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## Marketing Basics

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1. Marketing can be influenced by any or all of the following:
  - **Personnel:** Happy staff promote the co-op; disgruntled staff do not.
  - **Maintenance:** Good buildings promote the co-op; deteriorating buildings do not.
  - **Membership Recruitment:** You need to get the word out or no one will know the co-op exists.
  - **Financing/Budgeting:** Improper budgeting or financial management can detract from the ability of the co-op to do adequate maintenance, membership recruitment, etc.
  - **House Cleanliness:** Unclean houses can scare away potential co-op members.
  - **Recycling:** Co-ops have a good environmental reputation. A strong recycling program might actually promote membership.
  
2. Advertising, although important, is generally *not* the most important aspect of a marketing plan. Addressing shortfalls in some of the things listed in item 1 above generally is.
  
3. If a house is having vacancy problems, introducing incentive plans for new co-op members or for co-op members who recruit new members may make sense, but such efforts are no substitute for addressing the underlying issues leading to the vacancy problem.
  
4. Students choose where to live based on all of the following factors:
  - A. Appearance
  - B. Location
  - C. Cost
  - D. People (House/Room/Apartment-mates)
  - E. Type of housing
  - F. Other benefits (Ethernet connection, cable TV, etc.)
  
6. If the co-op is at 100% occupancy, this does not necessarily mean your co-op is doing a good job at marketing. High occupancy often is just a sign of tight market conditions citywide. On the other hand, periods of high vacancy rates help illuminate where marketing shortfalls lie and makes it easier for the co-op to identify and address problem areas.

7. *Member retention* is often far more important than *recruitment* in maintaining high occupancy rates. Among the benefits of increasing member retention rates are the following:
- Reduced education and training costs and needs, as there are fewer new people to train.
  - Improved house functioning, as house officers and members are more experienced.
  - Less strain on member service staff, as less time is spent signing contracts and orienting new members.
  - Improved central level functioning, as Board members are more experienced.
  - Members more likely to look out for long-term health of co-op, as they are more likely to stay long enough to benefit from longer-term investments.

## Keys to Successful Marketing

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### Rules and Implications

#### Defining Marketing:

Marketing is the totality of systems, activities, products, and messages, which, taking the path of least resistance, leads people in markets to purchase your service or affirm your message.

**Rule 1: The Rule of Inertia:** *Marketing which relies on changing an existing opinion is not nearly as successful as marketing which affirms what people have already concluded or believe. People aren't sold; they buy.*

**Corollary:** Your co-op is not likely to succeed in convincing fraternity and sorority pledges to leave the Greek system and join the co-ops. Promoting co-op membership requires identifying likely co-op members and focusing outreach and advertising strategies towards those groups. At the same time, it may make sense to make efforts to reach out to new market niches (for instance, to increase racial diversity) - in doing so, however, it is necessary to recognize that initially you will get *less bang for your buck* - i.e., you need to overcome negative market inertia first.

**Rule 2: The Rule of Sisyphus:** *The marketing process must embrace the full spectrum of an organization's activities. The process never ends. Marketing represents an investment.*

**Corollary:** Although it may seem sensible, spending zero on marketing in a year when the co-op is full is *not* a good idea, as the benefits of marketing are long-term - marketing at a time of full occupancy helps ensure fewer vacancies down the road when times are not as good. In other words, there is a *lag effect* to successful marketing - the results of this year's promotion efforts may not be evident until the following year.

**Rule 3: The Rule of the Market:** *Marketing is based on the market and how the market sees your service. Services are as important*

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*(perhaps more so) than media. Your service is its own best (or worst) salesperson.*

**Corollary:** No amount of promotion will counteract bad food, non-functioning houses, and deteriorating buildings. Investing in such things as member education and long-term maintenance is critical to maintaining long-term high occupancy.

