

UNIVERSITIES: CUSTOMERS OR MEMBERS?

Devising a Member Relationship Management Strategy

Do universities have customers? Absolutely, but perhaps the term customer doesn't really work in a university context. The word member might be a better identifier and the description, members of a university community, might be more appropriate. Changing these terms elicits several questions. Who are these members and to become a member does a person have to be affiliated with a particular university? At what point does someone join this member community; when they are admitted to the university, when they graduate, or when they donate money? And once they join, does any event or action end or cancel their membership, i.e., do they ever cease being members? Finally, how should a university interact with its members? This paper will take a holistic view of member interactions within a university environment and will address the above questions. In addition, this paper will outline both problems and solutions for interacting with members of a university community.

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Membership relationship marketing faces a series of challenges that must be addressed for successful implementation.

Challenge 1: Building an integrated or complete view of university member data to better understand the community of members.

Action Items:

- Understand the relevant member data specific to facilitating good interactions.
- Utilize a project lead high enough in the university system to drive cross departmental decisions on data and systems.
- Leverage a unique and perpetual identifier for all members to address security, data linkage, and ease of updates of contact information.

Pulling the Member Data Together

Quite simply, members of a university community are people who interact with a university, in some form or fashion. These interactions can originate with people who have no affiliation with the university, as is the case when someone moves into a new city and decides to purchase season tickets to a campus sporting event, or members can be directly affiliated with a university as are current and past employees, current and former students, alumni and donors. Once someone joins this community, they should be a member for life and should be recognized by the university as a valuable “connection” to their university. Even in death, a member can benefit a university with donations from their estate.

Do universities understand who their members are?

Can they provide a count or even a list of the names of all the members in their community in short order?

Probably not.

The reason for this is that the member data is located in several different and autonomous databases and is spread across the entire university enterprise. This data usually originates in transactional systems with the main ones, from a data perspective, being human resources (current employees and students and former employees and students), the donor management system (donors and alumni), the ticketing system (ticket buyers for athletic and cultural university

events), and the alumni association. The barriers to combining this data into a comprehensive database are numerous and include political boundaries and data ownership issues, governance, security related to data sharing and exposure, and the funding and complexity of building a consolidated data warehouse of member data. If a university is going to “engage” this vibrant member community, they must overcome these barriers in order to quickly gain an overall understanding of the members, specifically, how they behave and their needs and desires. It is in the best interests of a university to actively engage their members because active engagement can be directly correlated to members investing in a university. In addition to donating hard dollars, active members can also positively influence curriculum, events, communications, and numerous other areas at a university.

The data stored about each member in a central repository should contain specific attributes that will assist the university in interacting with its members. This database, at a minimum, should include some basic information about members (contact information, year graduated, etc.), behavioral data (classes, major, events they have attended, how much they have donated, etc.), and their preferences and interests (i.e., how they should be contacted – email or phone, athletic interests, etc.) One hurdle a university will encounter in pulling all of this diverse data together is linking the data from different systems given that a student identifier in the human resources system is a lot different than an account number in the ticketing system. A second hurdle is providing security for sensitive data that has been historically organized around social security numbers. A final hurdle will be keeping the data current, especially in terms of address, phone, death indicator, and email address, so that the university can be efficient in dialoguing with its members. A secure and perpetual identifier for each member, which is maintained by a third party vendor, addresses these hurdles if implemented correctly.

A complicating factor to keeping data current is the problem of identifying and eliminating duplicate member records caused by typos and abbreviations and the fact that the same member can be on multiple databases within a university with some addresses being out of date. Members can also have multiple valid addresses and phone numbers (home, home office, office, vacation/second home, etc.), and it is up to the university to zero in on the correct one for a mailing, an email, or a phone call. Simple de-duplication tools are rarely a hundred percent effective in eliminating all of these duplicates but the use of a secure and perpetual identifier can further reduce duplicate member records. By having the most current contact information for members, a university can save on duplicate mailings and returned mail.

Challenge 2: Understanding the members in your university community.

Action Items:

- Enhance consolidated member data with rich 3rd party data
- Conduct a comprehensive segmentation analysis that breaks members into different clusters or segments
- Educate the university community on the make-up of the members and build a consensus on how to approach leveraging the data and analytical results.

