

CASE STUDY: PRICING AND PROPOSITION
TESTING FOR THE INSTITUTE OF DIRECTORS

Clusters

your best chance of success



CHALLENGE



SOLUTION



RESULT



PRICING AND PROPOSITION TESTING

“Working with Clusters is really enjoyable; the team are very personable and are always interested in our business. They really understand our challenges and are very keen to help us identify where the potential business opportunities lie.”

Suzanna McGloin
Head of Marketing at The Institute of Directors

IN BRIEF

- Clusters has been working with The Institute of Directors (IoD) for over two years, previously carrying out a segmentation of members as well as a tracking study and a members' survey.
- Following this, IoD wanted to test their membership pricing and also the appeal of three different membership options.
- The findings were used to set the pricing for IoD's new pilot membership programme, IoD Advance.
- Upon launch, the new programme was oversubscribed and generated much positive interest from existing members, non-members and the media.

🔍 CHALLENGE

IoD is the UK's longest-established organisation for professional leaders, encouraging entrepreneurial activity and promoting responsible business practice amongst its members.

Due to growing competition, IoD wanted to look into how they could grow their business and attract new members. They'd devised three membership packages and wanted to discover how attractive these different membership options were, and whether they needed refining.

As well as this, IoD wanted to uncover the optimal price for each type of membership that allows them to keep current members and attract new members, yet retain the same levels of profitability.

“IoD were looking to really shake up their membership offer but first needed to gain some further insights into what their members really valued in a membership proposition.” – Chris Cowan, Managing Director at Clusters.



SOLUTION

IoD appointed Clusters to run a pricing and proposition testing study to look at the appeal of each proposed membership proposition, plus uncover acceptable price points for each.

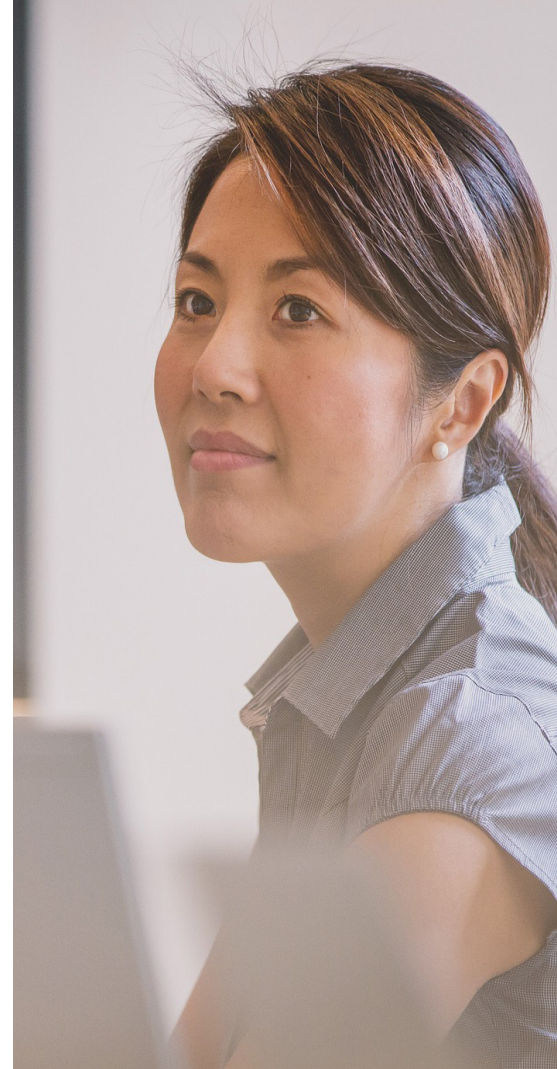
Both current and potential members were asked questions on the appeal of each proposition, their level of interest in each offering, and their likelihood of joining or remaining members of IoD as a result of the outlined propositions.

Respondents were also asked questions designed to estimate an acceptable pricing range for each type of membership. This allowed Clusters to create a price sensitivity model which outlined how much members would be willing to pay for each type of membership.

This model was mapped back to the existing IoD member segments, previously uncovered by Clusters, building a stronger picture of IoD target members.

“Carrying out a price and proposition testing study really allowed us to dig into what IoD members believe is good value and what they are looking for in a membership with the IoD.”

Chris Cowan
Managing Director at Clusters



RESULTS

As a result, IoD has been able to create a new membership product, IoD Advance, which better meets the needs of the three key target segments that they were most interested in engaging.

The findings were also used to set the pricing for IoD Advance, and the response from the market so far has been

very positive, with IoD's three target segments most highly represented among its new members.

On launch the new programme was oversubscribed and generated a significant amount of positive interest from existing members, non-members and the media.

“I would absolutely recommend working with Clusters as a research partner. Their friendly, collaborative approach coupled with their data expertise ensures that the results are not only insightful but also actionable.”

Suzanna McGloin
Head of Marketing at The Institute of Directors

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