

## **Helping your members through the credit crunch**

Everywhere you turn there is talk of the credit crisis continuous effects on consumers & small businesses. Research suggests that four in ten of us fear that we will be hit by the credit crunch.<sup>1</sup> As a consequence of feeling the pinch we are beginning to reign in our spending and there is an increasing trend for looking to ways to save money and be smarter spenders when it comes to our purchasing needs. This trend is supported by the increase in the number of sales through specialist discount sites offering discount codes and deals off major retailers with a number of these sites reporting an increase in sales of over £2m in the last few months alone.<sup>2</sup>

With consumer confidence and morale down, Trade Associations can play an important role in assisting their members in 'riding out' the credit crunch through the introduction of a member benefits discount scheme. Many Trade Associations both large and small have begun to recognize the importance of introducing member deals either as part of their overall member benefits package or as a standalone benefit to members.

Member Benefit discount schemes can provide associations with the opportunity to offer added value to their membership package and differentiate themselves from their competitors. Through membership, members can have access to sizeable discounts on a range of both Business deals and Lifestyle deals that are of benefit to both their Business and their everyday personal spending. Many members of Trade Association groups are SME businesses looking to reduce the spending on both their Business utilities and services (including Stationery, Office Computers, Business Fuel etc.) and a Member Benefits programme can help them make considerable savings.

### **Choosing a provider**

Implementing a full Member Benefits package can be problematic for many Trade Associations who may not have the resources or the time to devote to sourcing and negotiating individual deals. This should not though restrict these Associations from implementing a programme, and many are turning to a third party provider who offer s greater choice of benefits and who has a larger purchasing power to fulfill their requirements.

A good benefits provider can take away the administrative burden from the Association and co-ordinate the entire programme, from negotiating and managing the deals through to providing the mechanism to effectively communicate the deals to members.

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<sup>1</sup> Which? Magazine Survey

<sup>2</sup> The Sunday Times article- April 27<sup>th</sup> 2008

When choosing a provider, Associations need to ensure that their provider of choice offers a diverse range of quality offers to appeal to all demographics, that a sizeable discount is being offered and that the deal is easy to take up.

### **Communication, Communication, Communication**

Communicating benefits to members is extremely crucial in determining the success or failure of a discount scheme. If members do not understand what benefits are on offer or how to access them then the scheme will not work. They will not use a scheme that they do not know about and a poorly communicated benefits scheme may lead to unsatisfied members. Therefore the benefits need to be effectively communicated from the beginning

Its recommended that a mixed communication strategy combining both paper and online messages provides the most effective communication tool as not all members will necessarily have access to the internet etc..

Through a successfully implemented Member Benefits scheme that offers a wide choice of retailers, sizeable discounts and which is effectively communicated, members have access to large savings courtesy of their Association. The Association in turn is able to provide a benefit offering that is highly desirable, with a low cost but perceived higher value and which has the potential to create loyal members, which in today's current 'credit crunch' climate creates a 'win-win culture' for both the Association and its members.