



Misplaced marketing

Mismanagement of misfocused trade association leaders

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Abstract Focuses on the mismanagement by trade association leaders who focus on wrong areas. Suggests that they would do well to remember their experience as a member rather than as a leader in order for them to maintain their marketing perspective.

No care for who they offended

The head of marketing for a large university's alumni association spent a few hours telling me of his problems with his board of directors. Instead of helping him with ideas for services to get more graduates to join or renew membership, a few strong members of the board seemed dedicated to seeing how much money they could squeeze from those who had already paid. His requests for surveys of recent graduates on member interests were constantly rejected with a refrain of "We are graduates. We know what is important." Yet they seemed so inner directed with seeking a dollar more here or there, not caring who they offended.

In a similar vein, a senior member of a business trade group dropped in at the hotel where they were holding the annual conference. He had neither the time nor money to attend, but his office was nearby and toward the end of one day he wanted to see if he could spot any friends outside the meeting rooms. Apparently he was spotted by a member of the executive committee, or so he was told, because a day later he received a demand letter from the association's attorneys stating that he must pay the registration fees for the meeting.

Member-as-consumer focus

In the sword and sorcery novels of Robert E. Howard, his most famous creation, Conan the Barbarian, says that: "Being a king is easy as long as you remember what it was like at the other end of the scepter." A marketing perspective is often lost by managers who fail to consider the needs or values of people unlike themselves, but the elected leaders of professional associations should readily apply marketing perspectives. After all, the leaders of even the largest trade associations, labor unions or advocacy groups were once general members themselves. A member-as-consumer focus should be intuitively obvious for them.

Yet, by the time these men or women become leaders, they are so far removed from their time as regular dues-paying members that they forget their prior lives. Some seem to become more enamored with being leaders than with serving the members and the association's values lose track of

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Retention of members by virtue of sheer market power

those it is supposed to serve. As senior business managers, administrators, owners or partners in the firm, they are many years removed from days as part of the typical rank and file.

When marketing becomes misplaced, some organizations retain members by virtue of sheer market power. The oldest or largest groups retain members who feel they are not served but still feel that the group is too important to just quit.

A handful of years ago, a large trade association for business educators and professionals announced a huge rise in annual membership dues. While organizations raise membership fees all the time, some members were bothered by the reasons given for the change: that the organization needed the increase to keep up with inflation since the last increase. Instead of explaining how the money was needed to provide services to members, an article in the members' newsletter explained that the final dues level was based on a market comparison to dues charged by several other trade associations.

At a basic level, the stated reasons for the increase itself shows an old production orientation for the organization, starting all planning with what leaders want to do. They did not follow a marketing perspective, and did not start planning with consumer (in this case, member) concerns. Judging from the comments on electronic member-oriented bulletin boards after the announced dues increase, many members, especially among the educators, felt that the association's leadership had lost touch with them.

The association's leadership tried to give an additional explanation of the dues increase to the educators in an article in a magazine distributed to all of the education-based members. Written and bylined by the elected chairman of the board, the article admitted that, prior to the dues increase, a member survey had indicated that educators already felt that the dues were too high while the marketing practitioners had indicated a willingness to pay dues as much as three times greater.

Two distinct groups of members

It should have surprised no one that there were two distinct groups of members, one viewing the dues as too high, and the other saying they were lower than expected. The obvious marketing reaction should have been differential pricing, charging the two groups – educators and practitioners – different prices to match their personal needs or interests.

This would not be unusual at other associations. Government of business-oriented groups often invite educators to join with fees greatly reduced from those charged to the business-supported members. However, the leaders of this large professional association did not seem to consider differential prices for two groups of regular members. Instead, they announced the different views found in the data and called the survey a vote in support of the increase, thereby showing the limited marketing mind set of the people in charge.

Maybe the leaders forgot what it is like at the other end of the scepter. Around the time that the dues increase was announced, another member publication for this group included a publicity photo-story, supposedly presented to give the members a positive view of the association and its leaders. In it, the chairman was attending a special function and, in the picture, he was shown in conversation with Jane Fonda and her then-husband, Ted Turner.

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A marketing orientation for a non-profit trade association should be based on some assessment of how much money is needed to provide services to members, and as such, keeping up with inflation or assessments of competitor charges, while possibly relevant, should not be the determining factors.

Dues and other pricing issues are the easiest example, but it is a common situation for members to wonder what is going on in the home office. Association attorneys are quick to send demand letters for the most trivial of slights, special visitors at meetings are harassed by a financial officer to pay for trivial items and members find it increasingly difficult to get any service from the so-called service staff.

Of course, many of the large and established trade groups are run from central offices with a large infrastructure of non-member employees, including a salaried set of executive officers and other staff who carry out the day-to-day operations. These employees have never been members. Many associations, like businesses, could simply be cursed by mentally disconnected employees who refuse to think. Yet the arrogance that drives the misplaced marketing often is from the top.

Just because it is a non-profit member-based organization does not make it immune from losing a marketing perspective so power or profits become a larger priority for leaders than the consumer-oriented marketing of services for members.

