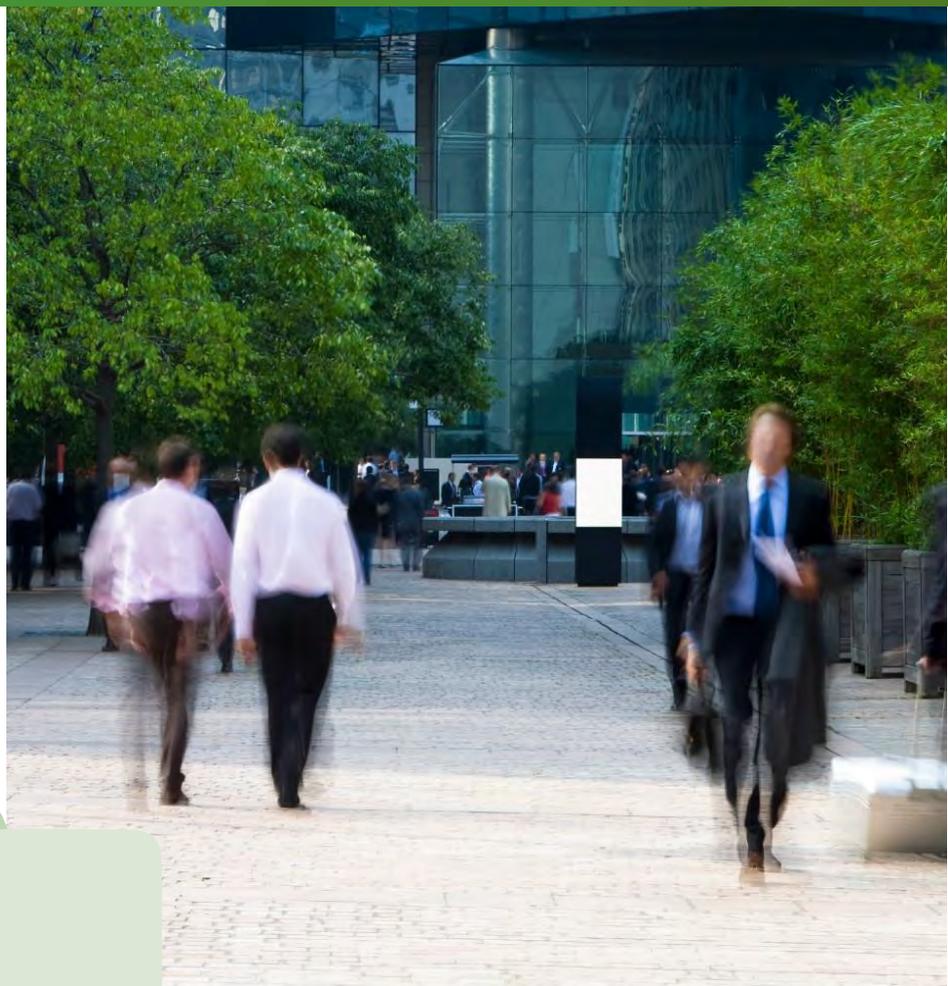


Associations Matter

2014 State of the Sector Study



Study conducted and prepared by SurveyMatters, Australia



Acknowledgements

The Associations Matter: 2014 State of the Sector Study for Industry Bodies was designed as a collaborative exercise to generate a benchmark of members' perceptions of industry associations in 2014.

We would not have been able to produce this research without the support of a number of organisations. In particular, we would like to thank our principal partner, the **Australasian Society of Association Executives (AuSAE)** for all their support in encouraging associations to participate.

And of course, we acknowledge and would like to thank all of the 17 participating associations who, by inviting their members to participate, have demonstrated the spirit of collaboration required to generate this information which we hope will benefit the industry as a whole.



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Participating Organisations

Those participating associations who have provided their consent to have their participation acknowledged are listed below. Again, a big thank you for your support, we could not have done it without you and your members!

Organisation Name
Australian Trucking Association (ATA)
Australian Window Association (AWA)
Crane Industry Council of Australia (CICA)
Customs Brokers & Freight Forwarders Federation of New Zealand (CBAFF)
Insulated Panel Council of Australasia Ltd
Master Painters Association of Victoria / Tasmania (MPAV)
Master Plumbers & Mechanical Services Association
Museums Australia
National Precast Concrete Association of Australia (NPCAA)
Public Libraries Australia
Public Relations Institute of Australia (PRIA)
Retirement Villages Association
Spatial Industries Business Association (SIBA)
Swimming Pool and Spa Association of Queensland (SPASA)
Vinyl Council of Australia
Volunteering New Zealand

Do industry associations matter in 2014?

The ongoing viability of associations is the source of much debate and conjecture. Member numbers are declining. Social media is threatening the traditional role of associations. Young members don't participate.

But is this right? Will associations survive?

We think they will. In fact, we think the time for associations is actually right now.

Collaboration. Crowdsourcing. Community. That's the business model of the future. Isn't it also the traditional role of associations? We think the rise of the collaborative economy is a perfect fit with the value proposition of associations.

So what will the industry association of the future look like? It is the question we most often ask ourselves and an area of research we can't wait to explore. But, before we do, we wanted to take a snapshot of what members think of industry bodies now. In 2014.

Do members think there is an ongoing role for industry associations? Do members value the services currently provided by their association? How do they rate their association's performance? Do they want to be more involved in the activities of their industry body?

This report answers these questions and forms the opening chapter of what we hope will be an ongoing discussion with association members. Read on and we will tell you what they have said. Unfortunately, it's not all positive. But hopefully it will provide the catalyst to help industry associations learn, adapt and evolve to meet the changing needs of members.



About this report

Last year we surveyed almost 35,000 members of professional associations to tell us what they wanted their association to do for them. Nearly 8000 members responded. The resulting report provides guidance to professional associations who want to understand whether members value their strategic membership proposition and how they are performing in relation to others in the sector.

We hope this report will provide the same value for the **industry association sector**. Respondents to the **2014 Associations Matter Study for Industry Bodies** have been drawn from members of 17 associations across the sector. All participating associations invited a full census of members to participate. Over 1,100 members responded to the survey.

The survey questionnaire was designed primarily as a quantitative instrument; however respondents also had several opportunities to provide qualitative feedback which adds depth and richness to the findings. We have drawn heavily on the qualitative feedback when reaching many of our conclusions.

Many of the questions asked of industry association members were the same as in our professional association study. The reason is that the membership models employed by both professional and industry associations are strikingly similar. They both provide advocacy services and represent their members to government and regulatory bodies. They monitor industry trends and developments and keep members up to date with information, best practice and issues affecting the sector. Like professional associations, some industry bodies maintain codes of conduct and offer professional development and accreditation services. And they both tend to host events at which members can get to know each other and learn about what is happening in the industry.

Despite the similarities in the service offering, however, the ways in which value is obtained by members differs. Industry associations provide members benefits by facilitating the co-operation of many firms within the same industry. And being representatives of organisational members, who are often competing organisations, the way in which members interact with and expect their industry association to represent them differs. As a result, the way in which we have analysed the data and come to our conclusions is different.

In the professional association study the age and career stage of individual members were the key bases of our analysis. However, because respondents of the industry Associations Matter Study are representatives of organisational members with different focal points, we approached our analysis differently. Rather than employing a demographic segmentation model, we focused our analysis on members' views about particular association behaviours - namely the extent to which the association understands their needs and represents all members of the industry equally, regardless of organisational size or power. We hope this is reflective of the unique value proposition of industry bodies and an understanding of the way in which industry bodies provide value.

As with the professional associations in 2013, Survey Matters designed the Associations Matter Study for industry bodies to provide a benchmark for the sector. The survey was designed to test members' responses to and satisfaction with the services currently offered by their association, the idea being that we will use the information to determine the areas that are important to members and worth further exploration.

As this report is intended to provide a summary of the state of members' feelings about the industry association sector in 2014, we have structured the report as we do many of our association research reports - with each section providing a summary of member feedback about specific areas of service that associations provide.

We hope this provides a simple way in which to use the findings.

We have focussed our segmentation model not on demographics, but on member's views about association behaviours – namely the extent to which the association understands member needs and represents all members equally, regardless of organisational size or power.



A profile...

Rather than employ a demographic segmentation model, we have focused our analysis on members' views about particular association behaviours - namely the extent to which management understands their needs and represents all members of the industry equally, regardless of organisational size or power.

In our analysis we found that those members who agreed or strongly agreed that their association understood the needs of members, and who felt that there was equal representation of all industry members, regardless of size or influence, were far more likely to be satisfied with most aspects of their membership.

In other words, associations who truly know their members day to day operational issues and challenges are far more likely to have satisfied and engaged members. From an association perspective this leads to higher revenues, greater retention, and better attendance at events.

Our analysis indicates that these are the most important drivers of industry association performance.

How representative is your industry association of your industry?	
Sample Size	1125
Dominated by largest members	20.6%
Equally represents large & small organisations	67.3%
Dominated by smaller members	2.9%
Insufficient membership to be representative	9.2%

How well do you think your industry association represents members like yourself?	
Sample Size	1125
Extremely poorly	2.3%
Poorly	8.6%
Neither poorly nor well	31.4%
Well	47.9%
Extremely well	9.8%

65%

Agreed that management of their association understands the needs of members

Key Findings



Key findings

Only 58% of members are satisfied with their membership



- Only 65% think association management understands their needs
- Only 65% think their association is an effective advocate for the industry.
- Just over half of members think the quality of their associations' member services, events, professional development resources and communications are good or excellent

Associations who **understand their members' challenges** are significantly more likely to have engaged, satisfied members



- Association's whose management understands their members' needs and regularly seeks member feedback perform significantly better along all member satisfaction and engagement measures.
- **95%** of members who agreed that management of their association understands their needs were satisfied with their membership, compared to only **58%** of respondents overall.

Associations who **represent all members equally** have more engaged, satisfied members



- Those associations who were rated by their members as equally representing both the large and small organisations within their industry significantly outperformed those who were seen to be dominated by the interests of either the largest or the smallest organisations.
- **71%** of members who indicated their association represented all members equally were satisfied with their membership, compared to only **58%** of members overall and **30%** who said their association was dominated by the interests of the largest member organisations.



State of the sector... what do members think?

Only 58% of members are satisfied with their membership of their industry association. Only 65% think associations understand their needs and are an effective advocate for the industry. And only 56% think that their membership confers valuable benefits that are not available to non-members. For organisations whose primary reason for existence is to act as the representative body and facilitate collaboration within their industry, these figures are alarming.

Despite this, members indicate that many of the services their associations provide are important or critical to them. As in much of the industry association research we undertake, association's role in monitoring industry trends, building knowledge and fostering information sharing are the functions most valued by members. Ninety-eight percent (98%) of members think it is important that their association keep them up to date with information and issues affecting their industry. Positively 80% of members think their associations does this effectively. A majority of members value the newsletters, industry data, benchmark and statistics their association provides. And three quarters of members think the information provided by their association is relevant, timely and in a suitable format.

