



WHITEPAPER

Complex Membership Strategy and Dues Structures

A Guide for Large Membership Organizations



INTRODUCTION

Creating the right membership packages and setting the right price for them is vitally important for your large and complex organization, and it warrants thorough consideration. If you overprice your membership levels for the value they provide, you run the risk of turning off members. If you underprice them, they might seem less valuable than they really are, and might even leave money on the table.

This paper includes some key concepts, best practices, and tips to help you build the ideal membership models and pricing for your organization.

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Considerations for creating or changing your membership models

Growing and retaining your membership requires membership packages (benefits and pricing) that help you attract new members and keep them renewing year after year. [Association trends research by Community Brands](#) indicates that two of the top three reasons lapsed members gave for failing to renew their membership with their organization were that it became too costly and that the organization provided too little value.

These datapoints underscore the importance of striking the right balance between price and member value.

As you think about creating or changing membership models for your organization, here are some considerations:



Getting member feedback

Before you create new membership models or make changes to existing membership packages, it can help to gather feedback from your members. Some useful questions to ask include:

- Do the new or existing membership packages provide enough value? Why or why not? What are the benefits of each membership package?
- Which benefits do you find most useful? Least useful?
- What one thing could our organization add to the member experience that would make it more valuable to you? Why?

TECH TIP

Aptify by Community Brands is membership management software built for large organizations. It includes built-in survey functionality, making it easy to build and send targeted surveys and get feedback.

[Get a commitment-free demo →](#)



Membership models to consider

Once you have member feedback, consider these examples of membership models that you might use to provide the types of benefits your members are seeking:

Free trial

Consider offering a free trial option that offers a free month of membership, allowing members to try before they buy.

A la carte

Offer a membership that allows members to choose only the services they want.

Bundling

If your organization offers a wide variety of services, resources, and events, bundling might be the perfect approach. With this model, specific benefits and services are grouped together with organizational membership.

All-access pass

An all-access membership option is the “Cadillac” of membership models, giving members access to all content, webinars, on-demand courses, and resources at a premium price.

Freemium

This model brings together “free” and “premium” memberships. It offers a “free” tier that gives members limited access to certain benefits as a trade-off for not paying. With the premium tier, members have access to more benefits and value for their paid membership. This model gives your members the opportunity to test drive the value of your organization and eventually invest in the premium membership.

TECH TIP

Aptify is highly configurable to support even the most complex membership models and dues structures.

Now that you’ve considered membership models, let’s look at some factors for pricing your new or modified membership packages.

Determining your membership pricing goals

Defining what you're trying to achieve with each membership package or level will put you on the right path to deciding the ideal price. Two major goals to consider as you set pricing for each of your membership levels are:



Driving revenue (profitability)

The goal here is to get the highest price possible so that you can use the profits for new/improved programs or other activities that help you achieve your mission. The secret to reaching this goal is to provide enough value to justify the price while capturing as much margin as possible.



Reaching more people (affordability)

When this is your goal, it's important to make the price as affordable as possible so that more people sign up. The trick here is to not price it so low that it's perceived as a low-quality offering.

These goals represent two ends of a spectrum. Within this spectrum, here are other things to consider as you determine your goals for each membership package:

- Are you trying to get more new members to join or to renew?
- Are you trying to gain more new members from a specific group, such as students and new graduates?
- Are you trying to get current members to move to a higher membership level?
- How are you trying to position your overall membership program within your industry? As a bargain? As a high value offering?

Keep in mind that your goals and approach to pricing will likely vary for each of your membership packages/levels.

TECH TIP

Use data about your membership levels from your membership management software to inform your decisions about membership levels and pricing. Aptify includes hundreds of built-in reports and dashboards as well as [Nucleus Data Analytics](#) to help transform your data into actionable insights.

Membership pricing strategies to consider

There are multiple approaches to membership pricing strategies. Here are three of the most common pricing strategies:

Value-based

With this pricing strategy, you price membership levels based on what the member is willing to pay for the value provided. Even if you could charge more, you set prices based on data, such as member interests.

This approach can improve member sentiment and loyalty by making people feel as if they're getting a great deal on their membership.

Competition-based

This pricing strategy focuses on the existing market rate for the membership. It uses your competitors' prices as a benchmark and assumes your competitors did pricing research when setting their pricing.

This approach can make your membership package seem like a standard offering at a fair price.

