



# 2024 ASSOCIATION OUTLOOK: EMBRACE THE CHANGE

How Associations are Embracing Change, Prioritizing Engagement, and Leveraging Technology for Growth

February 2024

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# WE GROW ASSOCIATIONS

We left our careers as senior partners in a Big Strategy firm to bring top-tier consulting to membership organizations.

We launched Sequence in 2001, focused exclusively on growing associations, and have never looked back.

**We believe associations change the world, and by making them better, we make the world a better place.**



## WHO WE ARE

# Focused on Association Growth for Over Twenty Years

### Our Mission

To help associations grow membership and revenue.

### Our Vision

A world where all associations grow, thrive, and excel at serving their missions.

### Our Definition of Success

Explosive growth for our clients.

# OUR ASSOCIATION EXPERIENCE

TEN OF THE TOP TWENTY ASSOCIATIONS ARE SEQUENCE CLIENTS

As one of the top association consulting firms, we serve clients worldwide. We work with growth-focused professional and trade associations of all sizes, including many of the largest and most successful membership organizations. Global 500 companies also seek us out for our expertise.



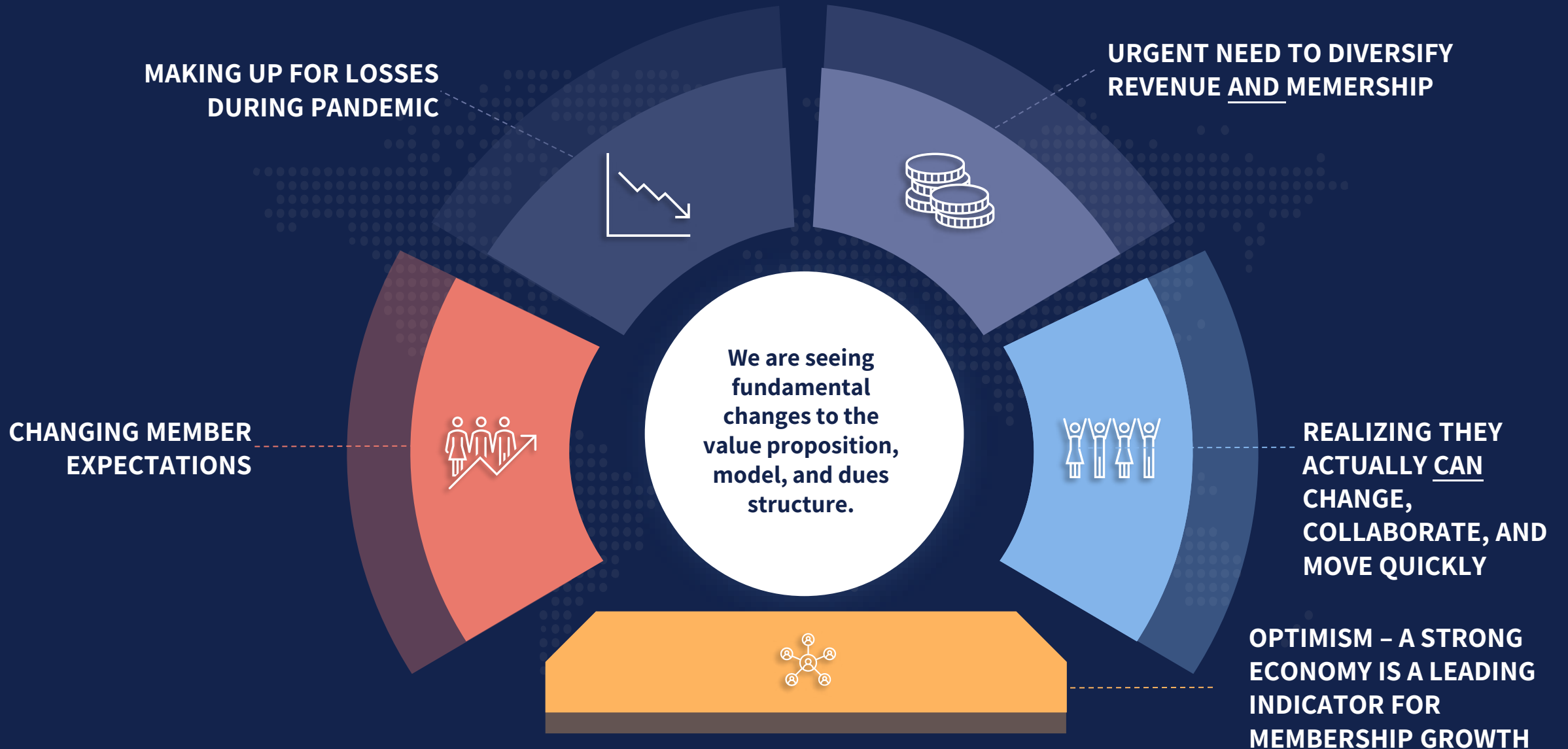


# NEW DIRECTIONS IN MEMBERSHIP



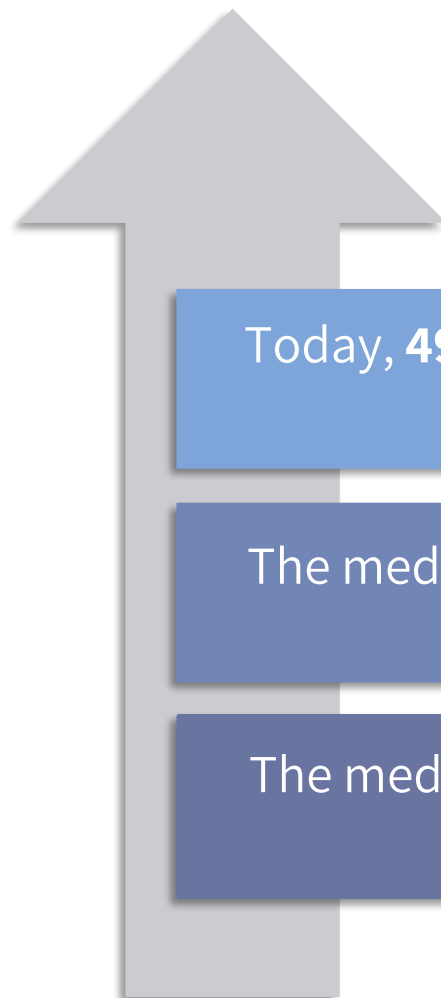
# RAPID CHANGES IN ASSOCIATIONS

The scope and pace of change in associations is greatest it has been in at least twenty years



# REBOUND IN MEMBER GROWTH

After declines in 2021 and 2022, associations are rebounding and showing increases in member growth at the highest rate since 2016.



Today, **49%** of associations are growing, vs **26%** in 2021

The median 1-year increase is **6%**, and 5-year increase is **12%**

The median renewal rate remains steady at **81%** with first-year renewal at **63% \***