As would be expected, advocacy is also of critical importance to members of industry bodies. Over 96% of members rate advocacy as an important or critical function. This is not surprising – industry associations are organisations that are specifically created to represent business interests within a specific industry sector. Yet, only 65% of members think their association represents them effectively. And, critically, only 45% of members think that their association has strong government contacts that benefit the industry.

However, despite indicating that the services their association provides are important to them, very few members are participating and contributing. While 90% read their association's newsletter, only 47% attended their association's annual conference. Only 25% participated in professional development offered by their association and an even smaller percentage of members are contributing to their association by speaking at conferences, volunteering or serving on committees.

Our view is that these results are concerning. Hopefully, they will provide a catalyst for change.





So is the lack of participation and contribution an issue of quality? Or is lack of engagement driving low participation rates? Quality measures do not perform well. Just over half of members think the quality of their associations' member services, events, professional development resources and communications are good or excellent. However, engagement measures are also low. Only slightly more than half of all members indicate that their association regularly seeks their feedback or helps them develop relationships with other organisations to further their shared interests.

Very few associations seem to be using communication as an engagement tool. While email is still the preferred method of communication, the preferences of younger members indicate that digital media is catching up. Yet only half of associations are utilising the variety of communication mediums that are available to them to create engaging content for their members. Even fewer are segmenting their database and targeting their communications based on members' preference.

These elements represent the fundamental components of an engaging two way communication strategy that treats members as valued individuals and provides them with a variety of opportunities to contribute. Adopting them will be vital for associations to drive participation and succeed in their role as facilitators of industry collaboration.

Lack of participation, however, does not prevent a majority of members from believing that the need for industry associations will either increase or remain the same in future. And their reasons are compelling and driven by an implicit understanding of the value of associating. The majority mentioned the collaborative functions that associations provide. They referred to the need for co-operation and collaboration to achieve common goals. Advocacy and the need for industry regulation to maintain standards were often cited as a reason for an ongoing need for associations.

Positively for associations, these are services not provided by other organisations. They are also perfectly aligned with the ideals and tools of collaboration that are so prevalent in the new world of work and social media

Despite a lack of participation and satisfaction, the majority of members still believe the need for industry associations will **increase or stay the same.**



So what can associations do?

While it is important to understand member's perceptions of associations' current service offerings, we also believe that associations that ensure their focus is firmly on understanding and finding solutions to the challenges their members are facing are the most likely to remain relevant and have a sustainable future. This belief is reinforced by a recent US study¹ that found that associations who understand their members "up at night" issues are significantly more likely to have increasing retention and growth in revenues. That outcomes are more important than services. And we agree.

While we have not measured the link between association focus on member challenges and financial outcomes, this study shows associations who understand their members' needs and regularly seeks member feedback, perform significantly better along all member satisfaction and engagement measures.

Ninety-five percent (95%) of members who agreed that their association understands their needs were satisfied with their membership, compared to only 58% of respondents overall.

Further, members who indicated their association understand the needs of members are also significantly more likely to think that membership gives them a voice in industry issues (92% compared to 62%) and that their association is an effective advocate for the industry (93% compared to 65%). They also rate all aspects of their associations' service provision (services, events and communications) significantly more favourably.

So if understanding member issues is so important, what does the feedback tell us are the issues that are challenging members?

While there was a relatively even spread of opinion, cost pressures were overwhelmingly identified as the main challenge facing the industries in the sample. The source of these cost challenges are multi-dimensional, and are outlined in following chapters. Obviously these issues will vary by industry; it is highly recommended that associations seek to understand their own members' issues.

Unfortunately, while effectively helping members with many of their other challenges, industry associations are regarded as relatively ineffective in helping members deal with the cost challenges they face.

This Study clearly shows associations who understand their members' needs perform **significantly better** along all member satisfaction and engagement measures.

¹ Accelerating Strategic Member Engagement. Steve Lane, Bryce Gartner and Dan Varroney E-Book June 2014



Equality of representation also has a significant impact on member satisfaction and engagement.

Those associations who were rated by their members as equally representing all organisations within their industry significantly outperformed those who were seen to be dominated by the interests of either the largest or the smallest organisations.

Seventy one percent (71%) of members who indicated their association represented all members equally were satisfied with their membership, compared to only 58% of members overall and 30% of members who believed their association was dominated by the interests of the largest members. They were also more likely to think their association is respected (84% compared to 76% overall), provides their members with a voice in industry issues (73% compared to 62%) and confer benefits not available to non-members (66% compared to 56%)

Members who believed their association fairly represented all members also rated all aspects of their association's service offering more positively, and were less likely to think their association's fees were too high.

Positively, 67% of members indicated that their association equally represents the interests of both large and small organisations. There were, however, nearly a quarter of members who believed their association was dominated by the interests of the largest members.

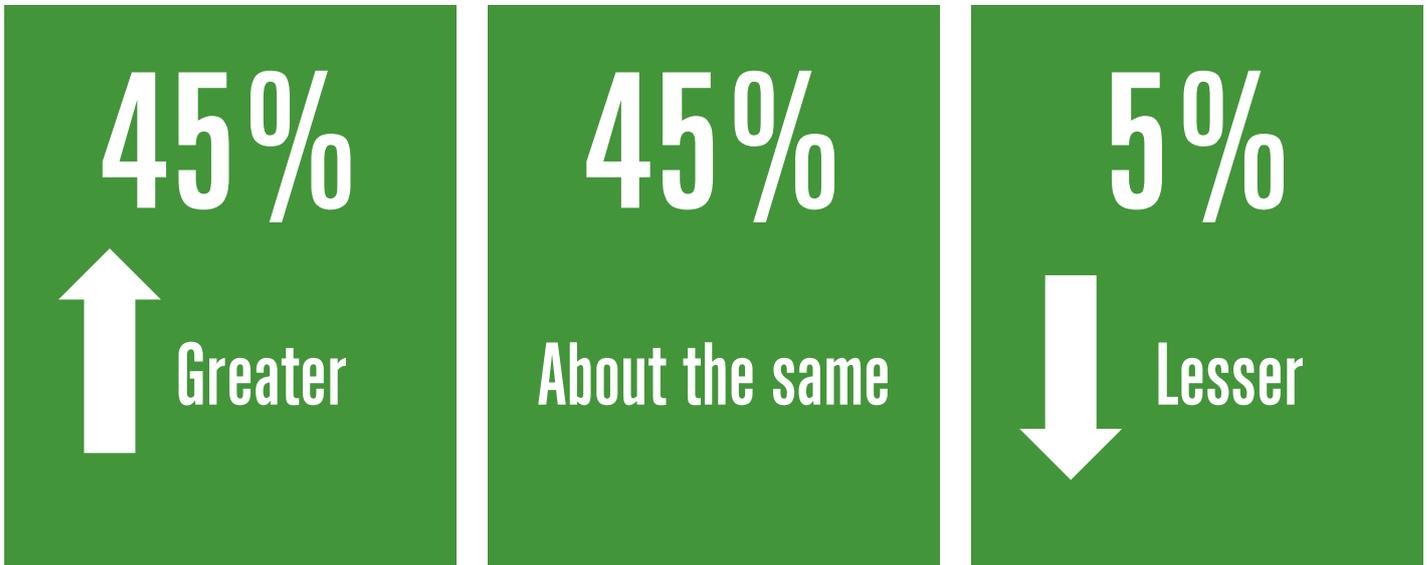
So with understanding member needs and equality of representation strongly indicative of member satisfaction and engagement, there is a great deal that can be done if associations are able and willing to shift their thinking. To plan their strategies around providing outcomes for all members. To focus on solving member challenges rather than simply pushing services out to members.

A future for associations?

Do members see an ongoing need for associations?



Do you think there will be a greater or lesser need for associations in 5 years' time?



While talk of declining relevance is common, 90% of members think the need for industry associations will either increase or stay the same.*



*This is the same outcome as the professional associations study

Industry challenges

Understanding member "up at night" issues



A recent study from the USA found that associations who understand their members “up at night” issues are significantly more likely to have increasing retention and revenue growth.

While we have not measured the link between associations focus on member challenges and financial outcomes, the Associations Matter Study shows that associations who understand their members’ needs perform significantly better along all member satisfaction and engagement measures.

So what issues are keeping members of Australasian industry associations up at night? To find out, we asked members to rate the “top three” challenges confronting their industry at the moment. The results presented below indicate the percentage of respondents who selected each challenge. We also gave members the opportunity to identify what they thought was the biggest challenge facing their industry, in their own words. Our analysis takes into account both the quantitative and qualitative feedback.

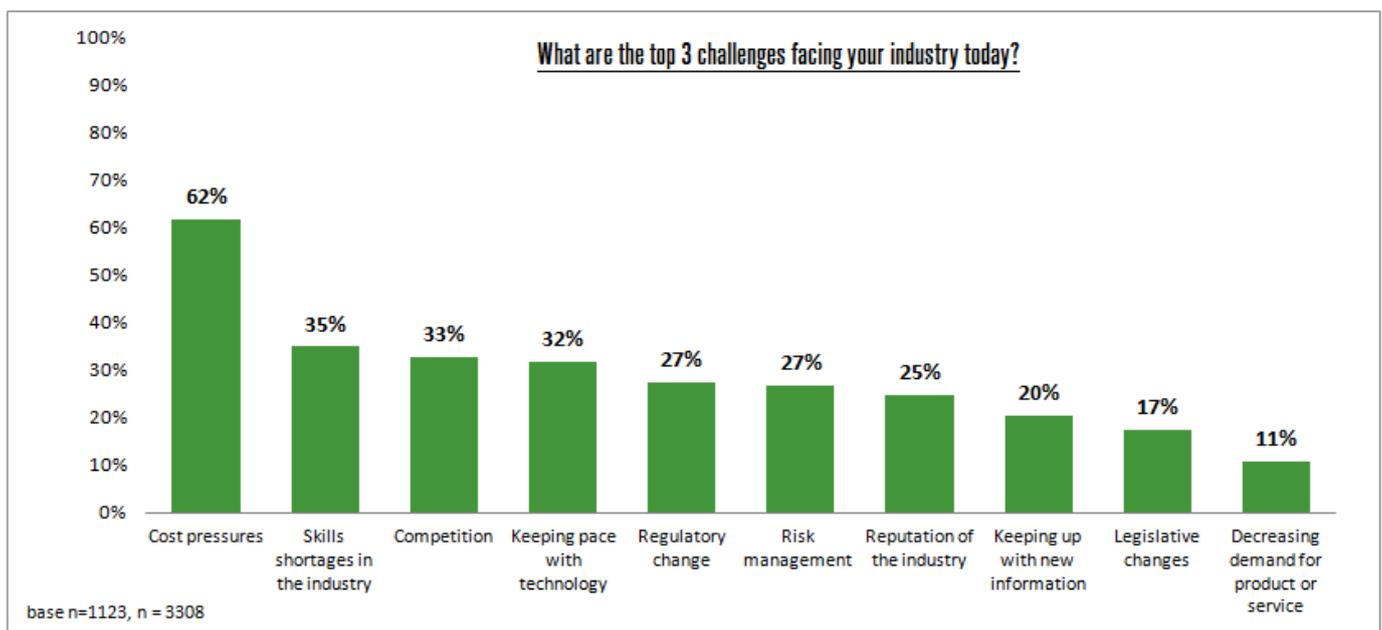
While there was a relatively even spread of opinion across most of the challenges members face, which is probably unsurprising given the variety of industries represented in the sample, cost pressures were overwhelmingly identified as the main challenge facing the industries in the sample.

