A LifeLock value proposition

The economy has hurt businesses and associations, with budget cuts and economic hardship cited as a top reason for not renewing membership. Discretionary spending decreases have impacted paid memberships, seminars and conferences, taking a big revenue bite out of many associations.

Raising dues is a logical way to increase revenue, but this tactic can backfire and cause a loss of members, particularly if said members are under budgetary constraints. Many associations are in “stabilization and cost-cutting” mode, where member retention is critical. The cost of new member acquisition is astronomical versus the cost of member retention—up to 10 times as much.

To find other ways to offset these economic challenges, while ensuring ongoing member growth and retention, associations are looking at alternative revenue sources. As the competitive landscape expands, associations should evaluate member needs and conduct an analysis of current programs in order to offer differentiated value for members.

Boosting your non-dues revenue

Enter non-dues revenue. Joyce Cleaves, East Coast Business Development Manager for LifeLock, explains, “Associations are facing new challenges retaining their member base, as well as new competitive forces; therefore, raising dues for most associations is not a viable option. And with reduced travel budgets, fewer members are attending conferences.”

This factor alone presents a serious blow to what is seen as the biggest non-dues revenue line item for associations. The end result is that scores of associations are looking for new, innovative ways to show their members value. This means an increased need for relevant services, netting the association additional enrollments and revenue.

This conclusion is further supported by a 2013 report from Association Trends, which states that not only is conference-related travel reduced, but so is the overall association membership base. According to the report, “The association value equation stays front and center and will continue to play a key role in recruitment and retention efforts as members remain concerned with their pocketbooks. The value equation today is defined as any one or more programs or services that ensure members will take out their checkbooks and write a renewal check because there is no question in their mind that the association provides extraordinary value to them personally or to their company.”

Enhancing value for members

For members to experience enhanced value and benefits, it’s critical that relevant products and services are offered, solving a current need for the association’s entire membership. These services sometimes reflect the theme of the organization (e.g., automotive services for AAA members) or provide broader appeal for a diverse demographic (e.g., pet insurance).
Cleaves states, “The more relevant a product or service is to your membership, the higher potential you have to strengthen members’ relationship with the association. For example, breaches affect millions of Americans annually, and the desire for identity theft protection has increased within the consumer’s conscience. By offering a service that can help protect members, the association places itself in the position of serving as trusted advisor to their members because the benefit is timely, relevant and coming from a trusted source.”

Helping your association be the best

LifeLock has a long and fruitful history with associations. LifeLock’s proven success metrics include an 89.7% partner retention rate, a Net Promoter Score of 65 (Net Promoter Scores ask a simple question: “Would you recommend this company?”), and conversion rates that support a cohesive co-marketing program.

LifeLock continues to drive member acquisition through strong collaboration with its association partners. Ben Decio, Vice President of Strategic Accounts for LifeLock, says, “LifeLock’s unique customer engagement model, along with our dedicated team, brings excellent ‘best practices’ to our strategic partnerships with select associations. Many new partners are asking us to support the implementation of their non-dues programs because we have the expertise to roll out a successful program, taking much of the burden off the associations.”

Factoring in success

Developing a successful non-dues program can be important to an association’s financial success. The following success factors should be considered when selecting a partner:

- **Brand** – Is the brand recognizable? Reputable?
- **Product/Service** – Is the service relevant in today’s environment?
- **Experience** – Has the partner successfully implemented programs with other associations?
- **Marketing** – Does the partner have a track record of supporting marketing efforts? Is your association committed to multiple channels (e.g., email, digital, print, website, inserts, direct mail)?
- **Customer Service** – How much does your partner value customer service? (This includes retention rates, customer satisfaction and product relevance.)
- **Value** – Are you looking for a long-term partner? Is the partner dedicated to building a relationship and sharing information that will maximize return?

Because association needs, members and objectives vary, it is recommended that you determine your business goals prior to talking to potential partners. For example, is your goal to improve retention or increase non-dues revenue? Are you looking for additional ways to provide value for your members or increase touch points? By defining your needs and setting realistic expectations, you can improve the evaluation process while increasing program success.

About LifeLock

LifeLock, Inc. (NYSE: LOCK), is a leading provider of proactive identity theft protection services for consumers and fraud and risk solutions for enterprises. LifeLock’s threat detection, proactive identity alerts and comprehensive remediation services provide peace of mind for consumers amid the threat of identity theft. Leveraging unique data, science and patented technology from ID Analytics, Inc., a wholly owned subsidiary, LifeLock offers identity theft protection that goes beyond credit monitoring. As part of its commitment to help fight identity theft, LifeLock works to train law enforcement and partners with a variety of non-profit organizations to help consumers establish positive habits to combat this threat.

“We’ve been offering LifeLock to our consumer base for over five years. We’ve seen a great growth of activation among those consumers over the five years as a continual trend that we are really excited about. It’s something that we continue to focus on because we know it provides that retention and we know that it provides that engagement that’s so important to us at AOL.”

– Josh Thomas
AOL Director of Partner Management and Business Intelligence

Partner today
1-877-511-7906
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4 “A Better Year for Associations,” Association Trends, 1/30/2014.