

What is a FourSquare Retention Study?

A FourSquare Study means

- *200 completed telephone interviews per branch*
- *Random sample is controlled to be a mirror image of the membership*
- *Advanced conjoint analysis provides actionable results: we tell you what to do, how to do it, and who to focus on*

Member retention means

- *higher membership revenues*
- *lower marketing costs*
- *a stronger YMCA community*

*Member satisfaction is worthless.
Member retention is priceless.*



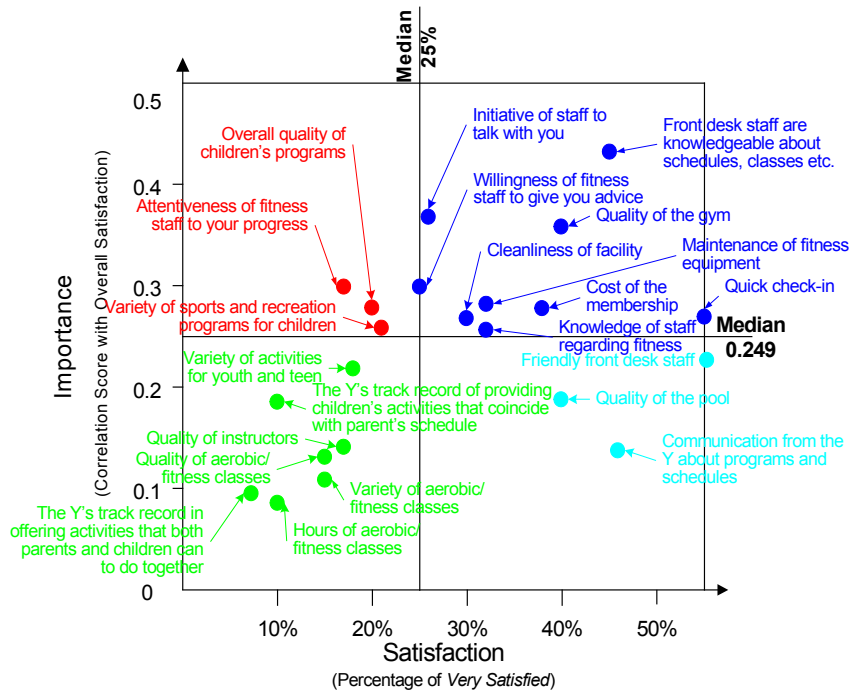
What and Who to Target

Retention studies help you target the aspects of your service which will have the most effect on maintaining membership. This requires an understanding of both how satisfied each member is on a variety of issues and also how important each of these is in their decision to remain a member of your YMCA. A FourSquare Retention Study uses correlation analysis to pinpoint where you should focus your retention efforts.

Satisfaction/Importance Matrix

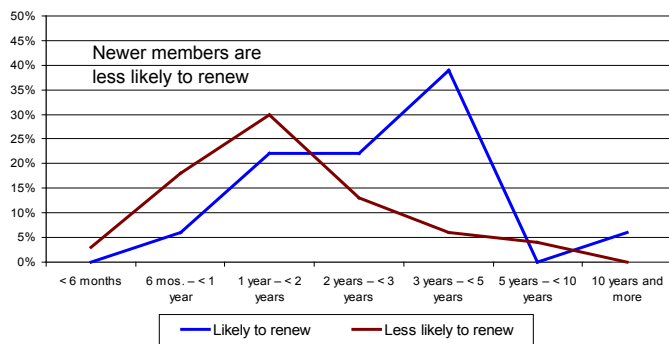


Matrix with plotted results

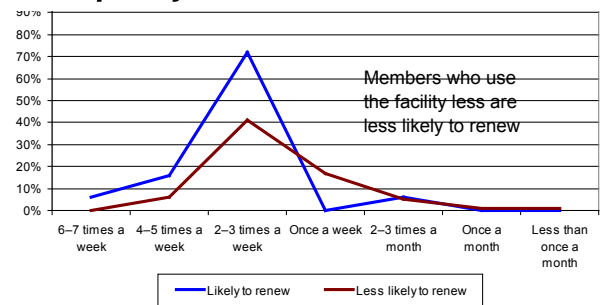


By analyzing profiles of members who are at risk of quitting, a FourSquare Retention Study identifies the member groups who need your special attention.

