



MEMBERSHIP, GROWTH & DIGITAL TRANSFORMATION

Membership Value Proposition: The Gap Almost Every Association Has

Many associations believe their value proposition is compelling. Is yours tested, or assumed?

Benchmarking research puts a number on a problem most boards sense but rarely quantify. In Marketing General Incorporated's 2024 Membership Marketing Benchmarking Report, a US-based survey of associations, only 13 percent of respondents described their value proposition as very compelling, while 42 percent described it as neither compelling nor very compelling. Australian data is limited, so treat these as indicative. The associations that cannot call their offer compelling are not necessarily providing bad value. They have simply never tested, with any real rigour, whether the value they provide is the value members actually experience and recognise.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

In this resource

1. [The Gap Between Having Value And Showing It](#)
2. [The Specific Window Where Retention Actually Breaks](#)
3. [The Counterintuitive Evidence On Pricing](#)

The Gap Between Having Value And Showing It

Membership benchmarking research distinguishes two related but different causes of member attrition: a lack of actual value, and a lack of engagement with the value that already exists. Both matter, and they are interconnected, since a member who never engages with a benefit experiences that benefit as though it does not exist. This distinction matters for a board specifically because the two problems call for entirely different responses. An association with a value gap needs to change what it offers. An association with an engagement gap needs to change how clearly and consistently it demonstrates value members are already entitled to but not actually using.

The Specific Window Where Retention Actually Breaks

The same 2024 report put the median overall renewal rate at 85 percent and the median first-year renewal rate at 75 percent. These are overseas averages, not targets, so compare your own first-year and overall renewal rates over three years. If first-year renewal sits meaningfully lower, that gap deserves specific board attention rather than being averaged away into the overall figure. A new member has not yet built the habit of engaging with your association's specific benefits, has not yet attended an event or used a resource that made the value tangible, and is consequently the most fragile segment of your entire membership base at exactly the point many associations invest the least deliberate effort in helping them experience value quickly. A steady overall renewal rate can create a false sense of stability while an engagement problem quietly deepens underneath it, particularly among the first-year members who have not yet decided whether your association is worth the ongoing cost of belonging.

The Counterintuitive Evidence On Pricing

Boards facing a value proposition problem frequently assume the safest response is to avoid touching membership pricing at all, for fear that any increase will accelerate the very attrition the board is trying to solve. Some benchmarking surveys, mostly from the United States, report that most associations that raised dues saw little change in renewals. Treat this as indicative only and test the effect on your own members before deciding. This does not mean price increases are consequence-free. It means price should not be assumed to be the primary lever driving attrition, when the underlying value proposition and its clarity are often the more decisive factors.

- Treat first-year member engagement as a distinct governance priority, not simply a subset of overall retention, since it is both the most fragile segment and the one most responsive to deliberate early intervention.
- Diagnose whether your association's challenge is a value gap or an engagement gap before designing a response, since the two require materially different fixes and treating one as the other wastes real effort.
- Test your value proposition's clarity directly with actual members and prospective members, rather than relying on the board's own assumption that the value is obviously compelling, given how often benchmarking suggests that assumption is optimistic. Ask management for benefit usage rates, first-year engagement data and exit survey reasons, which together help separate a value gap from an engagement gap.
- Approach membership pricing decisions with the actual evidence in view rather than an unexamined fear of attrition, while still ensuring any pricing change is matched by clear, demonstrable value.
- Connect this analysis directly to the revenue diversification and budgeting disciplines discussed in the previous quarter, since membership revenue's stability depends directly on the value proposition strength this article has examined.

A membership value proposition is not a marketing slogan decided once and left unexamined. It is a strategic asset that either compounds member trust and revenue stability year on year, or quietly erodes it, and a board has no good reason to leave the question untested. This is one of the practical governance topics built into our Association CEO course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

Annie Gibbins

Founder and CEO, Nexus Leadership

BOARDROOM ACTION WORKSHEET

Membership Value Proposition: The Gap Almost Every Association Has

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

CONTINUE YOUR LEARNING

Turn governance principles into practical board action.

Self-paced courses, editable resources and practical support for association boards and CEOs at nexusleadership.com.au.