Sixty-two percent (62%) of members mentioned cost pressures as one of their top three challenges and it was the issue most often identified within the free text comments.

So what does this mean? An analysis of free text feedback indicates that the source of cost pressures is multi-dimensional. Some members indicated that cheaper imports are putting pressure on their competitiveness; others mentioned the high costs of compliance to regulations. A large number of members also mentioned the pressure that unqualified operators put on their ability to remain profitable. That a lack of industry standards and accreditation enabled unqualified operators to provide poor quality services at a lower cost, forcing them to reduce their own prices to remain competitive.

As would be expected, members from small to medium sized organisations were more likely to identify cost pressures among their biggest challenges, while larger organisations were more likely to cite threats to the reputation of their industry among the challenges facing their industry.

While it is noted that the list of issues presented to members were relatively generic, much of the insight comes from a review of the qualitative feedback through the lens of a particular industry sector.





So how effective are associations perceived to be in helping members deal with these challenges?

After identifying their main challenges, respondents were asked to rate the effectiveness of their association in helping members to address the challenges they selected, on a five point scale from very ineffective through to very effective. Results presented below reflect the “top 2 box score” - the percentage of members who rated associations as effective or very effective in helping to address their challenges.

So what do members think? Is their association effectively helping them address their biggest challenges?

We have displayed the association effectiveness rating alongside the list of challenges. The results are interesting and indicate that associations’ efforts are focused on the traditional activities of information distribution and providing assistance to their members in dealing with legislative and regulatory issues in the sector. They are less effective at helping members to deal with their operational and economic pressures.

While keeping up with information is not rated as one of the main challenges of most members, members do expect their association to provide information and advice to help them respond to the contemporary situation. So members’ positive effectiveness rating for this service is good news, and is a theme throughout the survey that we explore from several angles.

Less positive is that members do not think that their association is particularly effective at helping them deal with their biggest challenge. Only 19% of members indicated that their association is able to help them deal with the cost pressures they face.

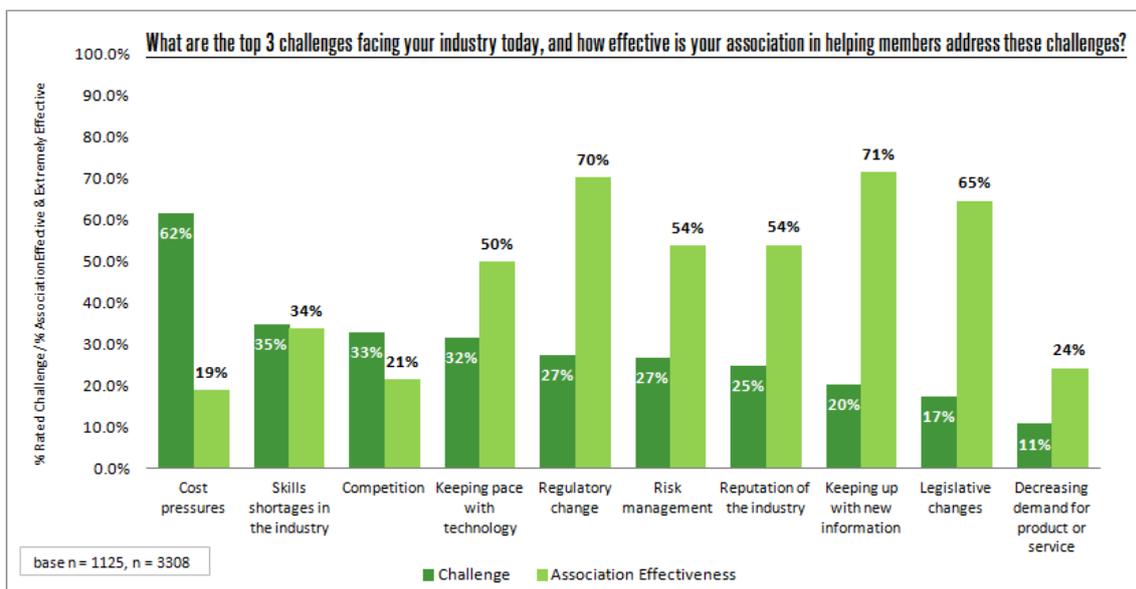
These findings are consistent with the recent professional associations study, where members also rated cost pressures as their biggest challenge and the area in which associations were least effective. We believe this is an area of critical importance, and one that demands further investigation.

While this study did not ask for the direct feedback about the source of members cost pressures, or the reasons for associations’ lack of effectiveness, free text comments provide some guidance. With the threat of unqualified operators on pricing and profit margins often mentioned as a cause of pressure on costs, associations’ effectiveness in areas that might help to alleviate these pressures were analysed. Unfortunately, associations were not seen as particularly effective at providing accreditation and conducting industry self-regulation to protect and uphold industry standards. As associations are unlikely to experience competition from alternative providers of this service, we believe this is an area that offers a significant opportunity for associations to differentiate themselves and deliver relevant and sustainable outcomes for their members.

What analysis of the data did reveal is that associations who understand the needs of their members are significantly more likely to be perceived by their members as being effectively able to help them with all of the issues they identified, regardless of the nature of those issues.

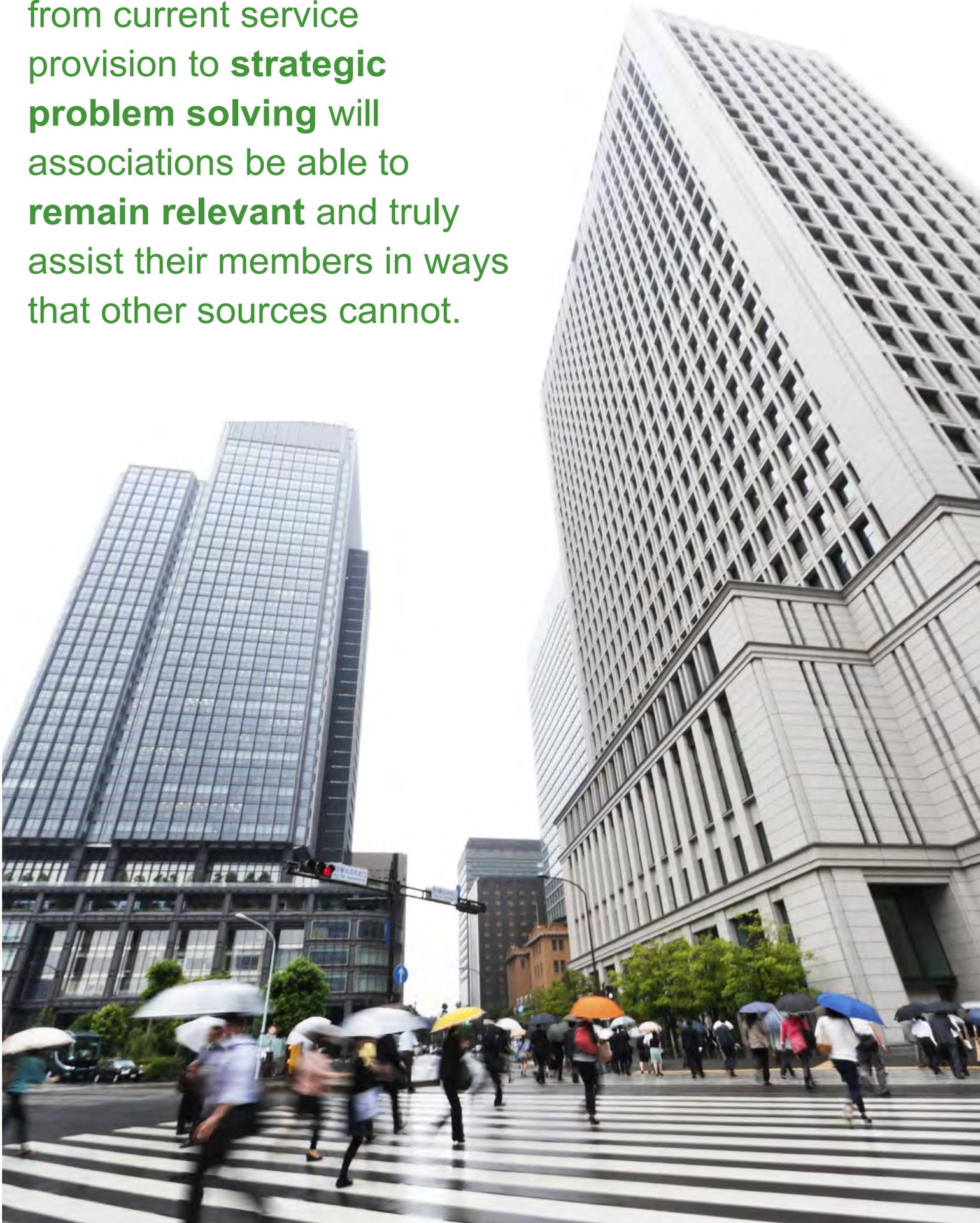
The next step in our Associations Matter research is to change the conversation from an assessment of current services to a strategic understanding of member “up at night” issues. To talk to members about the causes of their challenges. And to ask for ideas about specific ways in which they think their association can help them with the main challenges they face.

Only by doing this will associations be able to remain relevant and truly assist their members in ways that other sources cannot.





Only by changing the conversation with members from current service provision to **strategic problem solving** will associations be able to **remain relevant** and truly assist their members in ways that other sources cannot.



Association Functions

The value proposition



With limited resources, associations need to ensure that their efforts are directed to providing services that are of most value to members.

Outcomes are important and concentrating on members' strategic issues and working together to find solutions will be the hallmark of successful associations.

However, we also think that associations must still understand the benefits and services their members expect them to provide and how effectively members think they provide those services. Associations need to monitor the difference between the importance and effectiveness of their service provision and their alignment with the challenges facing their members.

So what do members want associations to focus their efforts on? Are the services they expect aligned with the challenges they face? If not, how do we reconcile the difference?

To find out, the survey asked members to identify how important the various services provided by their association are to them, and then asked them to rate the effectiveness of their association in providing those services.

The results verify the findings of the majority of surveys we conduct - members want their association to help them understand and keep up to date with issues facing the industry, to offer forums that generate discussion and learning and to advocate on their behalf to improve the economic and regulatory environment.

Whilst regulatory and legislative change are not rated as the biggest challenges members face, advocacy activities are part of the resource toolkit associations have that ultimately alleviate member's cost and compliance pressures.

