

Relationship Building in a Digital World - Alumni Relations Trends 2015



Satisfied customers today expect information and interactions on-demand, personalized and simple, thanks to digital tools directed at “now,” “me” and “ease.” The massive changes in relationship-building in a digital world are reflected in Millennials’ behavior, for example. As 27 percent of the population, Millennials check their smartphones an average of 43 times each day and expect the customer experience to be consistent across online, store or mobile.

Rapid conversion to these changing appetites clearly has been challenging for many industries; in fact, leading businesses, such as Circuit City and Radio Shack, failed to adapt. College and university alumni associations (and more broadly, advancement offices) offer another example. Their customers – their institution’s largest constituency – expect the same ease of interaction and personalization they enjoy in their other relationships, as there is simply too much competition for their time.


By redesigning their overall strategies, selectively piloting innovations and leaving their legacy programs and structures behind, some alumni associations have begun to think like their customers and offer valued personal and professional experiences capitalizing on a baseline of loyalty and good will. Associations are converting transactional experiences (annual giving or sports events) to deeper connections that result in highly meaningful, lifelong relationships between alumni and alma mater, and often philanthropic generosity to sustain this value for the next generations.

Alumni Relations Trends 2015

Such two-way, relationship-building is the theme of our annual analysis of Alumni Relations Trends 2015, summarized in these 10 leading themes:

1. **Relational over transactional.** Alumni offices repositioned as “relationship managers” are applying sophisticated data to segmented marketing strategies to individuals and affinity groups. Another new role is the Vice President for Engagement, who oversees marketing, communications and programming activities to deliver integrated online and on-location experiences consistent with the association and institutional brands.
2. **Maturing of social media.** The new position of “online manager,” an individual or group within advancement, guides a comprehensive program to develop, monitor and direct communications content (from print to social media) based on affinities, age and lifestyle habits (such as Gen X, Millennials, Baby Boomers). Through such content curation, useful information is purposed or repurposed strategically for all platforms, with linkages and interactivity among them.



3. **Integration with development.** With private support more important than ever, moving alumni purposefully through the “engagement funnel,” from the annual fund to a seven- or eight-figure gift, necessitates a strong partnership with development. Whether formally structured or collaborative, this coordination strengthens alumni and donor engagement and facilitates seamless stewardship strategies. Cross-functional integration occurs in institutions where alumni associations remain independent; at the same time, for reasons of effectiveness as well as efficiency, alumni relations and development offices, more commonly joined in private institutions, are merging in public universities.
4. **Coordination with Student Affairs.** With students as “alumni in training,” this partnership seems logical but remains in its infancy in many institutions. Sharing strategies, programming and resources, alumni and student affairs offices join for student orientations, career mentoring, senior class events, booster and spirit activities; when students become lifetime members of the alumni association, often at a discounted rate before they graduate, they learn first-hand about the value and need to support and give back to the university.
5. **Sophistication of metrics.** As institutions invest in data systems that connect offices and programs across the university, the core elements of any sustainable alumni relations infrastructure are technology and analytics. With emphasis on results and ROI, data-driven, measurable outcomes track impact – and can suggest improved practices, such as the best use of volunteers. Alumni associations that provide this expertise have risen in influence in institutional positioning and growth, often with a seat at the strategy table. Why? Because they know how to use data to segment and target key audiences, manage relationships that bring value to both alumni and the institution and drive outcomes.
6. **Alumni advocacy as central to institutional strategy.** Alumni and foundation boards in both public and private colleges are asking the question, “How can we become better advocates for the institution?” With dwindling dollars from legislatures and government-supported research and skepticism about higher education’s ROI, coupled with strategies for new revenue sources and partnerships, informed advocacy is vital for increasing funding, public opinion and external partnerships. The more advocates who are visibly successful in their professional and personal lives, the greater the perceived value of the college’s degree.
 
7. **Alumni who “are the institution.”** Cumulatively and strategically, alumni are the face of the university locally and globally. This interpretation shifts the concept of institutional impact externally by empowering alumni for “societal care” around the world. Alumni offices that provide staff and other resources to assist alumni as they serve each other, their communities and the university provide great value to the identity of alumni as the university’s sustaining spirit in the world.
8. **Alumni offices positioned for value and investment.** As the portal between the institution and its alumni, alumni offices are the relationship-builder and broker with the most populous constituency. This necessitates strategic partnerships at executive levels across the university and day-to-day interactions with admissions, development, government relations, student

life and other units. No part of the institution occupies a better position than alumni relations to harness this culture of commitment to the institution; it's a way of shaping a new vision for alumni relations.