Cost-plus

This strategy focuses on the cost of producing and delivering the membership package. It's also known as markup pricing since businesses that use this strategy "mark up" their products based on how much they'd like to profit. To apply the cost-plus method, add a fixed percentage to the actual costs of the membership.

This approach can improve member sentiment and loyalty by making people feel as if they're getting a great deal on their membership.

The pricing strategy you choose should align with each membership type and goal for each offering.

TECH TIP

Aptify is built to support organizations that operate globally, with international capabilities that include multi-currency features to support the use of distinct primary currencies for any contact or product within the system.



Finding the right price point for your membership packages

Another factor to consider with your membership models and pricing is price sensitivity. This is the degree to which the membership price affects your members' decision to join or renew.

There are multiple models to help you measure customers' price sensitivity. But a simple and straightforward approach is to ask your members.

Questions to ask your members

When you change or add membership levels, consider sending a survey to your members (or a subset of your members) to determine their price sensitivity. Here are four questions that can be helpful to ask:

1. At what price would you consider the membership too expensive to consider?

(The answers to this question will help you to determine which price is too high.)

2. At what price is the product starting to get expensive, but you would still consider it?

(The answers to this question will help you determine a price that would be on the expensive side but because of the value provided might be a good price if your goal is to drive revenue.)

3. At what price would you consider the membership to be priced so low that you would feel the value isn't there?

(The responses to this question will signal a price that's too cheap.)

4. At what price would you consider the product to be a bargain – a great buy for the money?

(The responses to this question will help you find a price that is spot on if your goal is to reach more people for a particular membership level.)

TIP

Include a clear description of your membership packages with your survey that defines member value so that members can accurately answer the survey questions.



Thoughts about membership discounts

It can be tempting to offer membership discounts to drive more new memberships and improve member retention. But proceed cautiously.

When you work hard to provide great member value, offering discounts can make the membership seem “cheap”. And if you’re offering great value, people will be more willing to pay for it.



However, if conditions in your industry or the overall economy make you think that offering a discount will make a significant difference in your ability to retain and grow membership dues revenue, then consider these strategic approaches:

Provide a discounted membership for certain groups that might be more budget-conscious, such as students and new graduates.

Offer a limited-time discount for new memberships and/or renewals, such as “pay for one year and get an extra three months free”.

Offer a few levels of membership that include different benefits so that members can choose the combination of benefits that they value most at a budget-friendly price.

TIP

Before offering discounts, be sure to calculate the impact on your revenue so that you know how much the discount will cut into your organization’s profits.

Rolling out new membership packages

Once you've established new (or improved) membership levels and pricing, it's time to let people know about it. Here are some effective ways to get people excited and ready to join or renew:



Establish value.

Create a value statement to use in your messages. It should concisely explain what unique value each membership package or level provides. Some questions to answer in your value statement include:

- Who does each membership package help?
- What are the benefits of each membership package?
- Why are your membership offerings more desirable than similar ones on the market?

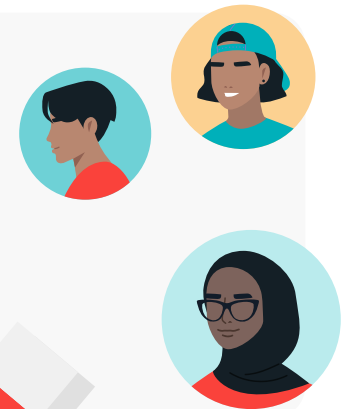


Define your target audiences.

When it comes to promoting your offerings, it's essential to define the specific people you will be marketing to. Think about which groups each offering will appeal to most: Non-members in general? Renewing members? Specific groups of non-members or members, such as new graduates or those early in their careers? The answers to these questions will help you to develop lists for email communications and determine the best marketing channels and messaging to use to promote each membership level.

TECH TIP

Aptify marketing and campaign management functionality enables you to create and manage targeted communications and campaigns that use emails, texts, surveys, and more.





Identify the right marketing channels.

A successful marketing rollout typically includes multiple communications channels, such as website, email, social media, and online community. But you can make the launch of your new offerings even more successful if you focus your efforts.

For example, are your target audiences using your online discussion forums? Then you might want to put more emphasis on promoting your new offering there. Are you trying to drive new memberships? Then maybe you want to focus more on your website, email, and social media.



Develop messaging.

In addition to your value statement, here are some elements to incorporate in the messages you use in your various marketing channels:

- **Branding** – Be sure to keep messages consistent with your organization’s look, feel, and tone. This will help to ensure your new offerings benefit from any positive impressions your target audience has about your organization. It also ensures that everyone has a consistent experience with your organization.