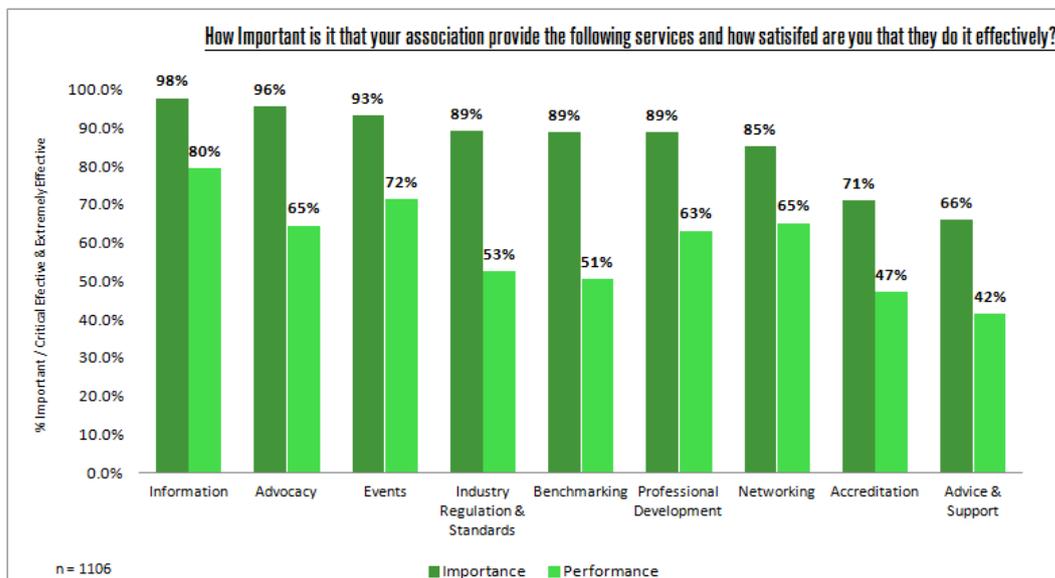
So how do members rate associations' effectiveness at providing these services?

A majority (80%) of members agree that their association effectively keeps them up to date with issues affecting their industry. While not the most challenging issue for members, it is the association service members indicate is most important to them, and so is a positive result.

Fewer members are satisfied with the advocacy services their association provides. Only 65% of members agree that their association is an effective advocate. While regulatory and legislative changes are not the biggest issues facing the members of participating associations, they were included among the top 3 challenges by 27% and 17% of members respectively. The costs of compliance were also one of the major causes of the cost pressures facing members. Members' perceptions of their associations ineffectiveness in advocating on their behalf is therefore a major cause for concern if associations are to maintain their relevance and credibility.

Maintaining industry standards and providing technical templates and benchmark information are also areas that are important to members. With many members indicating their cost pressures evolve from a prevalence of unqualified operators, regulation of the industry and protection of standards offer a means by which associations can proactively help members with what was cited as their biggest challenge.

Ancillary services, such as networking functions and advice and support, often sold as part of the membership "package" are less important to members. And with relatively few members agreeing that their association provides these services effectively, it may be time for a review as to whether providing these services remains an efficient allocation of limited resources.





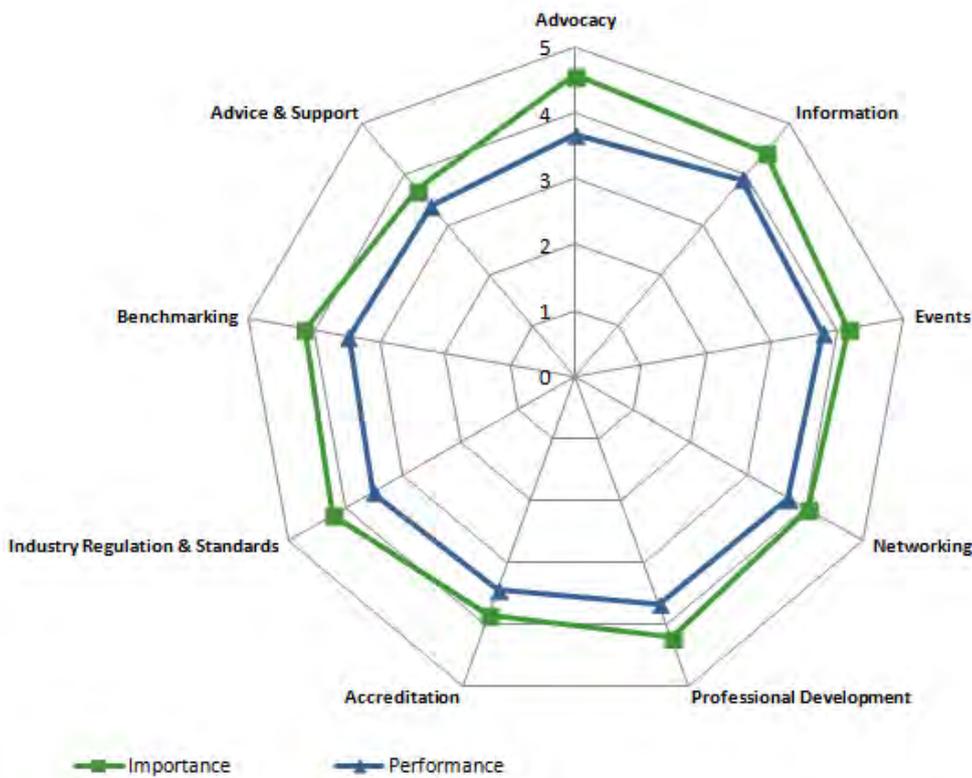
The performance gap

Survey Matters conduct strategic gap analysis on most of the membership surveys we conduct and find it a very useful way to help ensure associations core competencies align with the needs of the members.

To work out the performance gap, mean scores are calculated for both the importance and performance dimensions of associations' core service offerings. The difference between the members' importance and performance ratings are then calculated. Survey Matters refers to this as the "Performance Gap"

Those areas that have a large gap between the Importance and Performance scores indicate potential areas for corrective action. Where the gap is positive, the performance rating exceeds the importance rating. Areas with high importance and low performance provide the greatest opportunity for improvement.

If an issue is not important to respondents, resources could be more effectively utilised elsewhere - even if there is a large performance gap



Advocacy is the strategic function with the largest performance gap

	Importance	Performance	Gap
Advocate on behalf of the industry to influence policy and legislation	4.58	3.68	-0.89
Deliver relevant, accurate and timely information about latest industry news and issues	4.45	3.91	-0.54
Offer training and professional development to members	4.23	3.68	-0.55
Conduct self regulation that enhances and maintains industry standards	4.22	3.53	-0.69
Provide events and other forums for discussion of issues relevant to the industry	4.18	3.78	-0.40
Offer technical templates, procedures and benchmarking guides	4.15	3.47	-0.68
Offer opportunities for members to network with other industry participants	4.05	3.71	-0.34
Offer professional accreditation that advances my employment prospects in the industry	3.86	3.45	-0.41
Provide industry relations, taxation and general business advice and support	3.70	3.39	-0.31



Industry associations' create common benefits for members by monitoring trends, building and sharing knowledge and advocating on behalf of the industry to influence economic and regulatory conditions.

Their value to members depends upon the range of activities they undertake and the effectiveness with which they carry out these functions.



Member Services

Information, support & customer service



Although advances in technology enable members to access up-to-date information from multiple sources, this does not equate to a reduced need for associations.

Driven by research and focussed observation of industry trends and the policy environment, industry associations ensure members are up to date with the latest issues, giving them the skills, tools and knowledge to adjust to changes in the operating environment. They provide information and share examples of how others in the industry are responding to contemporary challenges. They provide examples of best practice, benchmarks for performance and relevant industry statistics. In many industries, associations also operate to support organisational members with employment, industrial relations and general business advice.

These are all important functions, and highly valued by members of industry associations.

While keeping up with information was cited as the major challenge facing members of professional associations, only 20% of members of industry associations included information pressures among their top three challenges. Despite this, ninety-eight percent (98%) of members indicate that providing information and keeping them up to date is an important or critical function of their industry association. Eighty-nine percent (89%) rated provision of benchmarks and industry statistics as an important or critical function.

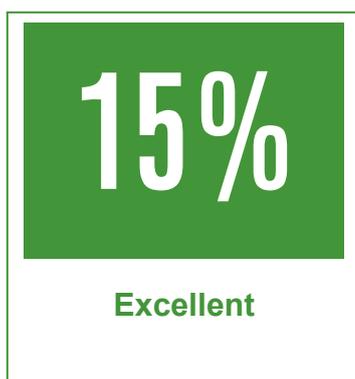
The workplace of the future offers some unique challenges for associations in defining their role in supporting members with information and advice. However, we think it also offers many opportunities.

As technology improves, organisations and their representatives are able to access up to date information from many sources. Benchmarks and statistics are available online. Best practice examples are shared through group discussions. Advice and support is a phone call away.

So does this reduce the need for associations? We don't think so! However, it will also depend on the quality of service and strategic focus of the association.

Rather than seeing the proliferation of information and the technological tools that facilitate collaboration as a threat to their relevance, industry associations need to embrace them to increase their value to members. Members of associations have many sources and multiple ways in which to obtain information about their industry. Associations need to become the "go to" source of up to date, trust worthy and credible information and support. They need to view their role as the facilitator and enabler of industry knowledge capture and sharing. And they need to adopt the tools of collaboration to drive member involvement and engagement.

Overall, please rate your satisfaction with the quality of information, support and customer service provided?





Service Preferences

To test the relevance of member services currently provided by many associations, members were asked to rate the value of various types of information and customer service provided by their association on a five point scale, from “of no value” through to “extremely valuable”. Results are presented below as a “top 2 box score” - the percentage of respondents who rated the service as valuable or extremely valuable.

Positively, 92% of members indicated that the regular newsletters and communication updates on industry issues provided by their association are of value to them. Industry data, statistics and benchmarks were also important. This reinforces the earlier finding that members see environmental monitoring, knowledge building and information sharing about contemporary industry issues as an important part of the strategic function of their industry association.

While members were less interested in general business advice, access to employment related expertise was rated as valuable by 76% of members.

While there appears to be little difference in the preferences of different membership segments, business and employment related advice is more important to members in small organisations than those in larger organisations.