Length of membership



Frequency of visits



To Learn More

Please read the following article written for Perspective magazine by FourSquare Research Managing Partner Li Li. It will give you more insight into the methods, results, and value of membership retention studies.

Is It as Important as Members Say It Is?

Correlation analysis shows you exactly what member service areas to improve in order to increase retention.

UU

Many YMCAs address the issue of member satisfaction by conducting annual satisfaction studies. However, year after year many Ys see no significant improvement in their retention rates. The reason is one simple, but surprising fact: happy members do not necessarily equal renewing members.

A member could report an above-average satisfaction level even though there is some aspect of the experience that is seen as unsatisfactory. But if that single issue is very important to the member, it may be enough to cause termination. That's why high satisfaction may not guarantee high retention. Identifying what drives members to join the YMCA and what affects their renewal decisions is the key to high retention.

Keeping the River Flowing

YMCAs used to regard the flow of membership like the flow of a river: People will just keep coming and going. As the economy tightens and more and more marketplaces mature, it seems that there are more people going than are coming. More than ever, maintaining high retention rates has to be a critical strategy to any YMCA's success.

The good news is that any YMCA that manages to accomplish higher retention realizes three great benefits:

First, it boosts the bottom line.

Consider this example: For a large YMCA with 30,000 membership units; a one percent gain in membership retention translates into 300 units. If each unit pays an average of \$600 in annual membership fees, this increase results in retaining an additional \$180,000 in membership revenues. Imagine the revenue potential with increasing retention rates by five or 10 percent.

Second, high retention brings down operating costs, such as marketing. When members stay with the YMCA year after year, they are more likely to recommend the YMCA to their friends and neighbors, thus providing the most effective and cheapest promotion tool available—referral by word-of-mouth. Therefore, the YMCA could focus less on attracting new members, thereby significantly reducing promotional costs.

Finally, and most important, high retention strengthens the YMCA's ability to accomplish its mission. Higher retention means a stable membership group. With a more dedicated member group, the YMCA has more opportunities to apply the YMCA's core values of honesty, caring, respect and responsibility, and has

a better chance of building stronger children, families and communities.

What Really Counts?

So what do you need to do to find retention strategies that work for you? The key is to determine which member service components have the greatest impact on members' satisfaction and likelihood to renew. In other words, what's most important to your members? Before you run out asking members to rank the importance of all services, be sure to understand that there are actually three different types of importance.

When a member tells you something is important, that person could mean it is essential. An essential aspect may be "very important" yet may not influence the decision to join or renew. An example might be cleanliness of the facility. It's like the wheels on a car. They are a basic item that everyone assumes will be part of the car. If a car doesn't have them no one will buy it. But having them won't give any car an advantage over another. Likewise, while keeping the facility clean is essential to your members' experience at the YMCA, once you achieve it, it rarely has any impact on their intention to renew.

Sometimes when a member tells you something is important, the member could mean it is salient. A salient aspect is something that a member is aware of, such as that the YMCA has many programs for children. It results primarily from advertising or prior knowledge, and may have little bearing on the decision to renew. A member who has no children may rank having children's programs at the YMCA as important just because that's what the YMCA is known for. However, it may never be a factor in that person's decision to renew.

Finally, when a member tells you something is important, the member could actually be telling you that it's something that really matters—the determinant of membership. This is an aspect that actu-



Li Li is Managing Partner of FourSquare Research, Inc. in Atlanta, Georgia.

CAN YOU DO THE ANALYSIS YOURSELF?

