TO: ALA Executive Board

RE: Organizational Member Special Promotions

ACTION REQUESTED/INFORMATION/REPORT:
To review and approve the recommendation from the ALA Membership Committee to offer a special “come back” promotion to small and very small libraries.

ACTION REQUESTED BY:
Kay Cassell, ALA Membership Committee chair, kcassell@rutgers.edu

CONTACT PERSON:
Cathleen Bourdon, AED, Communications and Member Relations, cbourdon@ala.org
Ron Jankowski, Director, Membership Development, rjankowski@ala.org

DRAFT OF MOTION:
That the Executive Board approves in principle a special promotion for small and very small organizational members, subject to review and recommendation by BARC.

DATE: February 27, 2013

BACKGROUND:
At the Seattle 2013 Midwinter meeting, the ALA Membership Committee reviewed and approved a proposal to offer a special membership promotion to small and very small organizational (library) members who dropped their membership over the last three to four years.

The goal is to build ongoing relationships and show support for small and very small libraries with limited budgets during the continued economic downturn. It will also help grow ALA organizational member revenue incrementally. This special promotion will add approximately 100 rejoining libraries and generate about $18,000 in net, incremental revenue. It is modeled upon a successful pilot project that ran in FY12 after approval by BARC and the Executive Board. Expenses for this promotion can be covered by the existing FY13 budget.

The Executive Board is empowered by Article I, Section 4 of the Bylaws to approve special promotional membership rates. BARC must also approve the proposal since it has a financial impact.

Attachments: Organizational Membership Retention Promotion for FY13
FY13 ORGANIZATIONAL MEMBERSHIP RETENTION PROGRAM
Come Back/Rejoin Offer for
Dropped Small and Very Small Libraries (Organizational Members)

Approved by the Membership Committee at the 2013 Midwinter Meeting in Seattle

Successfully pilot-tested in FY12

PROGRAM OBJECTIVE:

Increase retention of small and very small libraries to build ongoing relationship, show support during poor economic conditions, and incrementally grow revenue.

STRATEGY:

- Offer a 50% discounted renewal rate for very small and small libraries, whose memberships were dropped for non-payment of dues during the last 36-48 months.
- Expand on results from FY12 pilot program.

GOALS:

- Communicate that the ALA understands their economic challenges and is taking this action to assist them.
- Build longer-term relationships with very small and small libraries that have limited resources.
- Better communicate the ALA organizational member value proposition and reintroduce the value of ALA organizational membership.

KEY PERFORMANCE INDICATORS (KPIs):

- 15% of targeted group renews. Target: 900 libraries. Gross Revenue = $20,000 (10% of “lost” revenue).
- Build goodwill with very small/small libraries and with potential and existing personal members who work at the very small/small libraries. (Invest in longer-term relationships.)

TACTICS:

- Offer the target group a one-time only rate of 50% off the regular renewal rate.
- Send an Informz e-mail and a personalized letter from the ALA President, reinforcing membership value proposition and demonstrating a tangible understanding of very small/small library challenges. Include the Organizational-Member Value Proposition (O-MVP) brochure.
- Library members will be given the option of renewing by telephone or by returning a renewal form (mail/fax). Web-based renewal will not be available due to programming costs.
- Call to action: “Offer valid for 60 days.” Define a start date and an end date.
SIZE OF TARGET GROUP:

- 900 very small/small libraries meet the specified criteria.
- These 900 dropped organizational members represent lost dues revenue of more than $200,000.

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<thead>
<tr>
<th>FY13 ESTIMATED TOTALS</th>
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<tbody>
<tr>
<td>Total Revenue:                $20,000</td>
</tr>
<tr>
<td>Total Cost of promo:          $2,000 (minor updates to design, printing, and postage)</td>
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<tr>
<td>Net Revenue:                  $18,000</td>
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FY12 RESULTS & ANALYSIS

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<thead>
<tr>
<th>KPIs- Very Small and Small Libraries- GOAL</th>
<th>REVENUE/RESULTS</th>
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<tbody>
<tr>
<td>$12,744</td>
<td>Very Small $87.50 x 55 = $4,812</td>
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<tr>
<td></td>
<td>Very Small $175 x 9 = $1,575</td>
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<tr>
<td></td>
<td>Small $150 x 20 = $3,000</td>
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<tr>
<td></td>
<td>Small $300 x 4 = $1,200</td>
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<td>GRAND TOTAL = $10,587</td>
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Build longer-term relationship

Good will, ongoing renewals, commitment to small libraries

ANALYSIS: As in an early FY12 no-promotional organizational member campaigns, reaching out to lapsed organizational members was relatively effective, accounting for the “better than budget” FY12 revenue results. Ongoing messages to reinforce the value of membership, and renewal reminders will likely have a positive impact on the retention and recruitment of organizational members. Educating our organizational members about both governmental and library advocacy needs to be key messages. Due to budget constraints, very small and small libraries required a promotional incentive, so they did not have to decide between joining ALA or adding books to their collection.

<table>
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<tr>
<th>FY 12 SUMMARY TOTALS</th>
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<tbody>
<tr>
<td>Total Revenue:              $18,344</td>
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<tr>
<td>Total Cost of promo:        $3,000 (design, printing and postage)</td>
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<tr>
<td>Net Revenue:                $15,344</td>
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