Service Quality

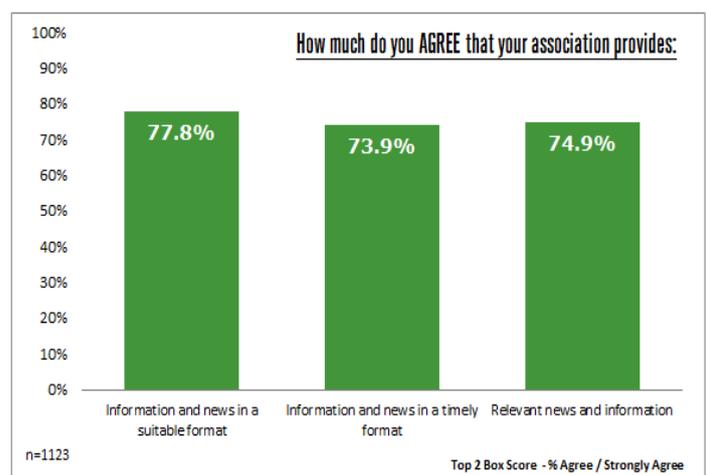
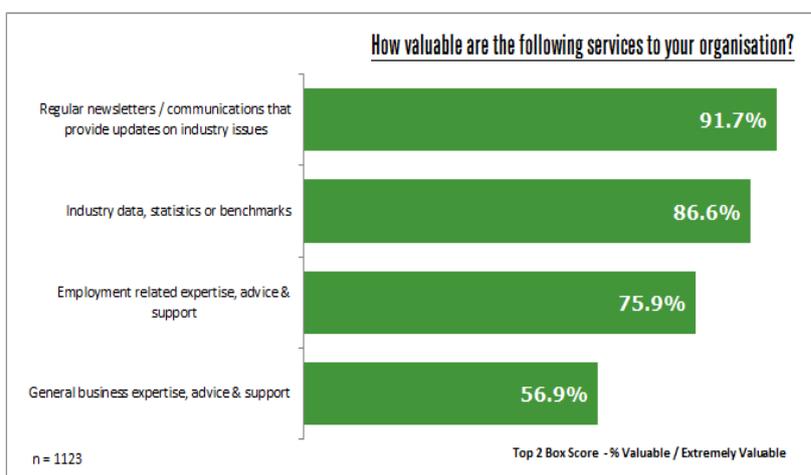
With the importance of information services ascertained, the survey next asked members to rate the quality of information provided by their association. Ratings were provided along three dimensions – format, timeliness and relevance – on a five point scale. Again, the ratings below represent a “top 2 box score” - the percentage of respondents who agree or strongly agree with the statement.

While only 61% of members rated the overall quality of information, support and customer service as good or excellent, associations score fairly well along all three quality dimensions with around three quarters of respondents satisfied with the format, timeliness and relevance of their association’s information and news updates.

Segmentation analysis indicates significant differences. Ninety-five percent (95%) of members, who indicated that their association understands their needs, rated the quality of their association’s member services as good or excellent, compared to only 61% of all members.

Differences in satisfaction based on members’ perceptions of the representativeness of the association are also significant. Members of associations perceived as equally representing the interests of large and small members are significantly more satisfied with member services and customer support (73% compared to 61%) than members of associations perceived to be dominated by special interest groups.

92% of members value newsletters and communications providing updates on industry issues.





Do you have any ideas about how your association could improve the information, support and customer service it provides to you?

“Ask the members what they need to read about - visit them and get a handle on the range of issues across states and regions.”

“Maybe add a web based forum that can allow members to express their views on information about the industry or to ask questions in a real time format such as the industry groups on LinkedIn for example”

“I feel that [Association Name] really is out of touch with its members and really only serves the big members based in the cities. I live and work in regional Victoria and [Association Name] really does not serve us and I just can't justify the cost of membership as I don't receive any value for money.”

“Engage with the members more, and outsource tasks, rather than trying to achieve everything at executive committee level. Look at growing the organisation at the fringes rather than remaining an insular hard core organisation.”

“I think the Association has to try and get more members involved with the association. My general feeling is the Association is losing ground and influence in the Industry due to not having enough members. The more members they have - the more influence in the industry they will have”

“Provide monthly newsletter via email about latest news and developments in the industry. Introduce regular theme specific communications for members. Inform members what lobbying the [Association Name] is undertaking with government and status update of this lobbying.”

“Ask [Industry members] how do we get them involved in the Association to work together as a stronger group. Ask business owners [Industry members] their perception of the Association - get the truth!!”

“Break down the barriers and start talking to members. Get to know the members. The Association should be for all members, not just the Big Companies”



Events and Professional Development

"Helping members learn and share"



Events and professional development is a core offering of many associations.

Conferences, seminars and workshops, professional development courses and online resources are routinely included amongst member service offerings. And members value them. Ninety-three percent (93%) and 89% of members indicate that providing events and professional development resources respectively are important or critical association functions.

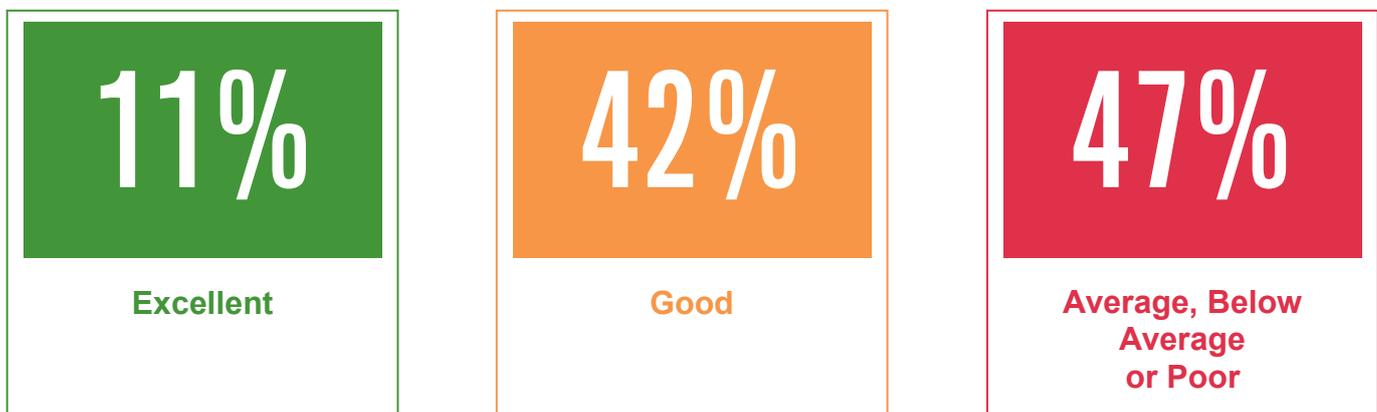
With the threat of unqualified operators and the pressure they place on the cost base of reputable organisations a major challenge, associations have the opportunity to provide real value in this area. To design standards and professional development resources that distinguishes the qualified from the unqualified.

This section of the survey was designed to assist associations in determining the most appropriate mix of events and professional development resources. To identify which particular events, professional development workshops or online learning resources members prefer. And to find out what members think of the quality of the events and professional development resources currently provided.

The results about member preferences validate those of the 2013 Associations Matter Study for professional associations. Seminars and workshops are the most valued professional development services, conferences, face to face courses and online resources are valued by a majority of members but social forums provide value to fewer members.

The threat of unqualified operators and the pressure they place on the cost base of reputable organisations is a major challenge for members. Associations have the opportunity to provide real value in this area.

Overall, how would you rate the quality of events and resources provided by your association?





Event & Professional Development Value

To provide greater depth of information to guide associations in service provision planning activities, members were asked to rate the value of various types of events and professional development resources provided by their association on a five point scale, from “of no value” through to “extremely valuable”. Results are presented below as a “top 2 box score”, or the percentage of respondents who rated the service as valuable or extremely valuable.

Like members of professional associations, members of industry bodies indicated that seminars and workshops that enable them to learn from others in the industry provide them with the most value, with 85% of members agreeing seminars are valuable to them. Conferences also provide value to a majority of members.

Face to face short courses and online educational resources are valuable to 72% of members, while social forums are valued by only 67% of members.

While there is little difference in preferences across most segments analysed, events and professional development are more valuable to younger members, in the early stages of their career, than older more experienced members. In particular, 95% of young, less experienced members indicated obtaining value from that seminars and workshops provided by their association.

Events and professional development resources are more highly valued by young and less experienced members.

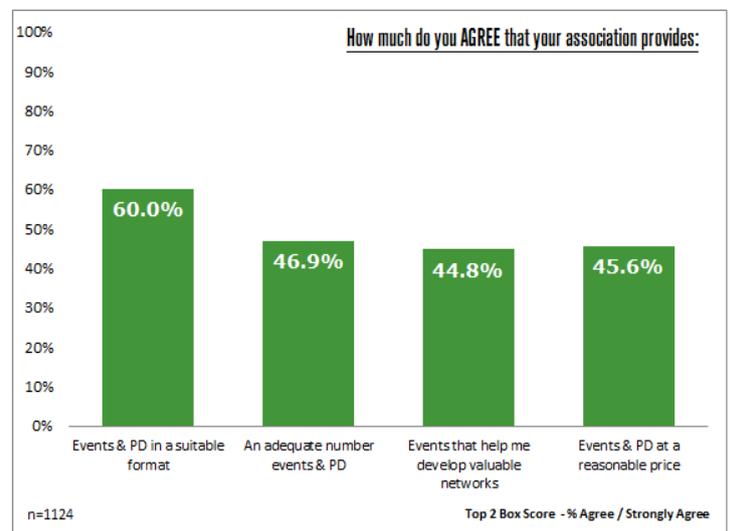
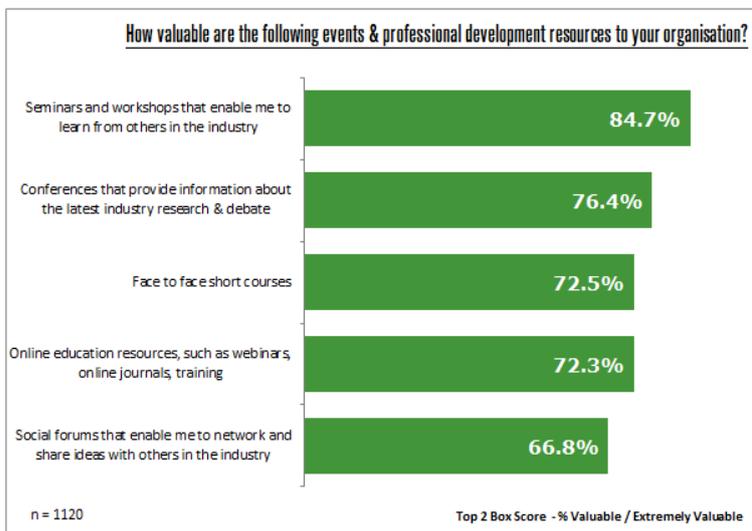
Event & Professional Development Quality

To validate members overall quality rating, the survey questions next asked members to rate the quality of events and professional development provided by their association. Ratings were provided along five dimensions – format, quantity, networking and price – on a five point scale. Again, the ratings below represent a “top 2 box score”, or the percentage of respondents who agree or strongly agree with the statement.

Overall, member ratings of the events and professional development resources are poor. Only 53% of members rate events and professional development resources as good or excellent. While 60% of members agree that events and professional development resources are provided in a suitable format, less than half believe that their association provides an adequate number of events, events at a reasonable price or events that help them develop their networks.

Segmentation analysis indicates little difference in perceptions of quality across members when analysed by demographics, although younger members are more likely to indicate that events help them develop their networks.

However, when interrogated based on member perceptions significant differences are again surfaced. Members who perceive that their association understands their needs are more satisfied, with 87% indicating that their quality of their association’s events and professional development resources are good or excellent. They were also significantly more likely to rate the format and price favourably. Members who indicate that their industry association provides fair representation to all members, regardless of size, are also generally more satisfied with the quality of events and learning resources provided by the association.