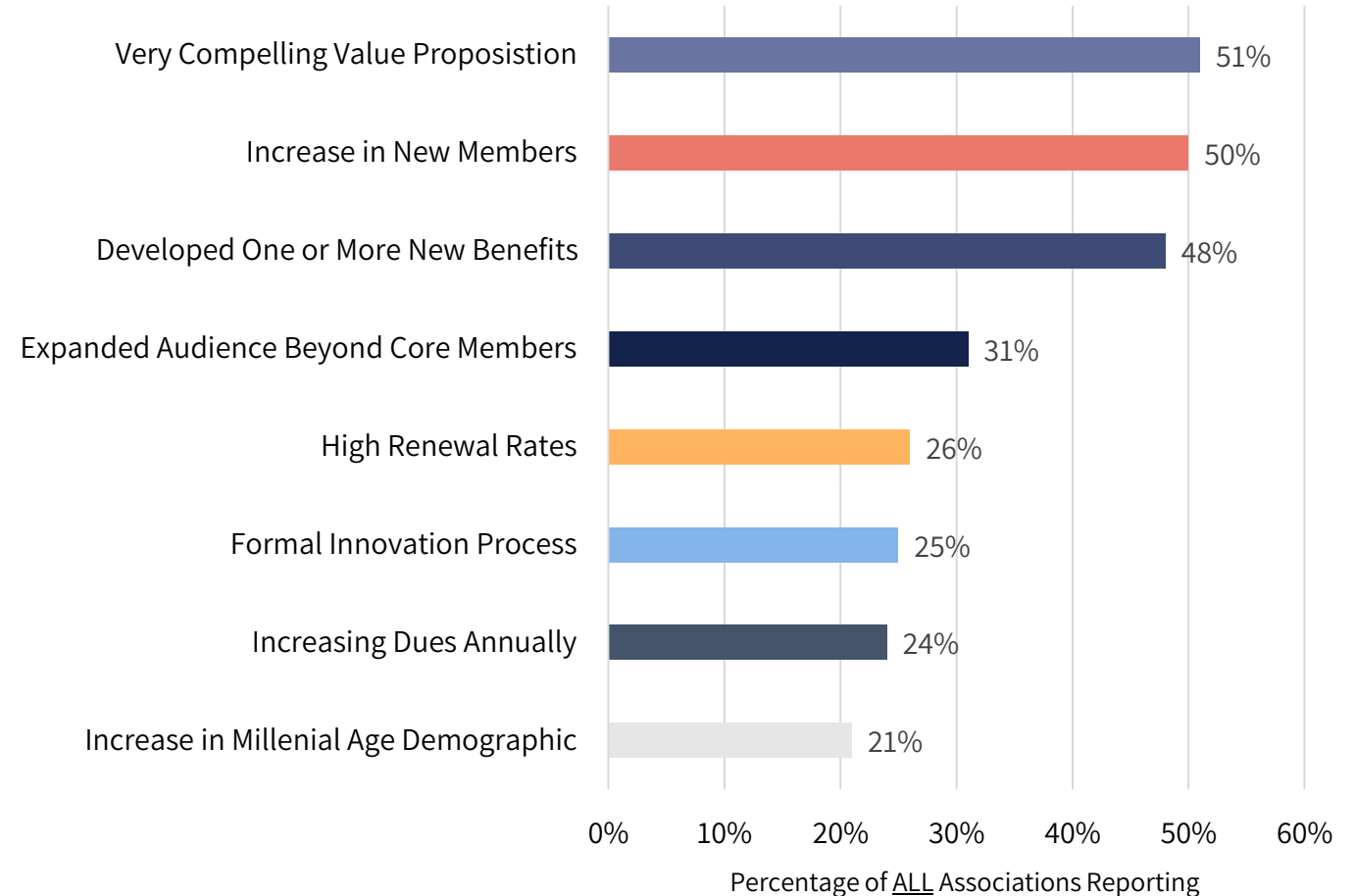
\*New member acquisition is driving nearly all of the growth



