PROFITING
FROM
ONLINE SERVICES

How Associations
Increase Revenues
and Service
with the Internet

Author:
Bryan Frischer
November, 2001

Profiting From Online Services
How Associations Increase Revenues and Service with the Internet

Online Services

Many associations now provide members with online services. These services not only add value for the association's members, but they also increase revenue and reduce operating costs.

Services such as paying for membership online, selling publications and products, accepting online donations and registering for events show how savvy association web sites have become. In many cases, the sophistication of association web sites outweighs their for-profit counterparts.

However, many associations still feel that putting revenue-generating services on a web site is too complex and costly. But a fresh look at the market shows that this isn't true. The evolution of web technology has now made it easy and economical to provide these services today.

Associations should consider adding three revenue-generating services to their site:

- Accepting memberships and annual dues.

- Registering for events, such as seminars and annual meetings.

- Selling publications and other products.

These services provide value-added benefits to both the association and the member:

- The association increases revenue by adding a new sales channel.

- The association experiences reduced operating expenses. Online services automate low-value, repetitive tasks, making personnel more productive.

- The member benefits from a more convenient way of interacting with the association.

By using the latest developments in eCommerce and the newest services from payment processing firms, associations can add revenue-generating services to their web site quickly, easily and inexpensively.

Five Considerations

Associations will want to consider the following when adding revenue-generating services to their web site:

- Determine which services to move online. The most effective online services relieve association personnel from repetitive, low-value tasks, such as processing credit card transactions manually.

- Determine how (and who) will design and build the web site, business processes, systems and databases.

- Determine how the association will handle questions from members about online transactions. You need to look-up transactions online to answer these questions, and process credits and returns.

- Decide how data will be transferred from the web site to internal systems, such as the membership and accounting systems.

- Determine the cost of building the online service with association personnel, and compare to the cost of outsourcing to a service provider.

Online Membership and Dues

Allowing members to join and pay for membership online is the most obvious and beneficial service.

For the association, online membership speeds up the process and reduces manual effort. It eliminates paperwork. It allows the association to download data directly into the association membership system (AMS), eliminating the re-keying of data.

For the member, online membership is faster, easier and more convenient. It requires no paperwork, phone calls or faxes. The application and payment can be approved online, giving the member immediate access to membership services.

To create an online membership application and payment process, an association should address the following:

1. **Online application-** The online application captures the membership data. If the association uses an AMS, the online application must collect all of the data that the AMS requires.

   Associations will now find that creating an online application is straightforward. Many AMS systems already have the ability to collect membership information online. Web development firms are also quite adept at doing this, or you can use one of the web site development tools on the market. Web development firms frequently have online applications from previous projects that can be modified quickly - this makes it easier and cheaper to add a membership application to a web site.

2. **Secure payment processing-** Associations can easily accept credit cards and eChecks online. Processing credit cards on the web site, automatically, saves the association from manually the payments into a "swipe terminal". It also speeds up the receipt of funds so that the money is available to the association sooner.

   Online payment processing has become much simpler. Associations can now accept credit card and eCheck payments securely without the complexity experienced in the past. The easiest way to accept online payments is to use a payment processor (or payment "gateway") that provides an outsourced order capture service. This means that the payment processor builds the web pages that collect the credit card information. The payment processor collects the

---

Highlight: Chicago Software Association

The Chicago Software Association is a regional industry trade association serving the high-tech community in Illinois and the greater Chicagoland area (including southern Wisconsin and Northern Indiana).

As a non-profit organization, the CSA needs to optimize their staff's time, minimize operating expenses and maximize revenue opportunities. In 1998, the CSA decided to automate many of the tasks that consumed their staff's time. They first decided to add event registration to their web site.

Event registration allows members and guests to sign-up for the CSA's monthly events, roundtable sessions and annual conferences from the CSA web site (www.csa.org). Registrants pay by credit card, and the payment is approved immediately. The money is transferred electronically to the CSA's merchant account in 2-3 business days, eliminating faxes, follow-up calls, and the processing of paper checks. The CSA now has use of the money faster than with paper checks or cash.

The CSA has no internal IT staff, so they turned to AssureBuy to build and operate the event registration process. AssureBuy, a payment-processing firm, provided a fully outsourced registration and payment solution. The AssureBuy solution not only processes credit card

information from the member online, processes the payment and then notifies the association that the payment is complete.

Using this approach, the association doesn't need to build or maintain the web pages that capture credit card information. Furthermore, the association doesn't need to purchase "SSL certificates" to do secure online payments. An outsourced order capture service is quick, simple and economical.

Associations should also be aware of eChecks. It is just as easy to accept eChecks as credit card payments. eChecks allow the association to bill a member's checking account directly, the same way that an electric utility withdraws money from a checking account.

