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FEATURE SOCIAL MEDIA

PAST ASSOCIATIONS

Social media platforms such as LinkedIn threaten the future of the 200-plus industry associations in Australia, predicts Toby Marshall.

SERVICES TRADITIONALLY provided by industry associations will become redundant as the same specialist services become readily available through the internet and social media platforms such as LinkedIn, Facebook and Twitter – often for free.

Social media, to the inexperienced or uninformed, brings to mind ideas of writing a blog, signing up for a Facebook page, or setting up a ‘community’ function on your website. But don’t be tempted to underestimate it, because it’s the biggest shift since the industrial revolution. A transformation in the way we share, communicate and connect.

The tools have always been there, but now the people are as well, and it’s threatening the existence of industry associations.

Until now, associations typically have five characteristics:

- They are made up of people within an industry who want to network for business and social reasons.
- They help grow the knowledge of members.
- They provide certification.
- Enable collaboration for government lobbying.
- They are often location-based, joining members in a specific region.

So how exactly is the social web going to transform the traditional industry association?

Well, the truth is that it already has.

The sheer power of what members can do in terms of networking and finding information makes the services that associations can provide somewhat marginal. All over the world, ‘tribes’ of professionals of all types are forming, and they’re forming in many different ways and doing it at no cost. While the world wide web used to connect information, it now connects people with the power of social media.

Before social media, coordinating and communicating with a group was difficult. But there is now a plethora of tools available to leverage a group, to connect them and communicate with them, in an instant.

The old adage of ‘Why buy the cow when you can get the milk for free’ has never been more relevant. Too many industry associations are refusing to leverage social media, thinking that it isn’t relevant to them, and work as they have always done. But we’ve already seen huge transformations in a few industries because of the internet/social media and changes in consumer behaviour, with changes to industry associations imminent.

In the retail industry, the power is now in the hands of the consumer. They have the ability to research every product and service on the internet and compare prices. A trend has emerged where many consumers visit physical stores to ‘try before they buy’, then buy it cheaper online.

It has hit the bottom line hard, inspiring retailers to campaign against GST exemptions for offshore online purchases. Nonetheless, it seems that companies in the retail sector face extinction if they don't compete in online commerce, or take part in in-store price negotiation which will no doubt ensue from independent customer research.

The dying distribution model of the music industry is certainly one to learn from. The growing power of file-swapping online made it increasingly hard for record companies to compete, and certainly hard to compete with 'free'. The music industry is slowly recuperating, with digital music sales now increasing, but only after painful reluctance to get over the past.

Newspaper circulations continue to fall at a predictably rapid rate due to the increasing popularity of online news. Rupert Murdoch has been planning for some time to charge for online subscriptions, and now has an iPad-only newspaper underway. Time is yet to tell how consumers will react, but many are already speculating that most consumers will likely opt for free news, whether the quality is maintained or reduced.

So what can industry associations learn from other industries affected by the shift in consumer behaviour? The power is in the hands of consumers. If they can get it better, or cheaper, they will. And they are finding better alternatives faster every year, often from their online 'friends'.

Associations are not yet dead, but they're dying. The need to pay membership fees of hundreds of dollars every year is becoming increasingly unnecessary. Unbundling the traditional services that the associations provide is probably the biggest challenge.

For example, members can organise their own networking functions, both social and work-related.

Professional information is increasingly available from a variety of sources online, and it is not essential that this be provided by the industry or professional association. Training and development can be delivered online at a significantly lower cost than the face-to-face training provided by traditional associations.

There is still a role for some associations to provide certification. The opportunities for those associations that embrace social media are huge, as it will enable them to deliver more services at a lower cost.

So how can associations compete with online groups and free information? Firstly, associations need to accept that their role is changing, and there's nothing they can do to stop it. To compete with emerging online groups and free information, they need to focus on what they do best – connecting and certifying members and providing access to professional information. It's just that they need to do it so much better using the free tools that are now available to them.

LOWER FEES AND PROVIDE MORE

Associations need to protect themselves against losing members by learning from the media industry; once you've lost your members, and they've discovered free information elsewhere, you most likely won't get them back.

Sales strategist Daniel Jeffares used to be a member of many associations but now belongs to none. "What I have found with the social media groups is that they offer a wider range of information and have more varied commentary and engagement. If you want a wide range of sources, then social media groups offer more. I can get the services and

contacts I need from groups on LinkedIn and don't need to pay \$250 every year."

Associations can lower fees by leveraging new media, thus attracting new members and maintaining current ones. Social media can perform the association functions of networking and knowledge growth.

Leveraging social media can also improve connections with members. People are looking for content online, so making your online community the 'go to' place for your industry can put the association in the central position. Instead of one-way communications, you have two-way real conversations going between members. It also allows members to generate content, contribute fresh ideas and ask questions, which carries out a lot of in-house functions.

Content can be shared online. People will no longer need to attend conferences and seminars to get information and make connections. You can run webinars and share them via social media. People are more likely to attend in-person events if they are getting all-year-round value out of their membership. This also eliminates geography as a restriction and allows you to connect and communicate with members nationally, or even globally.

Unfortunately, far too many associations still believe that their online strategy is centred around a website. So they set up community software or forums on their website. A strategy like this is expensive to set up and maintain. And unlike LinkedIn and Facebook, where members have multiple reasons to visit, there's only one reason to visit the association site.

Associations are also being slow to act – many are still sitting there, thinking that social media aren't going to affect them. But if members can do all the same things on a group on LinkedIn, and for free, why would you pay \$1000 a year?

The first associations to effectively implement a social media strategy will have a huge advantage over those that don't. The power of social media is that it will dramatically lower the cost structures of the associations that embrace it. But for those that don't, they will quickly face extinction. There's only room for one or at the most two associations to absolutely dominate their field and service the members of all the others. In the words of Erik Qualman, the author of *Socialnomics*, "We don't have a choice on whether we do social media; the question is how well we do it." ★

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