# KEY INDICATORS OF ASSOCIATION GROWTH

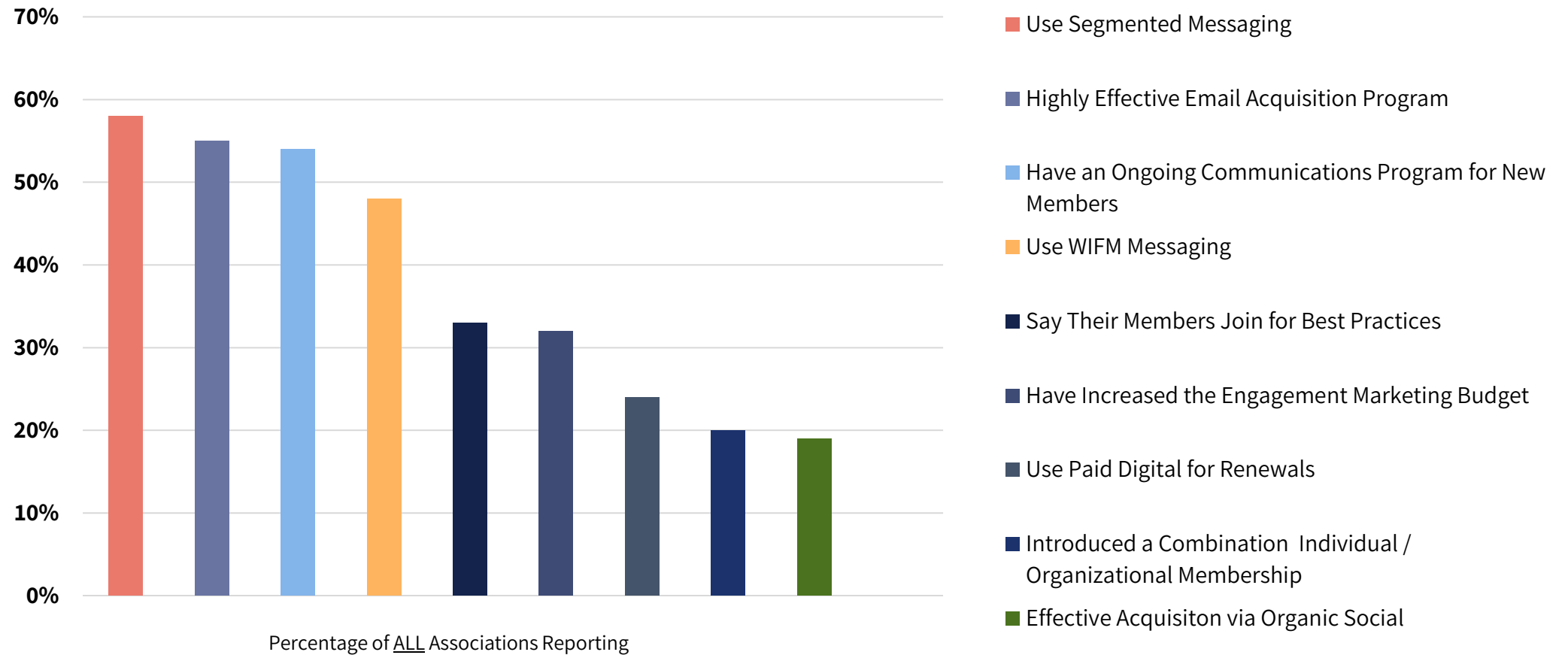
- Belief they have a compelling value proposition, an increase in new members, and the development of new benefits have the strongest correlation to growth.
- Overall renewal rates over **80%** and first-year renewal rates over **60%** are also indicators of growth.
- Associations that have more millennial members show strong growth. Those with more boomer members are declining.

