

As published in the October 28, 2005 issue

1 2 3 4 5 a
6th reason
why most
affinity
programs
don't work

By Buz Buzogany, CAE, principal, SAVVY-Strategic Resource Partners, Arlington Heights IL

©2005 Association TRENDS

Affinity programs include everything from credit cards, rental cars and office supplies, to travel booking, burial markers, insurance programs or anything else that a group might invest in under the guise of "member advantage." The vast majority of affinity programs don't work, and it is for five simple reasons:

1. The product or service is not mission-driven.
2. The product or service is readily available elsewhere.
3. There is no clear-cut price advantage or significant value-added for the member.
4. The supplier has not been sufficiently vetted to know what they'll actually deliver.
5. There is not a reasonable return to the assn for the time and money spent.

These reasons would be sufficient in explaining why so many assn affinity programs do such a horrible job in delivering value to their members. But a key sixth reason is finally being discussed in the not-for-profit world: your assn's value proposition. Most assn executives don't have any idea of what a value proposition means, much less understand that it should influence every potential revenue decision they make.

Why does your organization exist in the first place? Is it to be a conduit to staplers, vehicles at your annual meeting, or discounts on travel? By defining your target market, the problems you can solve for constituents and how your product or service offering will provide return on investment, you're on the right track to understanding the value proposition. Affinity programs that work are those that take advantage of commonality of needs, serving a specific desire and brand loyalty.

Can a credit card program work? Absolutely, but only if you have an offer that is significantly better than what your members can obtain individually, and it should bring significant revenue to the assn. It is not an either/or situation. Your assn's bottom line must be healthy, and your offerings need to bring measurable ROI to your members.

A clearly defined value proposition becomes the central decision of your business strategy, defining the precise objective of why you exist, who you serve and how you will maximize your return. It is true whether you are looking at increasing sponsorship, advertising, affinity or any other nondues revenue option.

The most successful affinity programs today are insurance and credit cards. Why? Many assns cater to small businesses or individuals who need the services and savings that are available only through group purchasing. That "group" is what your assn exists to serve, and whether it is liability, health, property and casualty, business or practice protection, all of your members must be insured by someone.

If you are looking to create a successful affinity program for your assn make sure that what you offer is mission-driven, not readily available elsewhere, offers a competitive advantage, the vendor is sufficiently vetted, you maximize ROI and, most important, you create a value proposition that clearly defines your business strategy for every area of nondues revenue that you seek to enhance.

Details: 847/749-4012, Buzogany@savvysrp.com.

Buz Buzogany, CAE, CASE, is a principal of SAVVY-Strategic Resource Partners, a firm that helps assns increase their nondues revenue potential through strategic development and sales for advertising, sponsorship and affinity programs.

Association
TRENDS

7910 Woodmont Ave., #1150, Bethesda MD 20814 • 301/652-8666 • www.AssociationTRENDS.com