Do you have any ideas about how your association could improve the events and or professional development resources it provides members?

“Perhaps self-paced, reasonably priced training modules presented as webinars. Maybe a categorisation of member’s capabilities could work”

“I’m not based in a Capital city, I’m based in Newcastle. I would love to know who is a member in my city and how I can interact with them. Maybe regional networking events?”

“The cost of events when I have travel & accommodation costs on top of the ticket purchase when I come from a regional area”

“Our problem is the tyranny of distance. All events and PD resources are too far away for us to access. More country based events would be great”

“If you were able to increase the availability of webinars for small rural towns as this alleviates the cost of travel and accommodation which is quite prohibitive it also creates the opportunity for people working to improve their professional development on line.”

“Provide more training events (online to save cost); require members to complete professional development annually.”

“Again regional courses and online programmes for training need to be offered to minimise the costs of attendance.”



Communication

"A vital engagement tool"



Monitoring industry trends and developments and keeping members informed is a core function of industry associations.

The landscape is changing. While in the past members relied on their associations to keep them up to date with industry developments, information is now available from a multitude of sources. And it is available instantaneously.

So do members still need their association to perform this function?

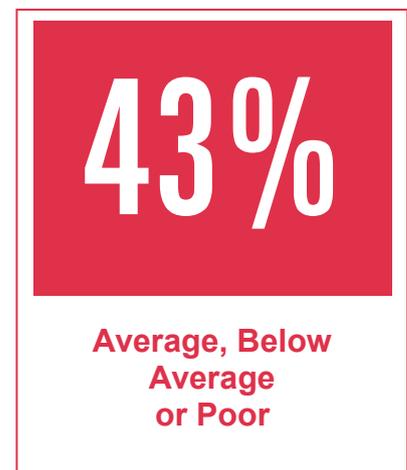
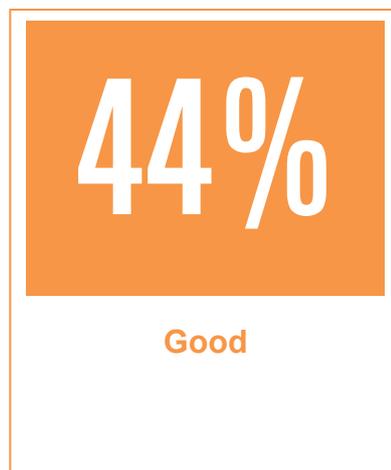
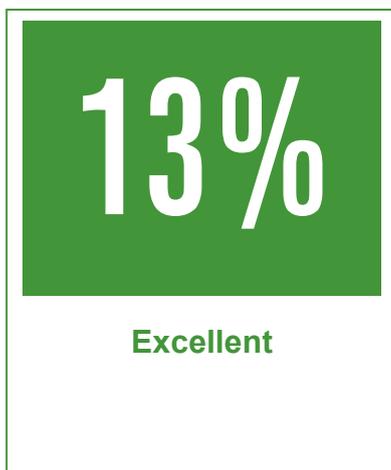
The positive news is that members still want (and expect) their association to continue to keep them up to date. Ninety-eight percent (98%) of members rated information provision as an important or critical association service. Positively, 80% think they do it well.

However, to maintain relevance, associations need to ensure they adapt to members evolving communication preferences. We know from the 2013 Associations Matter Study for professional associations that members' want information synthesised and summarised, and distributed in easy to digest chunks. They want it to be provided to them using a variety of communication channels. They want to be able to select what information they receive, and how often. And they want to be included in the conversation. They expect communications to be two-way, they want to be part of the conversation, they have information and knowledge to share and they expect the association to facilitate this.

Do members of industry associations want the same things?
And are industry associations meeting these needs?



Overall, how would you rate the quality of your associations' communications?





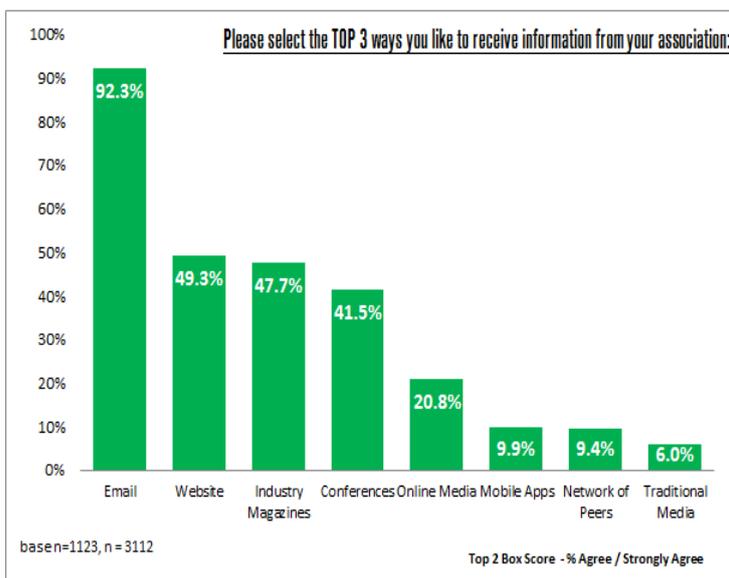
Communication Preferences

To help associations understand how members would like to receive communications from them, the survey asked members how they would like to receive information about their industry from their association. Members were asked to indicate their top three (3) preferences. Results are presented below to show the percentage of respondents who selected each method.

The results confirm the results of nearly all membership based research we undertake. Email is overwhelmingly still the preferred way in which members would like to receive information from their association, with 92% of members including email within their top three preferences.

Nearly half of members also like to look up information about their industry on their association's website or in industry magazines and journals, while conferences are also a preferred way of keeping up to date for 42% of members. Online media is a growing source of information, with preferences for this communication medium increasing with every survey we undertake!

As would be expected, there were some variations in preferences based on members' age. Younger members were significantly less likely to include email (84%) and industry magazines (27%) among their preferred ways of keeping up to date and more likely to prefer online media, with 57% of members under 30 and 27% of members aged between 30 and 45 including online media amongst their preferences.



Online Media Preferences

So we know that members are increasingly using online media to find information about their industry. But with so many options, and limited resources, industry associations need to determine which online media to use. Which platforms do their members use most often when looking for information about the industry?

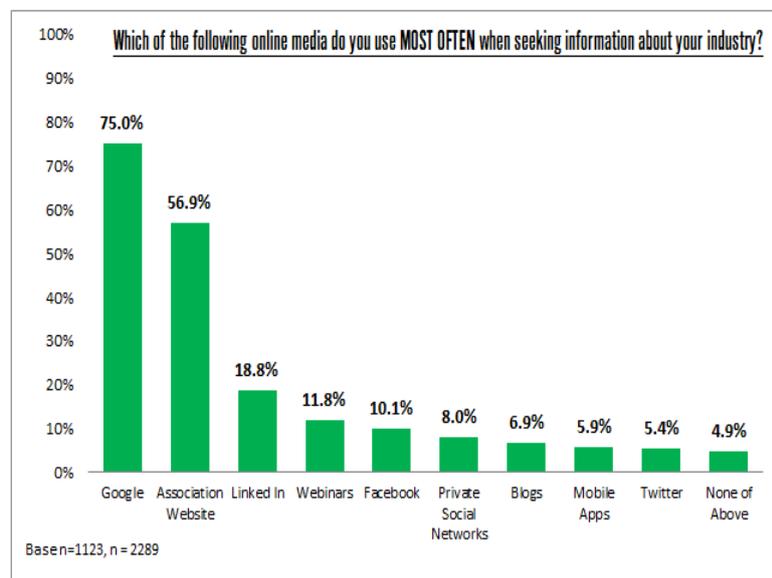
To provide guidance to associations, the survey asked members to select the online media that they use most often. The results have been presented to show the percentage of respondents who selected each item.

Unsurprisingly, internet searches (for example Google) are the preferred method of communication.

Positively, 57% of members actively use their association's website to find information about the industry. While use of association websites varied between participating associations, there was little difference based on the demographic profile of members themselves. We suspect from the qualitative feedback that issues of usability impact members preferences for using their associations' website as a source of information.

While selected by fewer respondents (19%) LinkedIn was the next most utilised online media channel and probably offers the most opportunity for industry associations to start to engage members, particularly younger members - 40% of whom indicated actively using LinkedIn.

Facebook and Twitter are actively used by only 10% and 5% of members respectively. Again, use is more prevalent amongst younger members and decreases progressively with age.



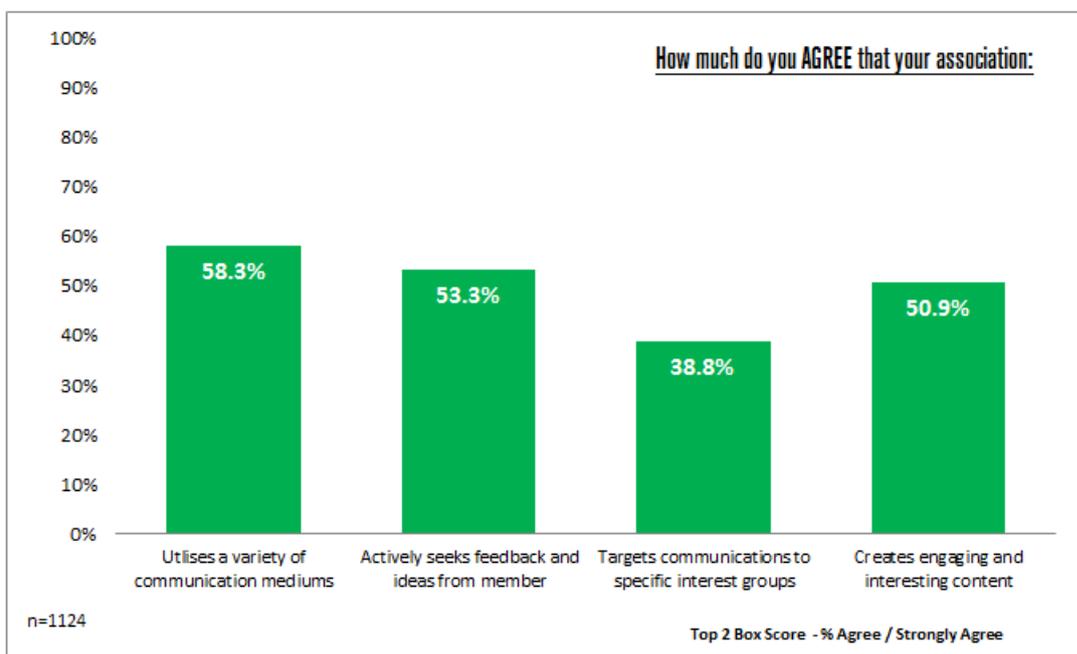


Communication as an engagement tool

Based on the findings of the 2013 Associations Matter Study for professional associations, the survey asked a number of questions to test how well industry associations are adapting to changing member expectations for engaging communications. To members' preferences that information be provided using a variety of mediums. To members' demands that they be included in the conversation. To member suggestions that information be provided based on their individual interests and preferences. And to members' desire for interesting and engaging content.