- **Mission** – Remind your audience of your organization’s mission and its importance for your shared industry or profession. Let them know that by joining or renewing, they’re helping you achieve your mission and thereby helping the industry. This can help them move past any hesitations they might have about the cost of the offering.
- **The buyer’s journey** – Your target audience will go through various stages before joining or renewing. Consider the following stages and how your messaging can address them:

- **Awareness**

They’re aware of your offerings, but not ready to commit. Make sure your messages catch their attention with compelling visuals and content.

- **Consideration**

You’ve grabbed their interest, but they need to think about the cost versus benefits before joining or renewing. Highlight your value statement to help nudge them to make the purchase.

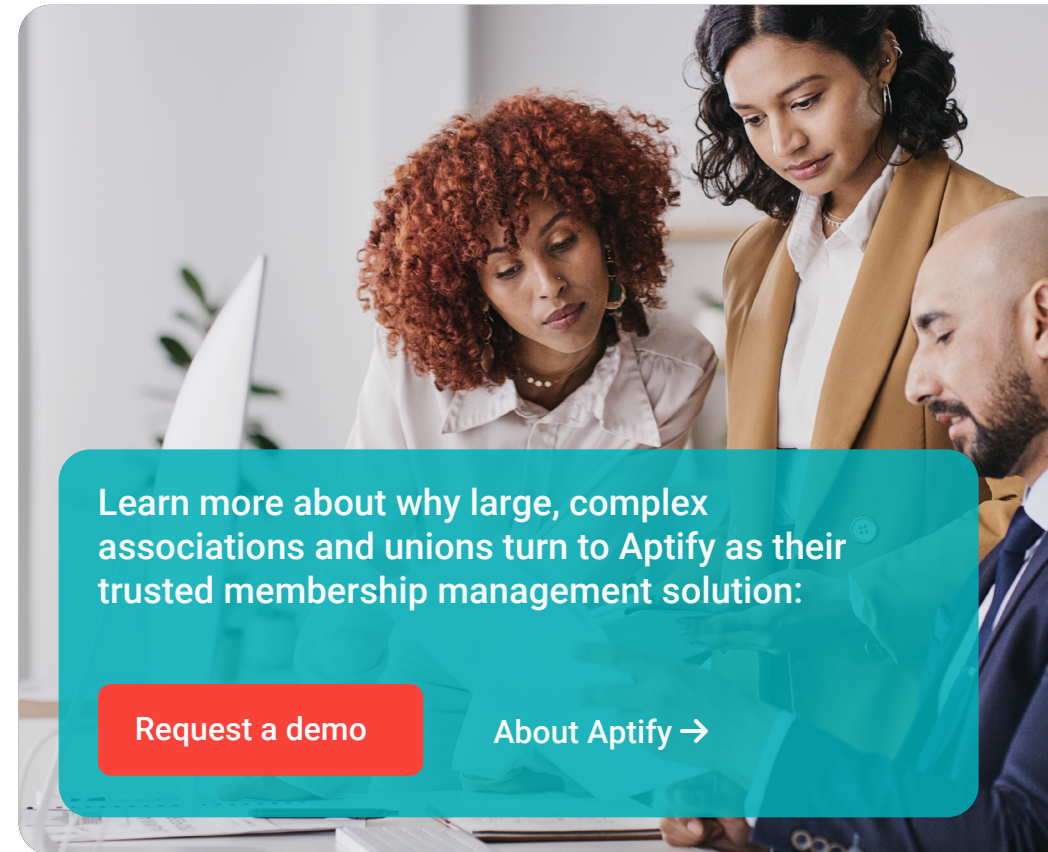
- **Decision/purchase**

They’ve thought about it, and they’re ready to sign up. Make sure they know how to join or renew, and make the process as easy as possible for them.

Deliver memberships your industry can't resist.

You put a great deal of work into creating and pricing your organization's membership packages. Aptify gives you the tools you need to manage, promote, and sell them while delivering a great member experience that attracts new members and keeps your current members around for years to come.

Aptify is built to help large membership-based organizations like yours to attract, retain, and engage members. For more than 25 years, Aptify has been a trusted provider of membership management software for large associations and unions.



Learn more about why large, complex associations and unions turn to Aptify as their trusted membership management solution:

[Request a demo](#)

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