you to consider is could somebody look at where your dollars go and where your staff assignments go and what metrics lead to positive end of year reviews for your staff, and say I understand what's most important to the success of this organisation, or are they out of alignment because the environment has changed? So I'll just leave that for you to consider. In terms of pricing, you know, subscriptions can be tiered. They can be tiered by features, they can be tiered by depth of service, you know, how many people are served, for how long, and then the last one is what kind of service you wrap around it, and service can cost extra.

Service can lead to a higher tier, and you can design your tiers for specific groups, the same way that you segment your audience. You can do it by demographic, psychographics or behaviour. So if you have a particular audience that you're really interested in attracting you have to be able to look at the tiers that you're offering, the pricing and the combination of benefits, and say this combination is for this segment, and be able to do a direct match, because if you can't, if you're trying to reach people for whom you don't have a great offering, what happens is you end up with a sieve. People come and then they leave, and so you've really got to think through your pricing strategy and how you bundle your offerings to align with the top of your funnel, and the last thing I'll say is that it doesn't matter how complex it is for you, it needs to be easy for your buyers to buy.

It needs to be obvious which one's going to give them the right amount of value. Freemium, everyone of you should be thinking about what you can give away forever, for free, and you should be thinking about what you get in return. You know, freemium may be a great way of bringing in new members, building trial and awareness, creating a network effect, that is each new person that joins creates more value for the people who are there, so this is especially important in a community or in an advocacy organisation, where being able to show that you represent a larger percentage of the total makes you more powerful and, finally, freemium can be used as a marketing channel.

So if you think about, let's say Survey Monkey, I might use Survey Monkey for free, to do online surveys, but I might reach to Laurie who uses it to survey her clients, and she might be willing to pay for the higher level pricing, so I'm actually a marketing channel, and because I get the freemium version of the product I'm actually a source of new leads. So think about that, in terms of how you're building that magnet that's attracting people at the bottom of the funnel, as a massive support for any kind of top funnel activities that you have. Customer success is what turns customer support on its head. Instead of saying ... you know, people have a problem they call us, you call them, to make sure that they're getting the most out of their offering.

If you notice that their engagement is low or that their engagement level has changed, that they don't seem to be using the services that you think would be valuable for them, you reach out to them. You do it through a phone call, through an email, through their peers, and make sure they're getting the maximum value, because there's a lag time in the membership economy. People often confuse inertia with loyalty and they say oh, my customers are all happy because no one's cancelled, and then people cancel often six months after their engagement has dropped.

So that engagement is a trigger, and customer success is a tool to notice it and to stave off a tradition] and finally, we've talked a little bit about technology as a means of building loyalty, and also of understanding what your members really want, and who your members really are, so that you can be increasingly precise in how you attract and onboard new members. Now, you know, I wanted to dig in a little bit into, you know, as I said, into two areas. One of them is onboarding. Onboarding, so in the first seconds of experiencing something new we decide how we feel about it, and we establish habits in less than 30 days, so if you think about that, from the moment someone decides they want to join your organisation you should be [curating01:03:13] and designing the onboarding process.

Too often the problem with onboarding is that the person who did the sales just throws it over the wall and there's no gentle way of bringing a person into the organisation. When you think about your onboarding process, you should consider three things. The first one is you want to confirm, you want to confirm the great decision they made. So when you go to a restaurant and you say I'll have the salmon and the waiter says excellent choice, right? That's his way of confirming the great decision that you made. So how do you confirm when somebody joins and they're most likely, in those first few moments to have their buyer's remorse, like oh my God, I just paid \$700 for my annual membership and I'm never going to use it, right?

You want to confirm that they made a good choice. Thank you for doing this, this is what the smartest professionals do, or this is what the most engaged families do in our community, or this is what people do who care most about our environment. The second thing you want to do is demonstrate how your best members get the most value, so they can emulate and aspire. So you'd say our best members usually log in three to five times a week. They come to at least one of our conferences, which are included in your price, and they also tend to bring in other locals from their community because that creates more value. So it's basically showing them how to get value.

So if I were going to do an onboard experience, let's say with [Candora 01:04:50], the music service, you know, it's very, very simple, right? You pick one song or one band that you like and then they start playing songs that they think you'll enjoy. So you're immediately rewarded for joining. They show you, right away, you know, our best members put in

more song titles and put in more bands that they like, and they rate each song, thumbs up or thumbs down, so that we can continue to give you a better experience. So it's demonstrating to your members how they can get more value, and finally you want to, you know ... to just reiterate, you want to confirm what they've done.