Correlation analysis may sound like a fancy method of doing what a Y marketing professional with patience and organizational skills can do on her own without the requisite software and experience in using it. After all, the analysis simply compares members' likelihood to renew their memberships with the degree of satisfaction they have with various factors.

So, can't you simply poll your members to get this information, then cross-reference the two types of information to learn what is really important? Well, yes—if you want to spend the rest of the year doing it. To do the analysis reliably, a mid-sized Y would need to poll at least 200 members, ask about various degrees of likelihood to renew, and various degrees of satisfaction with dozens of aspects of service and services. If you remember your high school math class on permutations and combinations, you will instantly conclude that the task of tallying and analyzing such a poll would be Herculean.

Don't try.

ally determines preference and results in a member's choice to renew the membership. Therefore, it dictates the fitness center to the hours of child care to whether the staff is available when needed.

Eliminate the Guesswork

Using the correct method to pinpoint the true importance of each aspect of Y service and services—that is, the impact on members' satisfaction level—is crucial. That method is correlation analysis.

Using a statistical procedure called bivariate correlations, correlation analysis examines the relationship between members' responses to one service aspect and their overall satisfaction with that aspect and their intention to renew. For instance, if the analysis finds that one service aspect always ranks high among

members who have high satisfaction levels and a high likelihood to renew, we can conclude that this service aspect is very likely the reason members are satisfied and, therefore, choose to stay with the YMCA. The opposite is also true. When the analysis consistently finds the same dissatisfied aspect among dissatisfied members, it identifies the aspect as important in member retention.

The correlation analysis produces a number called the correlation score. The higher the correlation score, the stronger the relationship and, therefore, the more important the service aspect to members' overall satisfaction.

Set Your Priorities

Once we identify the member service areas that are truly important, it is a lot easier to figure out what you need to work on first. Using the importance/performance matrix, one can divide all member services areas into four categories:

- "Concentrate Here" are areas where you see important service aspects that are not up to the expectations of the members and, therefore, need to be focused on immediately.
- "Keep Up the Good Job" are areas where your member service strengths need to be maintained.
- "Low priority" are areas where spending energy on improvements may not be worth the results.
- "Don't Worry About It" are areas that you should not deal with.

This analysis provides an integrated look at both importance and performance. Instead of telling the YMCA to just work on where it doesn't perform well, it pinpoints the areas that need to be improved to have the largest boost on retention.

In the "Concentrate Here" grid of the importance/performance matrix, it's not unusual to see some membership aspects that actually receive relatively high satisfaction marks. The reason they are identified as such is because these aspects have a high impact on members' satisfaction, and their improvement will yield a

better result in retention than those with significantly lower satisfaction scores.


With this analysis, a YMCA could not only easily discover the critical issues for retention, it could also help the YMCA to prioritize resources to put energies where you would reap the highest rewards.

Pay Attention to "At-risk" Members

In addition to correlation analysis, identifying and understanding the profile of members who indicated that they are unlikely to renew is another way to implement effective retention strategies. Research has shown the following typical characteristics of YMCA members who indicated they were less than very likely to renew their memberships:

Young adults without children. Single adults ages 24 to 35 make up a high percentage of this group. While many YMCAs are proud of its service to children and families, serving both families with and without children is a constant challenge for YMCAs.

People who have been members for less than six months. You only get one shot with a first impression. For new members, if the first six months does not produce any significant benefit, they are not likely to stick around. One way to retain new members is to make sure they get involved and become familiar with the equipment, programs, staff and other members. The YMCA should consider having a new members team whose task is to ensure that every new member receives a certain number of contacts from the YMCA within the first six months of joining.

Members who use the facility less than once a week. The most-cited reason for people who quit a YMCA is "don't use enough." Therefore, ensuring that members use their membership by monitoring use and following up when necessary are critical. YMCAs also need to be preventive instead of reactive. Identify members with low use and stimulate their interest with new programs before they decide to quit. 

For further information, the author may be contacted at lili@foursquareresearch.com