Your University Members

Once a university has tackled the opportunity of assembling data about their members and can provide detailed lists of their members with basic information about the history of their interactions with the university; what's next? The next logical step is to better understand the make-up of the members since they are undoubtedly not one homogeneous group of people. To accomplish this, an analytic segmentation can be performed to identify the different groups or clusters of "like-members". Universities should consider purchasing rich 3rd party data in order to supplement their knowledge of their members for this type of an analysis. This purchased data could include attributes that identify where members fall on a continuum of wealth, their propensity to give/donate, and data about their interests (concerts, sports, etc.).

The results of a segmentation analysis can be very eye-opening and should be used to educate and inform members of the university management team. Most departments can benefit from this analysis: athletics can better market to members with athletic interest, annual giving can look for members that don't give a lot but have a high propensity to give, and the cultural events area can pinpoint individuals that might have an interest in an upcoming event.

Challenge 3: Moving beyond "socialistic marketing".

Action Items:

- Identify high benefit pilot areas to implement more targeted campaigns.
- Inventory all campus communications and look for redundancies, inconsistencies and opportunities. Re-evaluate the university branding strategy.
- Develop a campus-wide communication calendar that is visual and easy to understand.
- Develop a strategy to leverage the segmentation results to tailor communications to specific constituents using a standard brand (understand that "one size does not fit all" in terms of member communications). Initially look for efficiencies and then strive for effectiveness.

- Implement a true marketing system that complements other basic university systems (donor management, human resources, ticketing, etc.). The system should drive the planning, implementing, and monitoring of communications to members and provide a method to select members for inclusion in campaigns/communications based on their interests and preferences. This “Campaign Manager” will track all member campaigns to eliminate redundancy of communications and reduce information overload for the members.
- Capture data to provide a feedback loop to determine how members respond to various communications and treatments so that future interactions can be improved and enhanced in a continuous improvement process.

Changing the Communication Process

Once the segmentation is complete, numerous groups and departments within the university system can benefit from this improved understanding of the members and member segments. The goal should be to use this data and information to improve interactions with members. Instead of sending out *the same* message or communiqué to all members, a university can now tailor direct mail, emails, phone scripts, etc. to the different segments of members. A one size fits all strategy or “socialistic marketing” creates massive inefficiencies and poor effectiveness. Improving member interactions and eliminating information overload should be a primary objective of the university. While leveraging a better understanding of member data to better tailor interactions, a university needs to focus on three main areas:

1. **SIMPLIFY** – Universities should focus on eliminating communications to members that, at a glance, appear to be more important to the sender than the receiver. Logos and branding should be consistent and easily identifiable. Interactions should be launched through the channel that a receiver likes to be communicated through and presented in a way that triggers the desired response. Members should not be continually bombarded with unrelated, inconsistent communications or, over time, communications will lose their impact and importance.
2. **INTEGRATE** – Communications to members should ideally be coordinated across all campus departments and organizations. Universities should develop business rules and a governance process to ensure that the various departments and organizations have an awareness of all communications. Without this awareness, major campaigns can potentially fall on deaf ears if saddled by lower priority communications. Members can only digest so much information. Key communications like the annual giving campaign mailings should be slotted on a “communication calendar” so that other departments have an awareness of this event and can schedule around it or integrate with it. A

goal would be to have related departments working together to increase communication impact and decrease overall communications. An example of this is annual giving working with the alumni association where a certain donation threshold would trigger membership in the alumni association.

3. **AUTOMATE** – The consolidated member data and analytic and campaign management tools should be utilized to facilitate improved interactions with members. Tools should be leveraged to automate the process of analyzing (data), planning, executing, and monitoring campaigns, communications, and interactions (see Fig. 1 below). Business rules should drive these marketing automation tools and should allow for prioritizing communications and setting limits on the number of contacts per month/year for each member.