You know, this is a great choice. You're going to have fantastic music. You're going to get fit. This is the first step to a healthier life, and so on. So I'm curious, as each of you think about your onboarding, can you just say yes or no if you confirm, demonstrate and reward within 24 hours of signup for your new members?

Laurie: So yeah ... by the way, Daniel said this slide was pure gold, and I have to agree. So no, yes, no, yes, there's lots of no's.

Robbie: 50, 50?

Laurie: Yeah, but a lot of people say, you know, yes, within the first 30 hours, some people say no, not right away, it's not an immediate process. Some people are saying not all three, so they do some.

Robbie: Okay. Yeah, so it's great that people are doing some, and for those of you that are doing all three, right away, you know, kudos to you, and the thing that I want ... you know, a couple things I want people to take away, one of them is that time is of the essence, because it's while they're actually signing up that they're deciding how they feel about you. So you want to make the signup process frictionless and once they join you want to start, you know, bombarding them with value and confirmation and ways that they can get the most out of it. So if they feel like oh my gosh, I only joined for the 10% discount. Like, I know some people said early on that the big benefit, the trigger is the discount, but who knew that there were all these other people that I could enjoy my hobby with, or that I could get great tips from, or who knew that there was this really great conference that was included, and I went to the conference and it was fantastic?

That's really important, and you want to do it as soon as you can, and you want to show them the behaviours that are going to lead to their ultimate success. So like in a weight loss program, even when you have a delayed gratification, right, like I joined Weight Watchers but I don't lose weight probably for at least a couple of weeks. They reinforce it by reinforcing the behaviour, so tracking food is a big one. Tracking exercise and saying wow, great job, you're tracking food, that's the most important step. You're so smart, you're so disciplined. You always want to do that, whether it's through real results or through gamification.

Laurie: So Robbie, a few good questions came in around all this, but I think we should ask. So can you talk about how much of this process should be automated, and then what about timing, like should it happen all at once, in the first week, or do you trickle it out, any recommendations around that?

Robbie: Yeah. Okay, so the question about automated versus not automated, you know, for everybody's health and sanity it's great if it's all automated but, you know, just the same way as I said figure out how to sell before you invest in marketing, invest in ... not even in marketing but in, you know, your megaphone and your top of funnel activities. It's, sort of, the same here. You want to figure out what works first, and I wouldn't invest a lot in automating it until you know what the recipe is. So, for example, if you're figuring this out right now you might call people and say hey, this is Robbie from Membership Economy and I want to see how your onboarding process is going. You know, have you figured this out? Are you struggling?

Our best members, you know, this is what they usually do, this is how they figure out their process, is that what you're doing? Can I help you? That can be done all without any automation, with just a phone. Once I figure out these are the five questions or these are the five recommendations to make or, you know, this is what works, then you can automate it, but don't get your knickers in a knot about not having the technology and not being able to automate it, and even if you do have great technology don't rush to automate it until you're confident that your approach is working.

Laurie: That's great –

Robbie: And then –

Laurie: – advice, yeah.

Robbie: Yeah and then –

Laurie: Time check, so you know, eight minutes left.

Robbie: Yes, I know, this is great. Okay, so I wanted to share this, if you're interested in seeing a great example of somebody who does onboarding on a low budget, Debbie Phillips of Women on Fire, she runs an association for women trying to achieve their goals and she does a whole series of videos to walk the people and then she sends a package that confirms, you know, you're taking charge of your life and here's some great resources that can help you, and it's all stuff that you didn't expect to get, and she actually parcels it out over the first month, and then she sends something every month, plus the usual, you know, emails and so on, but it's that first month. I want to talk, briefly, also about the funnel.

The traditional funnel, right, it looks like a triangle. So I'll sign up loyal subscriber and then you're done. Once somebody signs up you're done, but in the membership economy ... I'm having trouble switching, it's more ... you know, think of it as more like an hourglass. You have that forever transaction, where they sign up, and then you think about how do I increase engagement? How do I onboard them, and how I even approach them for referrals? So you want to really think about your

funnel as being much bigger than just getting people in. It's really about what do you do once you have them? I love this slide. If we were having a real ... you know, a live conference, we would probably be having a cocktail hour and, you know, if you look at these different glasses, they really reflect different funnels.