Unfortunately, it appears that industry associations have yet to adapt their communication methods to the changing preferences of their members. We believe this is the reason why only 13% of members rated their associations' communications as excellent.

These elements represent the fundamental components of an engaging two way communication strategy that treats members as individuals and provides them with a variety of opportunities to contribute. Adopting them will be vital for the ongoing relevance of associations in their role as facilitators of industry collaboration.



Engagement & Involvement

"The key to sustainability"



It is generally accepted that engagement stems from how an individual feels; from a sense of belonging, shared goals and being able to contribute to something they value.

Historically, member engagement has been viewed by associations as loosely equating with involvement; attending events or volunteering to assist the association. Engaged members participate; they contribute. They attend events and seminars, present papers and exhibit at conferences. They volunteer their time, become leaders, board members and advocates for the association.

Or do they? Does this work in today's fast paced digital environment? Should the definition of member engagement be reconsidered?

Several factors may prevent involvement in the traditional sense, while not necessarily diminishing a member's engagement with their association.

The challenge for association is to identify the different engagement profiles within their membership base. To understand which members are "transactional" and receive sufficient value by attending events, reading newsletters and accessing professional development resources. To identify and engage members who want to become "contributors" to the industry; sharing their knowledge through writing, speaking at events or mentoring others in the industry. And to actively involve those who wish to "collaborate" with others to design solutions to industry challenges and advocate to optimise the operating environment facing the industry.

Of course, some members will exhibit all of the above behaviours. Some will exhibit none. And not all members can be moved from transactional to more participatory forms of involvement. But it is imperative that associations create an environment that enables those members who would like to contribute or collaborate the ability to do so.

It makes them feel valued, involved, and ultimately, engaged.

Put simply, we believe that the core function of the sustainable association will be to facilitate opportunities for members to come together in ways that work for them so that they can contribute to something they value, either personally or for the benefit of the industry in which they participate.

To not just provide services, but to act as facilitators and enablers.

The core function of the sustainable association will be to facilitate opportunities for members to come together in ways that work for them.





So do members of industry associations participate? Do they contribute and collaborate?

To work this out, we asked members to indicate which association services they had used and which activities they had participated in over the last 12 months.

The first set of activities represents those that would be considered “transactional”. Members who read newsletters, attend events and consume professional development resources are utilising association services. Our research always indicates that these are the activities members most often participate in. We think this is reflective of the predominant association business model, whereby associations “push” services to members.

The survey also asked members to indicate if they had participated in any activities that could be classified as “contributing” to their association, such as volunteering, exhibiting, speaking or sponsoring an association event.

Members were also asked about their involvement in any collaborative activities such as serving on boards, committees and advocating on behalf of their industry.

Results are presented to indicate the percentage of members who selected each activity.

While it is encouraging that 90% of members read the association newsletter, only 47% of members attended their annual association conference and 25% of members indicated using the professional development resources offered by their association.

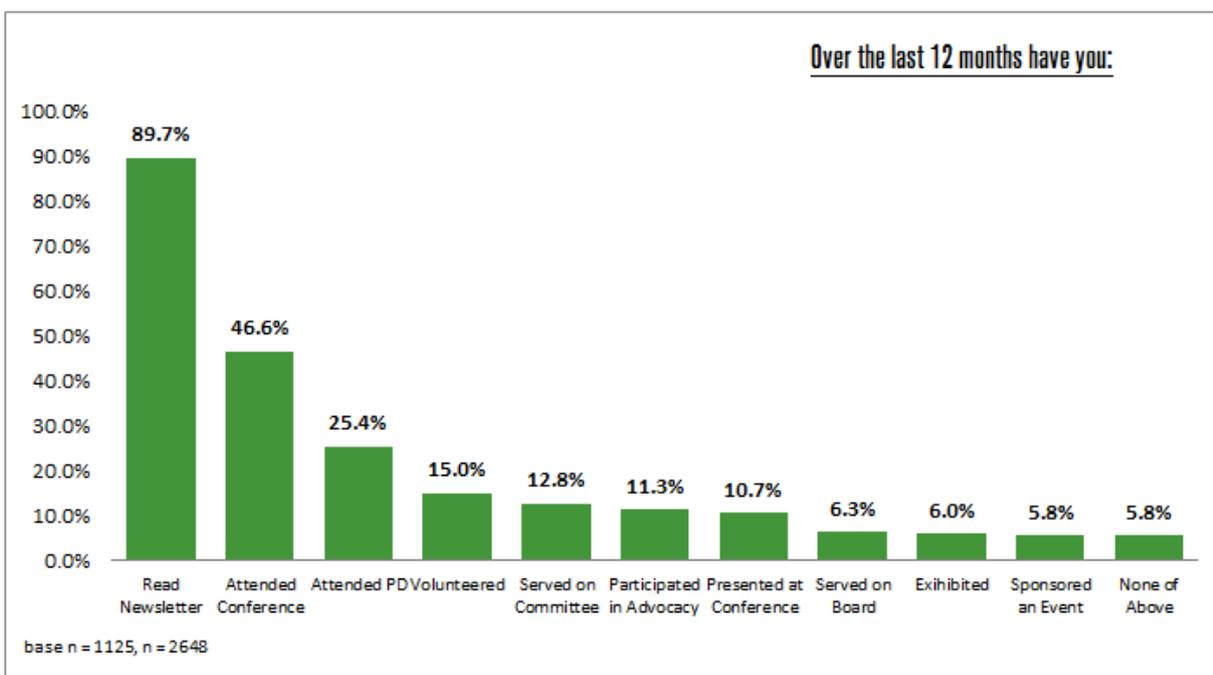
This is despite 93% and 89% of members indicating events and professional development are important to them respectively. Is this an issue of quality? Poor overall quality and satisfaction ratings indicate that this could be the case. Issues of cost, distance and frequency were also frequently mentioned in qualitative feedback as potential reasons for non-attendance.

Members are using their association to keep up to date with the information and issues pertinent to their industry. But do members contribute to industry knowledge or collaborate with others for the benefit of all?

As would be expected, a much smaller percentage of members contribute to their association. Fifteen percent (15%) volunteered to assist their association and 11% presented at an association conference. Only 6% exhibited at or sponsored an association conference. But is the number of members willing to contribute much higher? Are associations offering members enough opportunity, inviting their contribution and providing a variety of mechanisms that facilitate contribution?

The number of members actively collaborating was also lower, although it was encouraging to see that 13% of members had served on a committee and 11% participated in advocacy.

While probably expected, it is interesting to note that older members were much more likely to have been involved in collaborative activities and that more experienced members were more likely to contribute. The challenge is to ensure younger and less experienced members also have the opportunity to contribute and collaborate in ways that work for them. To make them feel that their contribution is valued and to provide opportunities for them to mix with older, more experienced members so that the succession to the next generation of industry leaders can occur organically.





Are associations cultivating the behaviours that create engagement?

To understand the extent to which industry associations are creating an environment with the capacity to develop highly engaged members, a section was included in the study which asked a series of questions about the more intangible aspects of the membership experience. Are members made to feel part of the association? Does membership confer benefits and a sense of belonging? Do they feel part of a respected organisation that enhances their credibility?

While by no means an exhaustive list, or one that provides a firm definition of engagement, the questions simply sought to provide a sense of how members feel about their industry association, and whether associations are creating an environment likely to encourage members to become more involved – to move from transactional members to active participants, contributors or collaborators.

Results are presented as a top 2 box score, or the percentage of members who agreed or strongly agreed with the statement.

The most positive news is that a majority (76%) of members agree that their association is respected in the industry. That's a starting point. But definitely one that offers room for improvement.

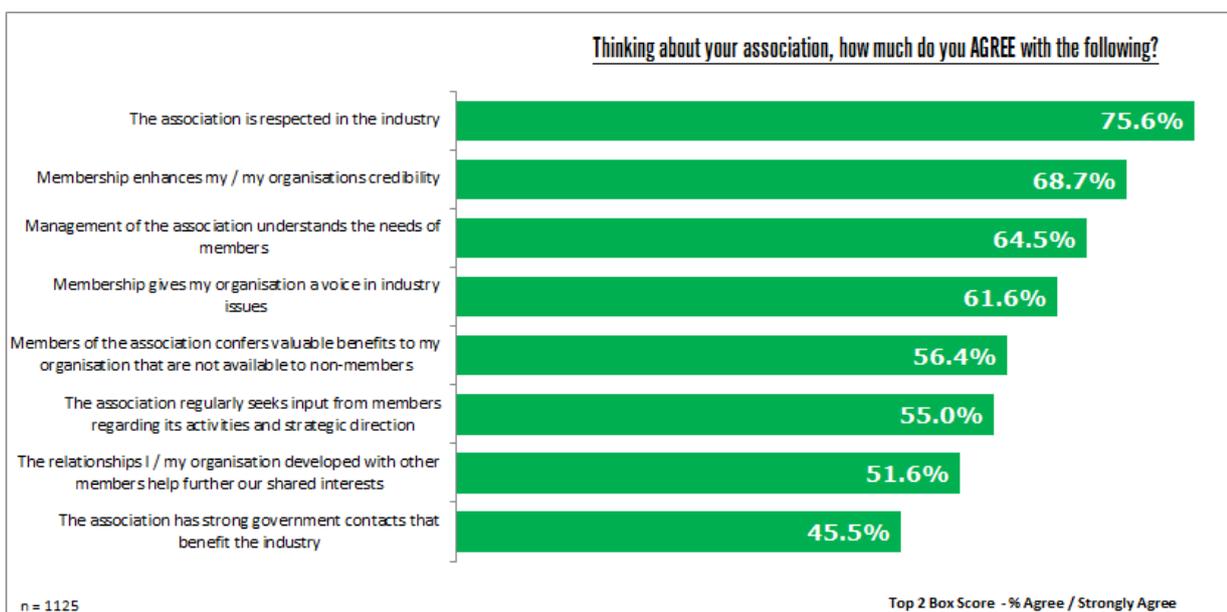
Industry associations exist to serve the interests of their member organisations by facilitating collaboration and a united voice about common issues. It is therefore concerning to note that only 62% of members think that membership gives them a voice in industry issues. That only 65% of members agree that management of their association understands their needs.

The fact that only 56% of members think that belonging confers benefits available to non-members is also concerning – particularly given the challenge of overcoming the perception (and reality) of the free rider issue.

However, with advocacy one of the most important functions of an industry association, the most alarming finding is that only 46% of members agree that their association has strong government contacts that benefit the industry.

There was a clear distinction between member perceptions when results were analysed in more detail. Those associations who were rated by their members as equally representing both the large and small organisations within their industry significantly outperformed those who were seen to be dominated by the interests of either the largest or the smallest organisations. Over 84% of members of representative associations indicated that their association was respected, 79% that management of the association understands their issues, 73% that membership gives them a voice in sector issues and 75% that their association has strong government contacts that benefit the industry.