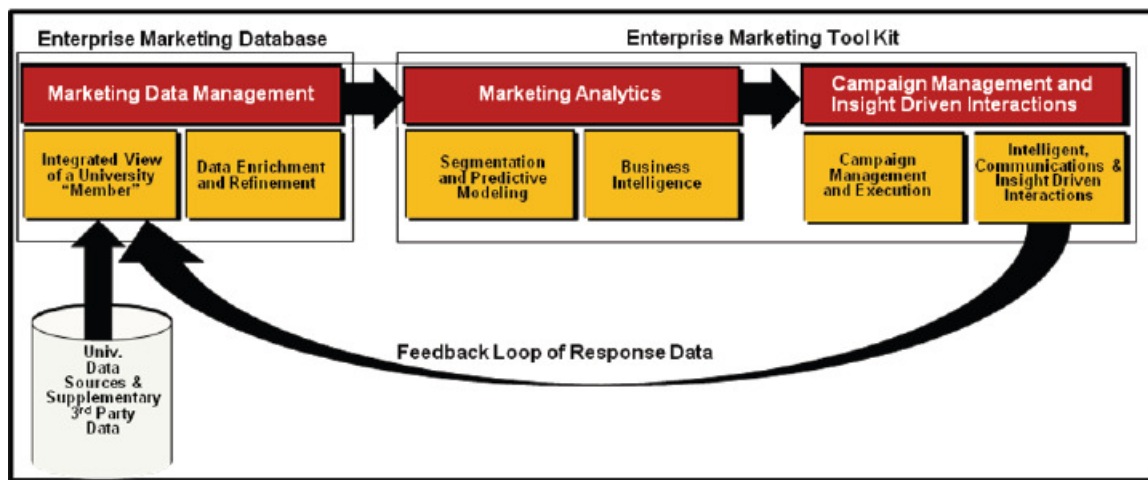


Fig. 1-Marketing Automation Tools Improve Member Interactions

Challenge 4: Nirvana: Implementing Member Relationship Marketing (MRM).

Action Items:

- Work on presenting a single view of the university to all members - whatever the member's point of contact is at the university, the knowledge of that member should be available at each member touch point.
- Leverage the integrated member database to drive member interactions.
- Capitalize on every interaction that a member has with the university to strengthen ties of that member to the university.
- Identify high benefit, pilot areas to test and prove out concepts.

Member Relationship Marketing is a new way of thinking for universities and is an evolution of a Customer Relationship Management strategy. Member Relationship Management strategy recognizes the differences between customers and university members as well as the unique requirements of a university enterprise. If implemented correctly, MRM can reap huge benefits for a university. A member relationship can start as early as when a high school

student becomes interested in your university. Whether accepted as an entry level student or not, that student has started a relationship with the university that should be nurtured and developed. Relationships are not static and continue to evolve as a member moves through their life (see Fig. 2 below). A rejected high school applicant could still take part time classes at your university and could still attend athletic and cultural events. This member might also one day become a full time student.

Member Relationship Marketing is not a technology or a software package that one can purchase. MRM is a business strategy that has a main goal of improving member interactions through the use of data, analysis, tools, and technology.