## Indicators of Growth



# KEY DRIVERS OF ASSOCIATION GROWTH

## What Drives Association Growth?





# ACROSS THE BOARD DUES INCREASES

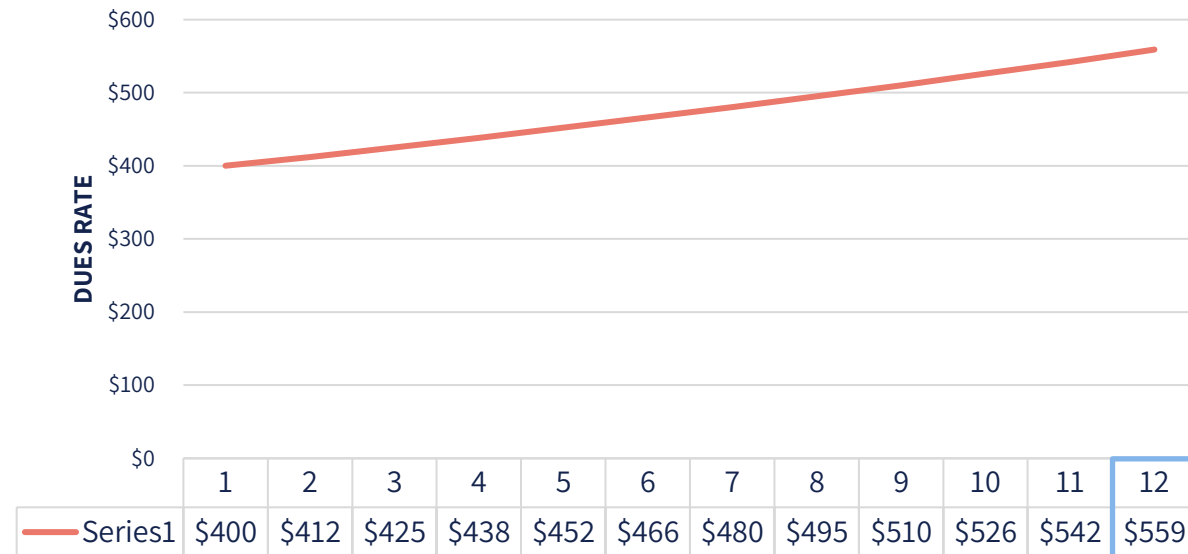
Dues increases are on the table in almost every organization.

47% of associations raised dues in 2022 vs. only 32% in 2021.

Why? Inflation.

- The vast majority of associations have raised dues at least once in the last ten years (86%).
  - If you have not, your dues revenue is now **down 35%** in real terms, and your expenses are **up 35%**.
- Before, most associations increased dues only as needed (or never), but many are moving to automatic annual increases in dues.
  - Annual increases correlate with increased renewal.
- The typical dues increase we see is **3%-5%** per year.

Dues Increase with Inflation Rate



# ALL-INCLUSIVE MEMBERSHIPS

Many associations are making memberships “all-inclusive”

- Members increasingly resent being “nickel and dimed.”
- All-inclusive means most a la carte benefits become part of the membership.
  - CE, Publications, Training, Smaller Events, etc.
- Members can enjoy them at no additional cost.
- BUT they are making those benefits members-only.
- I.e., everything goes behind the paywall for non-members.
- Dramatically enhances member value.
  - Justifies higher dues
  - Gives non-members tangible financial reasons to join

## EXAMPLE: INCLUDED INDIVIDUAL MEMBER BENEFITS

AMERICAN COLLEGE  
of RHEUMATOLOGY  
*Empowering Rheumatology Professionals*



# NON-MEMBER ASSOCIATES

Some associations have launched tiered models where the lowest tier is for non-paying “associates”

## A typical example would be:

- No cost to be a Community Associate.
- Limited set of benefits including Digital Card, Weekly Newsletter, Online Community, and limited Affinity Discounts.
- Part of the community and opted in for membership marketing.
- Can upgrade to a paid membership but cannot downgrade without canceling and rejoining.
- Creates a self-selected pool for membership marketing with ongoing engagement.

## EXAMPLE



	Best Value		
Regular Members & Affiliates			
	Premium	Standard	Basic
	Select Plan	Select Plan	Select Plan
Recognition			
Welcome Kit/Card	✓ Welcome Kit and Membership Card sent in mail.	✓ Welcome Kit and Membership Card sent in mail.	✓ Digital Card sent with welcome email.
Annual Gift in select membership years	✓	✓	—
Publications			
C&EN Magazine Weekly	✓ • Regular Members receive option of digital access or print delivery (additional postage fee for mailing overseas). • Graduate and Undergraduate Students receive digital access.	✓ • Weekly delivery of C&EN Magazine • Digital access to C&EN Magazine	✓ • Email delivery of C&EN Essential newsletter
ACS Member Universal Access (50 article accesses per term)**	✓	—	—
Discounted pricing for ACS Articles on Command purchases	✓	—	—
CAS SciFinder-n@—25 free activities annually**	✓	—	—
Journal of Chemical Education discounted subscription rate	✓	—	—
Journal of Natural Products discounted subscription rate	✓	—	—
Weekly delivery of ACS Matters newsletter	✓	✓	✓
ACS Member e-subscriptions	✓	—	—
Quarterly ACS Discovery Reports, published by C&EN (a value of \$39.99 per report)	✓	✓	—
Author/Open Access fee discounts	✓	—	—
Unlimited access to InChemistry	✓	✓	—