**Rule 4: The Rule of Hidden Messages:** *Marketing campaigns get what they ask for. The nature of a marketing campaign will speak for the organization.*

**Corollary:** You need to assure that your co-op has the right level of "professionalism" in your marketing efforts. You want your marketing materials to look good, but not so slick as to turn off potential members.

**Rule 5: The Rule of Attention Spans:** *The audience's attention is a scarce resource, which is hotly contested.*

**Corollary:** Co-ops are not the only housing game in town. This means that co-ops need to compete with other forms of housing. To take one example of this principle, a co-op needs to set its sign-up period for leases to be at roughly the same time as other housing providers - otherwise, the co-op risks losing potential members to housing alternatives which lock in students to year-long leases at an earlier date.

## **Member Recruitment**

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Membership recruitment is among the most important activities your co-op undertakes. In the same way old co-op members attracted you to the co-op, you and your housemates have the obligation to introduce other students to the cooperative concept.

Membership recruitment is an activity that takes place all year regardless of when most new members sign contracts. The best way to ensure that people are interested in moving into the co-op is to maintain a continual positive presence in your campus community by hosting meetings of campus groups at your co-op, staffing booths at university fairs, and encouraging local publications to write articles about your unique housing option.

### **Getting the word out**

- Post flyers all in and around campus at places where people look for housing (bulletin boards, kiosks, the student center, housing office, dorms, coffee shops, copy centers, bookstores). Some co-ops make "home made" flyers and have flyering parties where members color and decorate the flyers.
- Write messages on classroom chalkboards with the co-op phone number (i.e. looking for democratic, student run housing?, call #)

- Put flyers in student group mailboxes or go to student group meetings and make announcements about the co-op and that contracts are available.
- Develop a professional brochure. Ask the off-campus housing office to distribute them.
- Encourage all co-op members to recommend the co-op to their friends and classmates. Nothing gets the word out better than word-of-mouth.
- Create an officer position to coordinate recruitment efforts or to work with staff people who deal with membership and recruitment.
- Table on campus periodically throughout the year. Have flyers, brochures, photos and co-op members available to talk about cooperative living.
- Create a web page for your co-op and include an application form. Some co-ops get tons of applications emailed to them from their web page.

### **Getting people in the door**

- Keep and clean and tidy house and invite perspective members over for dinner, house tours, house meetings or open houses. Maintain an accessible list of available rooms and room rates.

## **Member Retention**

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### ***Why do so many members want to move out?***

- **Our co-op has an insect or rodent problem.** Most people generally don't want to live in an environment like this; it is unsanitary and sometimes detrimental to personal and co-op property.
- **Our co-op's food is consistently bad.** If living in your co-op includes food purchasing and preparation and the meals are not pleasing or edible, people are going to feel cheated and want to move out so they can purchase and cook their own food.
- **Our co-op lacks a structure to deal with conflict.** When conflict arises and co-ops do not have structures to resolve them, members often times become frustrated, do not feel listened to and end up moving out.
- **Our property is poorly maintained** (i.e. the clogged shower hasn't been fixed in 3 weeks). When maintenance problems run rampant and the co-op doesn't address them, members look to other housing

- options which immediately meet maintenance needs--besides, many plumbing problems that aren't tended to often become unsanitary.
- **Our meetings are endless, poorly facilitated and little is accomplished.** Consistently long meetings that have no significant outcomes will drive people away like crazy. This is also a sign that your co-op lacks proper training and leadership development.