So a pint is, kind of, the ideal funnel, right? It's wide at the top, it's narrow at the bottom, but it's not skinny, like a Margarita glass or a Martini glass, where you end up with, you know, lots and lots of people at the top because you're spending all your time on awareness, but nobody's actually converting, or you can have a Collins glass, which is same size at the top and the bottom, meaning you're not bringing anybody new in, it's the same people and they're all converting, but you're not learning anything new about who else you can reach. So, you know, think about which kind of funnel you have, and that can indicate where you might need to work at the bottom of the funnel, to fix things, to get a healthier funnel.

There's lots of levers, besides just acquisition. So, super users are your very best users, and they're the ones that can actually bring in new members, and I wanted to point out that whether you're a consumer organisation, like CrossFit, so this is a picture of my sister, who's a member of the Church of the Holy CrossFit. Her shirt says the sport of old broads kicking your ass has arrived. You know, she spends about 20 hours a week bringing in new members, hosting a CrossFit driveway, when her gym is closed. Writing a blog about CrossFitting, to help other members have better results, and she does it because she loves the organisation, and she doesn't get paid for it.

She actually pays the full 200 bucks a month to be part of it, but it's so meaningful for her, and on the other side Salesforce has an MVP program, and you can get these nifty shoes if you're a member, or these nifty socks, and these are for people who do more than their fair share, go beyond being a great member, and actually help bring in other new members, onboard them, train them, share content with them, and you can do that as well. It's another way, at the bottom of your funnel, to build this magnet effect that mitigates your need invest heavily at the top of the funnel. So I want to, kind of, come to a conclusion and have all of you think about what are you going to do in the next 30 days?

You know, what is ... and I'd love for you to submit, what is the one thing you're going to do, now that you've heard this, in terms of really focussing on the bottom of your funnel, as a way of maximising loyalty engagement and retention? What is the one thing?

Laurie: Okay, so a few are trickling in already. So Sarah said she's going to figure out what her forever transaction is.

Robbie: Awesome.

Laurie: Emma's going to calculate her retention rate. Amanda's going to revamp the welcome and onboarding messaging, that's a good one. Andrea's going to customise their automated membership renewal signup email. Wild Apricot can help with that Andrea. Mark wrote sell, sell, sell, so I guess doing the airplane test.

Robbie: Yeah, awesome. So, you know, if there's one thing that I'm going to leave you with, it's the secret to the forever transaction is you need to love your mission and your customers more than any product, any person or any process, and be willing to iterate in order to continue to meet your customer's biggest need. So we've only scratched the surface. There's lots more, you know, in the book. You know, you can get the book pretty much anywhere, and I'm happy to take ... you know if you have additional questions send them to Laurie or you can reach me, there's my email address, my website, you can call me. I'm not hard to find, and I'd be really delighted to follow-up with any of you.

Laurie: Right and we still have ... so I believe there is 35 or 45 people who have attended all 5 webinars this week, so we're going to do a draw from you guys, so that you can actually have a personal follow-up call with Robbie but otherwise, if you really liked what you heard today email Robbie about consultation. You know, maybe she can help you out. So thanks Robbie, that was fantastic. I think you gave a lot of people some really good things to think about, that's what I'm seeing, and I'm just grabbing presenter control back here. Sorry, it's always a little awkward, and I'm totally on the wrong side. There we go. So I just want to thank everyone for joining us. We will be sending recording of all the slides, and I just want to take this moment to –

Robbie: The email's wrong, that Terry just posted.

Laurie: Oh, okay. Terry just posted ... he's putting in the right one right now. rbaxter@peninsulastrategies, and we'll send this out in an email too, and I also want to encourage you to send me any feedback you have about this, about this seminar, about the summit in general. This is the first time we've done it, and I'm open to ideas and we're open to hearing from you. This is our bottom up opportunity. So everyone, thank you so much, and if you don't know about us, we do membership management software, so a lot of Robbie talked about you do ... it really does help to have technology at the base of it. If you don't have a database attached to your website, and you're doing things manually, Wild Apricot can help with that, and you can test us out for 30 days for free, and if you need more one-on-one help to figure out what technical strategy you should go with, you can just email us at [coaches@wildapricot.com](mailto:coaches@wildapricot.com) and Jason will help you out. So thanks again Robbie. Enjoy the rest of your vacation in Mexico.

Robbie: Thank you. Thanks for having me, this was really great.

Laurie: Yeah, it was fantastic.

Robbie: And thanks to everybody for all the participation too.

Laurie: Yeah, on a Friday afternoon, thanks everyone, have a great weekend.  
Okay, bye-bye.

Robbie: Bye.

[End of recorded material 01:17:19]