# CREDIT-BASED “GIFT CARD” MEMBERSHIPS

## Credit Based Memberships

**Replaces complicated lists of included and a la carte benefits.**

- In addition to a core set of member benefits.
- Members get “credits” each year to spend how they like on things that are NOT included in membership (event attendance, sponsorship, advertising, etc.).
- Pricing offers significant discounts vs a la carte.
  - Some benefits are available to members only.
- It gives members maximum value on the things they want.
- Demonstrates the concrete financial value of membership (e.g., the membership pays for the event).
- Simplifies the member experience and puts the member in control.
- Gives the association 100% visibility into what members value.

## Example: Trade Association Vendor Membership

INCLUDES	VALUE
Annual Credit	\$19,500
Discount on Additional Purchases	30%
Core Member Benefits (Estimate)	\$2,179
Total Member Value	\$21,679
Membership Dues	\$15,280
<b>Net Member Value</b>	<b>\$6,399</b>





# PRACTICE MEMBERSHIPS

## Are “Combination” Memberships

- For individual owners of small to mid-sized practices.
- Different from group memberships.
- Provide all the benefits of individual memberships PLUS benefits for the business and practice team.

## Can Greatly Expand the Size and Scope of Membership

- Business owners who would not have joined otherwise.
- Allied professionals (“associates”) who would not otherwise be allowed to join.

## Professional Practice Membership Benefits

### Includes offerings that benefit the practice itself:

- Administrative resources
- Marketing support
- Legal, regulatory, reimbursement support
- Staffing and recruiting
- Leadership and management training
- Business-oriented discounts

### Could also include benefits for non-professional staff:

- “Associate” Membership
- Onboarding and training resources
- Job aids
- Certification





# HOW ARE ASSOCIATIONS USING AI?



AI



# AI FOR MEMBER SERVICE

## AI Automation of routine member service transactions

- Resetting passwords, changing your address, where's my membership card?

## AI-generated FAQs and knowledge articles

- How do I do X? What's your position on issue Y?

## Data and Security

- Who's on our platform? Are they human? Is this data valuable? Is this a bad actor?

# AI FOR MEMBER COMMUNICATIONS

## Example: Dynamic Versioning

- Member benefit update goes to all members
- Identified ten macro audiences
- Creating over 1,000 versions of that vehicle
- The goal is highly versioned content and value proposition at every touch point
- Delivering Omnichannel Value
  - Leveraging the most recent data in every channel in near real-time (5-15 minutes)

# AI FOR MEMBERSHIP MARKETING

- **AI-generated content for acquisition and renewal messaging**
- **Versioned-based segments learned from large member data sets**
- **Continuously A/B tested**
- **How often do you think AI wins?**

# SIMULATING MEMBERS: DIGITAL TWINS

**Digital representation of a person contextualized to the membership environment to simulate real situations and their outcomes.**

- Segment/persona specific
- Channel selection, cadence, content, predicted engagement, business operations
- Simulating response to reduce built/test cycle from years to months
- Eliminate bad ideas early and focus innovation efforts
- **Example:**
  - If I send you ten renewal notices, is that better than two renewal notices? Is that two renewal notices plus some digital touchpoints plus some in-person touchpoints?
    - What's the right mix? What content makes a difference? How big a difference?