With advocacy one of the most important functions of an industry association, it is alarming that only 46% of members agree that their association has strong government contacts.



Satisfaction & Recommendation



While no longer viewed as an indicator of strategic performance, it is nonetheless important to understand if members are satisfied with their membership overall.

Satisfaction indicators simply seek to measure whether members are pleased with their membership. While certainly not the best way to measure an association's strategic performance or future sustainability, we think that there are some respondents for whom membership of their association is simply a service contract. They are "transactional" members and are happy to pay their fees and expect to receive certain products, benefits or services in return. They do not necessarily want to become more involved or engage with their association, but derive a certain organisational benefit from belonging.

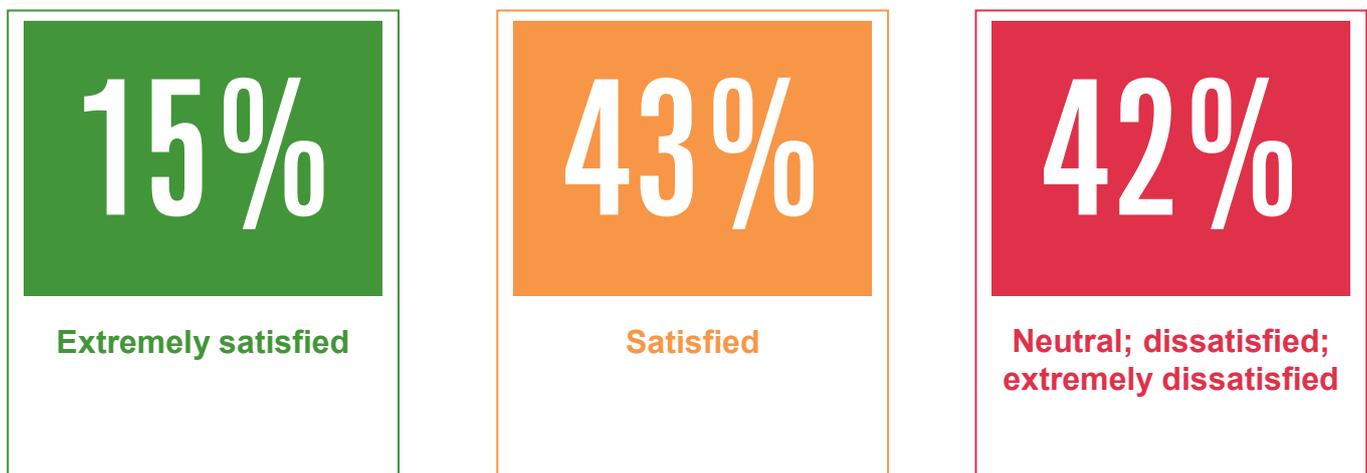
It is therefore important to understand if they feel they are "satisfied" with the service their association provides. To provide a summary measure of members overall satisfaction with their association's strategic functions, events, resources and communications.

To test satisfaction, members were asked to rate their overall satisfaction with their membership of their association on a five (5) point scale, from 'extremely dissatisfied' to 'extremely satisfied'. The overall results are presented below. And they are not very positive. Only 58% of members are satisfied or extremely satisfied with their membership of their association. Forty-two percent (42%) are ambivalent or actively disengaged.

Analysis of the satisfaction score by association focus, however, indicates a very different story. Ninety-five percent (95%) of members who believe that management of their association understands their needs are satisfied with their membership, compared to 58% overall. Those members of associations who feel that the association equally represents all members of the industry also report significantly higher satisfaction (71%) than members of associations dominated by either the largest (30%) or the smallest members (39%) or without sufficient membership (36%) to adequately represent the sector.

The importance of ensuring representativeness is also reflected in individual association satisfaction scores. Satisfaction scores of individual associations range from 20% through to 83%. In all cases, those associations whose members indicated that they equally represent all members had amongst the highest satisfaction scores.

Overall, please rate your satisfaction with your membership of your association?





Satisfaction scores for individual associations range from **20%** through to **83%**.

Those associations whose members indicated that their association understands their needs and equally represents all members have the highest satisfaction scores.





Net Promoter Score... will members recommend their association to others?

Membership growth depends on both retaining members and attracting new members. New members are often referrals by friends, associates or employers. So how likely are members to recommend membership of their association to others?

By asking a single question “How likely are you to recommend membership of your association to a friend or colleague?” Net Promoter methodology divides members into three groups in order to calculate an organisations growth potential.

Members answer the question on a 0-to-10 point rating scale and, based on their responses, are categorized as follows:

- **Promoters** (9-10) are loyal enthusiasts who refer others
- **Passives** (7-8) are satisfied but unenthusiastic members
- **Detractors** (s 0-6) are unhappy members who may provide negative word-of-mouth.

An association’s **Net Promoter Score (NPS)**¹ is calculated by subtracting the percentage of detractors from the percentage of promoters.

The overall net promoter score for the Associations Matter Study for industry bodies is -7.

With word of mouth recommendations so important to the growth of an association, this result is alarming. It indicates that fewer members would recommend membership of their association to others.

$$\text{NPS } -7\% = \text{Promoters } 29\% - \text{Detractors } 36\%$$





What is the reason for your score?

"I'm questioning our membership continuation; I'm not likely to recommend to others. If things change and I see 'value' of my membership, this score could also change" Score 0

"I would find it hard to define the value [Association Name] might offer to a colleague, as this is not clear to me. Membership of a professional association is important to reinforce the profession, create connections and share information. I'm not at all clear what the [Association Name] does for me under these three headings" Score 2

"Too expensive, little value for money. Have recommended membership to friends and colleagues in the past and feel I have done them a disservice from a value-for-money perspective" Score 3

"Lack of feedback on what is being done/achieved for your subscription." Score 4

"There is too many board members been there to long, this is widely known and the group keeps the group there!" Score 5

"Sometimes I find it hard to sell [Association Name] membership, not sure what the benefits are." Score 6

"Good for smaller organisations but less value to us as we are bigger and have our own resources." Score 7

"They provide a good range of services and industry updates." Score 8

"I will always recommend membership to other industry members because the more members there are, the more voices there are and the strength of the lobby process is greater. Many participants do not become members yet still reap the benefits of the work that Associations do, so I always encourage others to become members for these reasons." Score 9

"The benefits from being a member. Keeping up to date with the industry, legislation etc. and being able to maintain standard through the audit process and then being recognised for this." Score 9

"As the association is the only way to have combined voice that helps business to compete close to a level playing field." Score 10

"Because I believe that we get a lot back from the membership via seminars, communications, advise on regulatory and legislative changes and the opportunity to share our ideas and experiences with other members" Score 10

Conclusion



Top Sector Performers

Survey Matters sincerely thanks all of the participating associations and their members without whom this vital research would not have been possible.

While all participating organisations have the option to receive their own individual results benchmarked against the overall sector results, we would also like to provide some public recognition of performance.

By highlighting the top 5 associations across the member engagement and satisfaction metrics, we hope to recognise the good work that many associations are doing and to provide benchmarks for other associations to aim for. In the spirit of the collaboration with which this study was undertaken, we also hope that maybe it will encourage the top performers to share some of their knowledge about what has worked for them and thereby help enhance the practice of industry association

Performance by engagement score

Rank	Association	Engagement Score*	Industry Body Benchmark 2014
1	Retirement Villages Association	80.50	72.09
2	National Pre-cast Concrete Association of Australia (NPCAA)	79.17	72.09
3	Crane Industry Council of Australia (CICA)	77.36	72.09
4	Australian Trucking Association	76.85	72.09
5	The Master Painters Association of Victoria / Tasmania (MPAV)	75.82	72.09

* The engagement rating has been calculated by averaging responses across all survey items pertaining to members experience and converting the result into a score out of 100.

Performance by satisfaction rating

Rank	Association	Satisfaction Rating*	Industry Body Benchmark 2014
1	National Pre-cast Concrete Association of Australia (NPCAA)	83.3%	58.4%
2	Retirement Villages Association	81.1%	58.4%
3	Swimming Pool and Spa Association of Queensland (SPASA Qld)	75.0%	58.4%
4	Crane Industry Council of Australia (CICA)	74.3%	58.4%
5	The Master Painters Association of Victoria / Tasmania (MPAV)	73.0%	58.4%

* Top 2 Box Score – % Satisfied or Extremely Satisfied



Final words

In the early stages of the Associations Matter Study for Industry Bodies we were a little concerned about whether we would receive sufficient participation to enable us to provide reliable results. Would we receive as much interest from industry associations as we did from professional associations? Would industry association members be engaged enough to contribute to the research? Industry associations typically have fewer members than professional associations; would we receive enough responses?

We need not have worried. We were delighted with the response we received! Over 1,100 members of industry associations took the time to provide their feedback. From a distribution of 7,200 surveys this is an excellent 16% response rate and provides us with 95% confidence that the results are reliable within plus or minus 5%. The response rate is exactly the same as we received from members of professional associations.

We expect that the opinions about the most significant findings will vary depending on individual association's situation. Some of the findings, particularly around market driven issues such as competition, cost pressure and demand, will not apply to all associations; equally however, some will apply regardless of size, sectors, industry or membership type. It will be up to each association to decide how to best use the findings in relation to their own strategy and future planning.

As well as generating valuable research for the sector, associations who have participated are able to have their own members' responses individually analysed and benchmarked to the overall results.

If your association has not participated but is interested in understanding how your association is performing, please contact us. We are able to conduct individual Associations Matter research, using the same questionnaire as used in the wider study so you can benchmark your performance to others in the sector and identify and understand the specific challenges facing your members. Questions specific to your particular circumstances can also be included.

We trust that you will find the information in this report interesting and useful and hope that it provides ideas you to help guide you in providing services that help your members meet the challenges they face in your industry.

We view this report as a starting point in an ongoing conversation with members of Australasian associations. We know there is more to do. And we intend to explore the most significant findings in more detail in future studies, to provide specific ideas for ways in which associations can adapt and evolve to meet the changing ways in which members expect to contribute to and collaborate with their industry association.

As researchers, we always seek feedback and welcome any comments, suggestions for improvement or observations you may have. Please don't hesitate to contact us with any thoughts you might have.



About Survey Matters

Survey Matters was formed in 2010, and provides a fresh approach to gathering feedback. We believe that the people who contribute to your organisation matter. That their feedback matters. And that their input into your organisation - its direction, strategy and performance - is an integral part of your success.

Stakeholder surveys provide the most effective way to gather this feedback. When done correctly, the information and ideas generated enable you to develop strategies that increase engagement and retention, improve products and services, create loyalty and build community.

Survey Matters are experts in stakeholder research. We specialise in research on behalf of associations and have worked with a large number of organisations in the not for profit sector. As the authors of the "Associations Matter" research series we have a large database that organisations can use to benchmark their performance.

Our surveys are tailored to suit your strategy and objectives and created with the outcomes in mind to ensure we always deliver information you can act on.

If you want to understand how your association compares to this research, or the study on professional associations, please don't hesitate to contact us.



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