9. **Focus on programs and services of highest return.** Progressive alumni relations offices today focus their time and budgets on areas of highest return. They use data and analytics to determine their most and least connected alumni, strategically invest in growth programs and offset dependency on previous revenue sources, such as credit card programs. Examples are reasonably priced life memberships for students, parents and other non-alumni; growth of alumni travel by Baby Boomers; attractiveness of family travel/study camps; and 4th and 5th year reunions, which have become extremely popular and a strong pipeline for some institutions. Making the tough choice to “stop doing,” others have found reunions or chapters to be low-yield activities and have discontinued them.
10. **Global and internationalized.** The newer alumni relations programs in universities in Asia, Australia, Europe, the United Kingdom and elsewhere – and where advancement is relatively recent – are not mere American or Canadian exports. Without legacy structures or expectations, these emerging programs are taking fresh look at alumni relations using data mining and social networks (such as LinkedIn) to locate, understand and track alumni who often live and work in other countries. In the Asia-Pacific region, for example, the University of Queensland, Australia, created the Future Leaders Program, starting at the beginning with current students to build new models and best practices for alumni activities.

Rethinking Alumni Engagement

The lessons from the business world and daily lives of today's alumni are inescapable for alumni



relations. Too many existing alumni programs focus on what's best for the university or the association, not on what the customer wants. On the other hand, businesses today have extremely short timeframes to adjust their programs and services and keep their customers, who will jump to a better option if quality, price and simplicity don't fit. **Amazon's** five-point customer-first culture fueled its ascent as the world's largest online retailer: laser-like attention to a *great experience*, *convenience*, *personalization* through recommended products based on browsing history, *proactivity* – and *trust* built from the first four attributes.

In entrepreneurial organizations, the pace of change is so intense that successful companies are constantly trying to outdo themselves as new entrants and ideas are constantly emerging. For example:

- In Fast Company's “World's 50 Most Innovative Companies” in 2015, **Gilead Sciences (#16)** reduced time to market from seven years to two for the new life-saving drug Solvadi, a breakthrough treatment for hepatitis C.
- Innovative cultures are relentless about innovation and responsiveness. In the same list, **Warby Parker (#1)** has expanded from e-commerce start-up to a fleet of entertaining retail

stores in hip, high-tech neighborhoods like Venice in the Los Angeles area and Hayes Valley in downtown San Francisco because of dogged attention to detail and execution.

- **Mercedes-Benz'** commitment to the "best customer experience" through its "Mercedes me" program provides a seamless experience achieved through collecting and applying data; it's seen in the integration between a driver's smartphone and the car and between information sent from the car to the company.

The need to implement this strategic approach in alumni and advancement relationship-building is increasingly vital in a "flat" world in which technology has facilitated person-to-person connections without the necessity of an alumni organization to bring them together. There are many examples of alumni associations that have made great leaps forward in recent years through relentless innovation of their own and continuous feedback – for example, the **University of British Columbia, Indiana University, the University of Michigan** and **Stanford University** are regularly invited to share best practices. **Duke University's Women's Forum** has expanded to 14 cities where energetic volunteer-led committees, supported with resources from the central office, organize often sold-out activities. **The University of Virginia's Office of Engagement**, housed in development, has a unique partnership with the independent Alumni Association to collaborate on certain high-priority programs for alumni and parents to build its regional programs.

Alumni associations have the audience at hand to secure their value to alumni and their institutions. The pay-off is considerable for both sides of the relationship. Now the opportunity is to carefully listen to their customers to ensure that this loyalty stays secure in this fast-changing, digitally charged world.

Learn more at: www.napagroup.com

Resources:

"Here is Everything You Need to Know about the Millennial Consumer," Adweek, 8/13/2014.

"20 Lessons of Innovation for 2015: The World's 50 Most Innovative Companies," Fast Company, February 2015.

"Marketing the Mercedes Way," McKinsey Quarterly, February 2015.