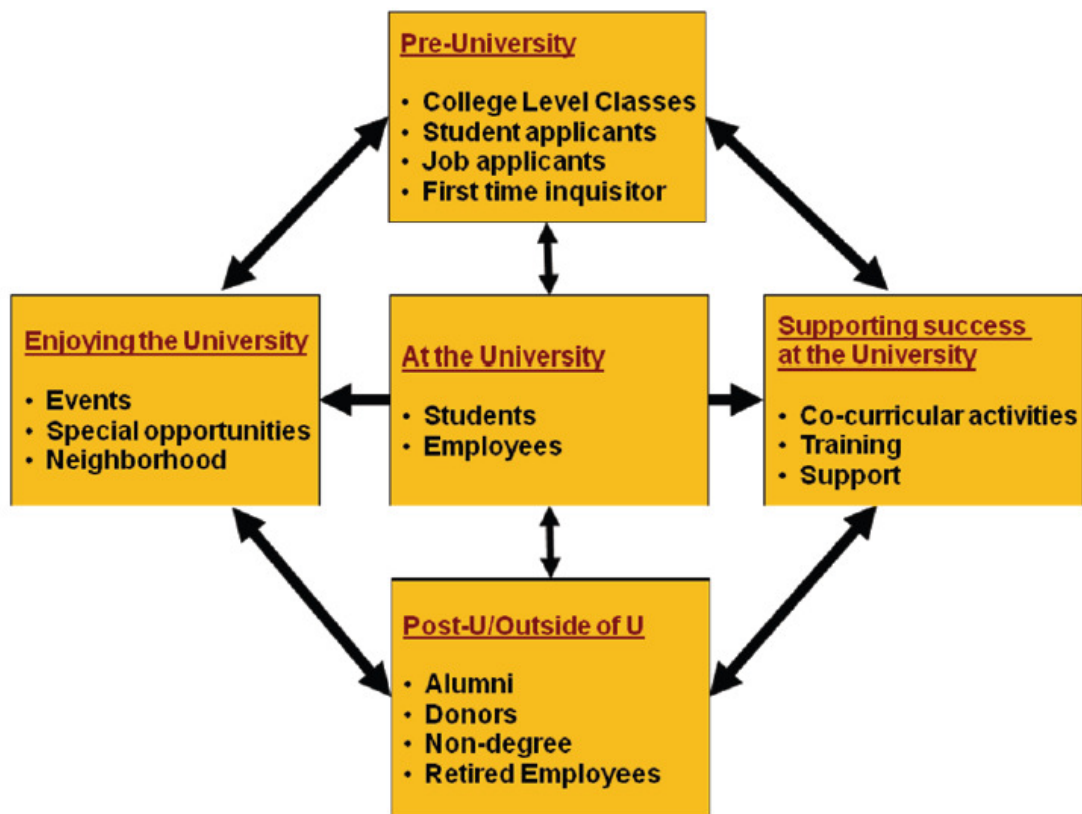


Fig. 2-Member Lifecycle

Universities need to set Member Relationship Management as a goal (see Fig. 3 below). By coordinating and integrating the various member-facing functions within the university, universities can begin to:

1. Understand and quantify the value members receive from your university as well as the value you offer to members.
2. Eliminate barriers and create incentives to have different departments and organizations work together to maximize the value of interactions with members.

3. Ensure that all university marketing, sales, and service interactions with members are coordinated, value added, and based on a thorough understanding of the member.
4. Recognize that there are tradeoffs and compromises to be made between cost to serve and member satisfaction.
5. Provide governance to the process of member management.

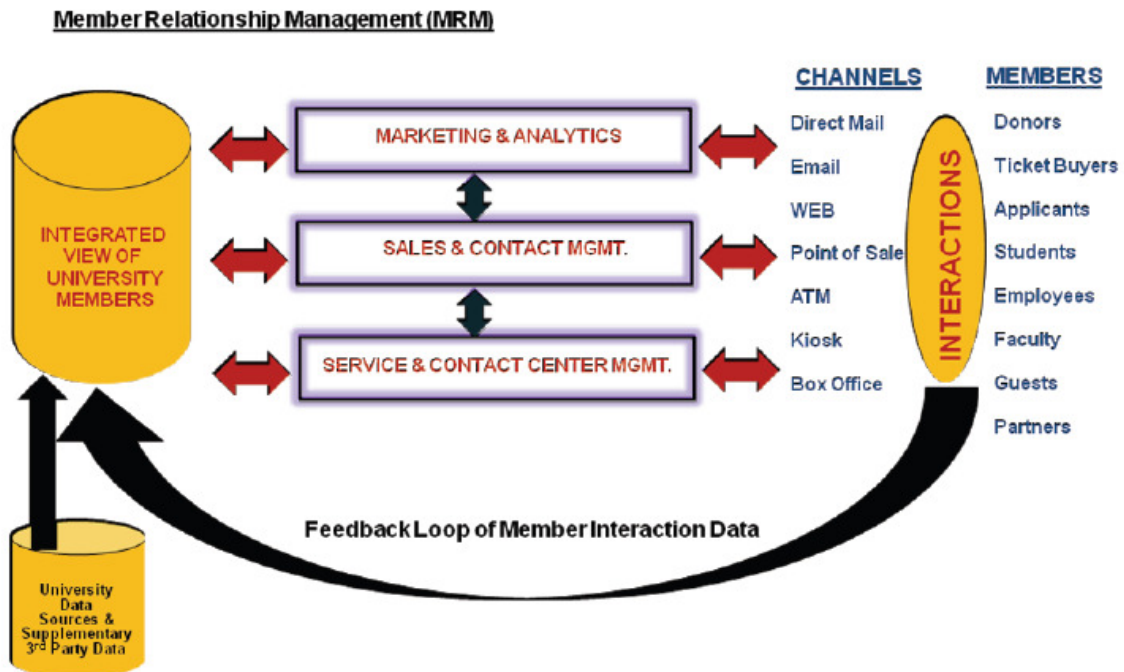


Fig. 3-Member Relationship Marketing: The Big Picture