### ***Why do some members renew their contracts?***

- **Our co-op has a great New Member Orientation** that informs new members about the co-op movement, the history of our co-op, the organizational structure and how they can become involved.
- **Our co-op does an entry and exit survey.** (These types of surveys are great ways to find out a) how people found out about the co-op b) why they moved in and c) why they moved out. This information is useful when developing strategies for member recruitment and retention.)
- **Our co-op is well maintained**--when the toilet breaks, we fix it immediately, we also put financial reserves aside for long term capital improvements. (People like to live in well maintained places.)
- **Our co-op has good food, usually.** Once and a while we have a bad dinner, but heh, it's a co-op! (For many co-ops, food is the center of co-op life and good food equals happy co-ops.)
- **Members are highly involved** and those members encourage others to become involved, too. (Member who become involved realize the constructive difference they can make and how much better the co-op operates when members are involved--this makes them stick around unless they are the ONLY person involved.)
- **There are so many interesting people in the co-op** that member's have great social lives. (Fact is, co-ops are great places to meet people and have parties while most other dorms and apartments aren't.)
- **Our co-op has pretty good prices**--especially for what you get. (If your co-op charges beat the pants off local student slum rent, members tend to stay longer.)

## **Starting Out Right**

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Creating a cohesive and supportive co-op is, in one sense, important because it increases member retention. But it is also good in and of itself.

Critical to building co-op cohesion is starting out right. Chaos and disorganization can too easily be the rules of thumb when a new term begins. An organized and smooth beginning will set the tone for the term and set expectations of new members as to how good a co-op can be.

- In order to keep the co-op clean and to make a good first impression, post a volunteer work schedule. Superficial clean up jobs such as common area clean-ups should get your co-op through this period. Setting the cleanliness standard at the beginning of the term/year is important to the attitude toward cleanliness throughout the year.
- Make sure that members pay all initial charges. This helps them new members get in the habit of paying on time.
- The first co-op meeting of the term should be held near the first day of school.
- Many co-ops have an all day work extravaganza once a term in which all members of the co-op participate. Some co-ops call these work parties or work holidays. Organizing a work party within the first few weeks is a good idea. This provides an excellent opportunity to build a cooperative atmosphere. Besides doing essential cleaning and maintenance repairs, do some highly visual jobs that give the group a sense of ownership and accomplishment (painting, carpet cleaning, painting murals, etc.). Ending the event with a pizza dinner or similar event allows members to share their accomplishment and start building their community. But make sure that whatever you do after the work party involves a minimum of clean-up effort. Otherwise, you might need to have a second work party - and one work party a term is enough!
- If you don't have a social event after your work party, have one sometime within the first few weeks of the term so that people can get to know each other. An outing to the local bowling alley, ball park, etc. is also a good community builder.

## **Introducing New Members to Your Co-op**

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In terms of orienting new members, it is often a good idea to start with the big picture. Giving new members a tangible history and an idea of the greater co-op movement helps them feel like they are a part of something. Talk about the history of your co-op - how it got to where it is

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now, changes over the years, etc.

Once you've covered the "big picture" items, you need to explain the details of day-to-day operations.

Member education and orientation are often downplayed, to the disadvantage of many co-ops. Orientation and education includes explaining the work schedule, what a specific duty entails, how co-op meetings take place, what responsibilities members have towards the co-op and vice versa, etc. Take nothing for granted. Explain as precisely as possible what is expected. Most members will be more than glad to have a complete understanding of their responsibilities. Your members cannot fulfill their responsibilities if they do not know what they are

### **Some Initial Ideas for Orientation**

Now that you have a good idea of what kinds of things new members need to know, here are some ideas for the orientation process.

1. Many of the nuts and bolts items, such as smoking areas, quiet hours, etc. need to be brought up at the first co-op meeting. Other things can wait and be discussed at future meetings or in other ways. Unless quiet hours and other policies are ongoing co-op rules, it's a good idea to vote on them at the first co-op meeting so that new members feel more a part of the co-op and your decision process.
2. A regularly-updated Owner's Manual (co-op handbook) can provide a lot of information to new members about their responsibilities to the co-op, how the central organization works, and what is expected of them.
3. A short presentation by returning members, which includes some games or skits can often be an effective way of disseminating information.
4. Another effective strategy is to have members "adopt" one or two new members each and show them around the co-op, explaining how things work and answering questions.

## **Encouraging Participation**

## Why Members Become Involved

1. It looks like fun.
2. The member wants to benefit from the results of the activity.
3. It looks easy to do.
4. The member wants to learn how to do it.
5. The member likes the people working on the project.
6. The member wants to have an impact, to make a difference in the organization.
7. The member feels needed.
8. The member believes in the cause.