3. **Repeat billing (renewals) -** Annual and monthly membership dues can be automatically scheduled and billed to a member's credit card or checking account. A few payment processors in the industry provide this service today, but many do not. The association needs to look around to find the right service for their needs.

4. **Downloading data into AMS and financial systems -** Once a member completes the online application and pays online, the data needs to be "pushed" into the association's AMS and financial systems. Most AMS and financial systems have the ability to import from a variety of file formats (e.g., text file, spreadsheet, XML, etc.). The information from the web site and payment processor can be imported directly into these systems.

payment automatically, it also allows CSA to manage registrations through a web-based administration system.

The CSA saw an increase in revenue as soon as they put the process online. Registrants were more apt to book online because the process was now far easier and more convenient than faxes and phone calls.

After event registration proved successful, the CSA added online membership to their web site and are considering online newsletter subscriptions and selling products.

Online Event Registration

One of the biggest administrative challenges facing associations is the ability to manage events, such as conferences and annual meetings.

Since associations are generally strapped for human resources, automating event registration helps immensely. Online sign-up is fast and eliminates paperwork. It gives the association an up-to-the-minute list of attendees - that aids in the planning of rooms, meals, etc. Also keep in mind that the web site can generate name badges, a non-member contact list and a list for follow-up surveys.

And, by taking payment online, the association receives the revenue sooner. Cash flow is improved, making it easier to finance the event.

Creating online event registration is much the same as creating online membership. An association should address the following:

1. **Online registration page -** Members fill out the event registration page online. Creating the registration page is straightforward and just like creating an online application.

2. **Secure payment processing -** When associations accept payment for the event online, they see several benefits. First, it requires no manual intervention, such as entering the credit card transactions into a "swipe terminal." This frees up personnel to manage the event, organize travel schedules, etc. Second, the association receives the revenue sooner, making it easier to fund the event.

   The payment pages can be outsourced to a payment processing service, just like online membership. This saves the association from building and maintaining the secure order pages to collect payments online.

3. **Downloading data into financial systems -** Once a member completes the online event registration and pays online, the data needs to be "pushed" into the association's AMS and financial systems, such as QuickBooks, Great Plains, PeachTree, or Oracle Financials. The information from the web site and payment processor can be imported directly into these systems, freeing association personnel from re-keying data.

If an association spends additional time and resources, they can add even greater benefits to their web site through online registration. For example, if a non-member signs up for an event the web site can automatically send them a "please join" email. Or, any member signing-up for an event gets an automatic email reminder of the next event.

Selling Publications and Products Online

Most associations publish journals, periodicals, reports and other information for their members. Associations frequently sell these publications to provide additional revenue.

Selling products online opens a new sales channel for the association. It's also more convenient for members: orders can be taken 24x7 from anywhere in the world. This new sales channel gives members an additional and more convenient way of buying products, and therefore, the association has a higher probability of increased sales.

To sell publications online, an association needs to address the following issues:

1. **Online catalog -** The online catalog consists of a database of the publications and products sold on the site. It holds the product description, price, availability, etc.

   When adding an online catalog to a site, the association should insist on a "content management system", or CMS. A CMS allows any person, with the appropriate security, to update information in the catalog (e.g., pricing, descriptions, etc.) without programming or a Webmaster. A CMS makes it much easier and less expensive to operate a web site, especially a site that sells products.

2. **Shopping cart system -** The shopping cart keeps track of the products that the member wants to buy. A web development firm or Webmaster can help you select from the dozens of shopping cart systems available on the market. There are likely several shopping cart systems to meet any association's eCommerce needs.

3. **Secure payment processing -** Just like online membership, it's now quite easy for associations to accept credit card and eCheck payments for products sold online. And,

using the right payment processing service, it's possible to keep track of which members bought products, what they bought, and provide an online sales history of the products they purchased.

4. **Downloading data into financial systems -** Again, most financial systems (e.g., QuickBooks, PeachTree, Great Plains, Oracle Financials etc.) can import data. The association can import data from the web site and payment processing service directly into the financial system.

If an association spends additional time and resources, they can experience even greater benefits from selling products online. For example, the web site can automatically show the buyer products and services related to their purchase (i.e., automatic up-sell and cross-sell).

Conclusion

- Adding revenue-generating services to an association web site is much easier today than in the past.

- Associations should no longer see large hurdles to providing these services to members. eCommerce has evolved to the point where associations can accept credit card and eCheck payments automatically online.

- Online services can reduce operating costs by eliminating paperwork and manual intervention. Data can be imported directly into the AMS and financial systems, eliminating re-keying of data.

- The association web site provides a new sales channel for the association.

- The member now has a new, value-added way to interact with their association.

All of these benefits combine to create additional revenue for the association and added value for the member.

Published by AssureBuy, Inc.
©2001
All rights reserved

For additional information about online payment processing, visit www.assurebuy.com, or call 800-684-4621 or 847-843-7400.