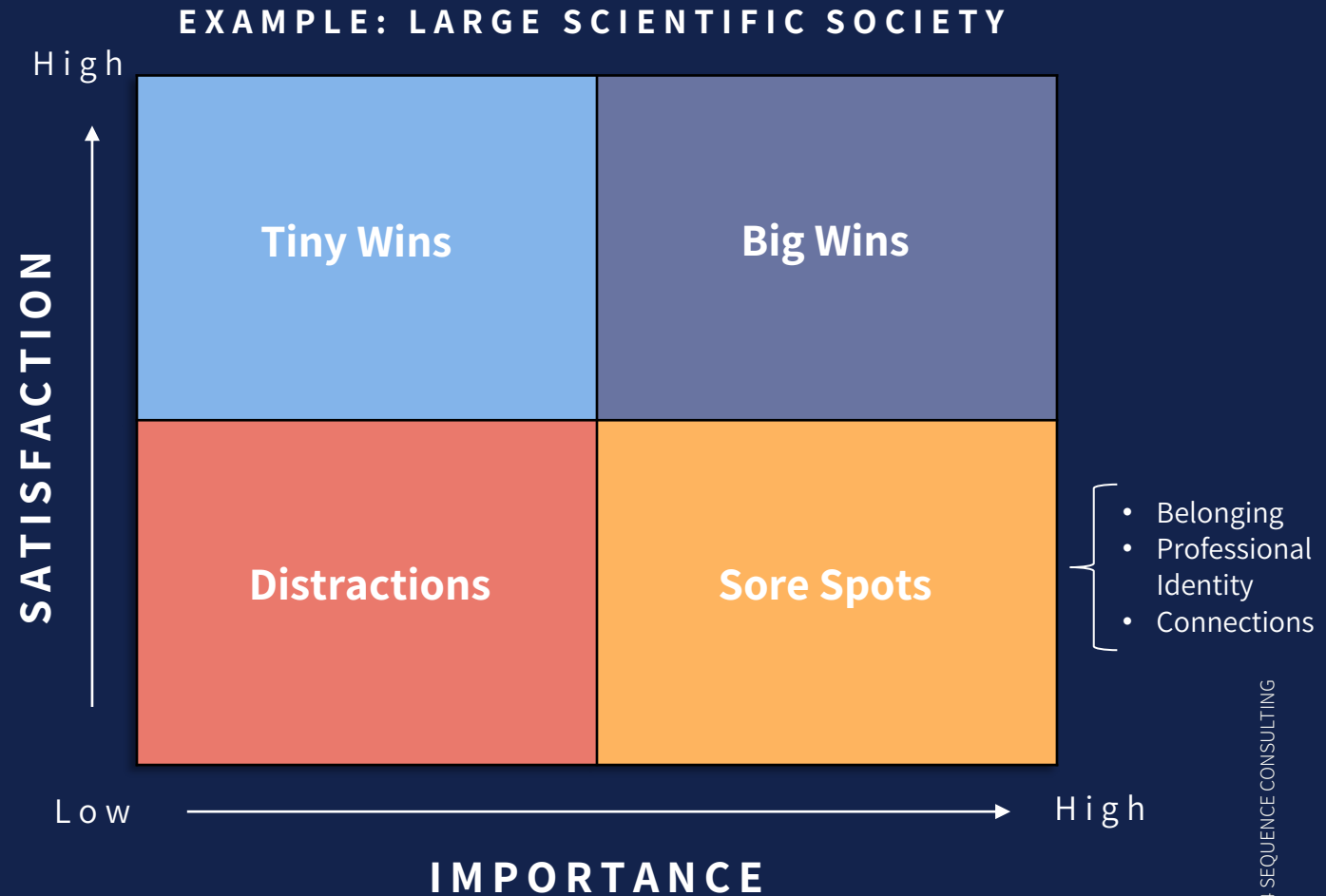
# AI-POWERED DATA ANALYTICS

## Dues Sensitivity Analysis

- Determining optimal pricing for various member segments.
- **Example:** Best dues ramp up for young professionals for highest retention.

## Loyalty Driver Analysis

- Determining specific drivers of member engagement, satisfaction, and renewal.
- **Example:** Mapping importance vs. member satisfaction to focus on highest yield product development.





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