## Ways to Encourage Participation

### **1. Ask.**

People may not know that help is needed, may think others will fill the position. Inviting individuals specifically may flatter them.

### **2. Let people choose their tasks.**

Members are much more likely to do tasks which they have chosen and expect to like.

### **3. Remove the barriers for involvement.**

Supply the needed materials, lists of helpful contact people, etc.

### **4. Prepare members for success by giving them the necessary information and tools.**

### **5. Let people know what you expect.**

Check in before you expect tasks to be completed.

### **6. Reward and praise one another constantly.**

### **7. Encourage people to follow up on their own suggestions.**

When members say, "What they really ought to do is...", greet the suggestions with enthusiasm and ask if the member would be willing to work on that idea. If they agree, give them the tools they need to follow through.

## Basic Principles Regarding Promoting Involvement

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In helping develop new leaders, it is important to keep some basic principles in mind.

- 1) **Encourage members to commit to doing something beyond their basic work shift responsibilities.** Doing so will require more work on their part, but also helps new members feel like the co-op is truly your home.
- 2) **Encourage high attendance at membership meetings.** Membership meetings are critical to making sure that all are participating in the co-op and for encouraging new members to get more involved.
- 3) **Don't ask too much.** While it is good for new members to commit to some project beyond their work shift responsibilities, it is far better to have a member commit to *one* added task and do it well and on time than to commit to three but do them poorly and late.
- 4) **Coach new members to start with small goals and build from there.** Encourage new members to choose projects that are achievable. After the member has tasted success, the person is far more likely to take on added challenges.
- 5) **Be cognizant of people's different financial needs.** We all know that one reason co-op members don't participate more in the co-op is because they need to take on outside jobs in order to pay the bills. If this is affecting the co-op's ability to recruit new leaders, action needs to be taken. Many co-ops pay stipends to members who take on significant added responsibilities precisely for that reason.
- 6) **Encourage new members to ask questions.** Training and member education are vital parts of any successful co-op. Experienced members should be encouraged to assist new members who are taking on their tasks. If the task has never been done in the co-op before, help the new members find outside help. Encourage members to write down what they have learned. *Over time, this creates a written manual, which makes life much easier for the next generation of co-op members.*
- 7) **Help ensure that meetings begin and end on time.** No one likes meetings that drag on. Meetings are work, but they should also be fun and empowering. This requires having a posted agenda before the meeting (with time limits) and keeping to the agenda. If an item goes past its time limit, the facilitator should check in with the group and either bring the discussion to a close or get the group's consent to continue.
- 8) **Try to ensure that part of new members' co-op participation corresponds to their personal interests.** People like to be involved in something they believe in and like to do. Obviously, not all aspects of co-op labor will be pleasant. But the co-op should make sure that at least some of them are.
- 9) **Encourage members to recruit their friends to join the co-op.** Co-op members are the best recruiters. Obviously, if someone's friend moves in, both people are likely to stay in the co-op for a longer period of time, reducing turnover.

## Key Indicators

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There is no perfect list of key indicators. However, the following items, culled from lists at ICC Ann Arbor and the University Students' Cooperative Association at Berkeley, give a sense of areas to follow. If you find that the below indicators are declining, that is a likely sign of trouble ahead. On the other hand, if participation levels increase, this will likely have a positive impact next year – even if the improvement is not immediately apparent.

1. Officer participation levels in training sessions and planning retreats.
2. Percentage of returning members.
3. Percent of members making donations to the co-op.
4. Average meeting attendance by Board members.
5. Number of members attending NASCO Institute.
6. Member attendance at annual meeting.
7. Level of alumni contributions.
8. Number of members attending new members' orientation.
9. Number of issues of co-op newsletter produced.
10. Percent of people who eat weeknight meals (90% is good; 50% is poor).