

Survey:

Why Chamber Membership is an Effective Business Strategy

Alexandria, Va. (Nov. 30, 2012) – A national survey of 2,000 adults reveals that being active in a local chamber of commerce is an effective business strategy because two-thirds of consumers believe that such companies use good business practices, are reputable, care about their customers, and are involved in the community.

The study, conducted by The Schapiro Group, an Atlanta-based strategic consulting firm, found consumer perceptions of chamber members to be positive in many ways:

- When consumers know that a small business is a member of the chamber of commerce, they are 49% more likely to think favorably of it and 80% more likely to purchase goods or services from the company in the future.
- If a company shows that it is highly involved in its local chamber (e.g., is a chamber board member), consumers are 10% more likely to think that its products stack up better against its competition.
- When consumers know that a national restaurant franchise is a member of the chamber of commerce, they are 68% more likely to eat at the franchise in the next few months.
- When consumers know that an insurance company is a member of the chamber of commerce, they are 36% more likely to think favorably of the company.

Major Impact on Small Businesses

Small businesses represent the largest segment of most local chamber membership rolls, and the study indicates that chamber membership has consistent and powerful benefits for small business members—if consumers are aware

that the small business is involved with its local chamber.

For example, if respondents know that a small business is a member of its local chamber, the business enjoys a 49% increase in its consumer favorability rating, a 73% increase in consumer awareness, a 68% increase in its local reputation, and an 80% increase in the likelihood that consumers will patronize the business in the future.

Most people know fairly well what their local chambers do; the study assessed the effect of this knowledge on perceptions of chamber members. The researchers said “any belief about the chamber of commerce—whether that belief was true or not—could have a significant positive impact on how someone views a member... he or she is more likely to think that the [member] company’s products stack up well and have a favorable opinion toward the company.”

The key factor in developing and maintaining positive consumer perception of chamber members, the Schapiro Group said, was that “positive outcomes only occur when consumers know that a business is a chamber member (i.e., being involved in the chamber is a known facet of the company's reputation).”

Accordingly, when consumers know that a large business is a member of the chamber, they are likely to patronize the company more often, to express favorable opinions about the company, to know more about the company, and to buy the company's products. The strength and nature of these effects differ by industry:

Large Restaurant Chains

When consumers know that a restaurant franchise is a member of the chamber of commerce, they are 15% more likely to report knowing a lot about the franchise, 58% more likely to eat at the franchise more often, 68% more likely to eat at the franchise in the next few months, and 37% more likely to think favorably of the franchise. Among consumers who do not eat at the franchise so often, those who are aware that the franchise is a member of the chamber are 33% more likely to hold favorable opinions of the franchise. Among consumers who hold less favorable opinions of the franchise, those who are aware that the franchise is a member of the chamber are 65% more likely to eat there in the coming months.

Insurance Companies

When consumers know that an insurance company is a member of the chamber of commerce, they are 29% more likely to report knowing a lot about the company, 36% more likely to think favorably of the company, and 36% more likely to consider buying insurance from it. Among consumers who hold less favorable opinions of the insurance company, those who are aware that the company is a member of the chamber are 25% more likely to consider purchasing insurance from it. Among those who have not considered purchasing insurance there in the past, chamber membership increases that likelihood by 37%.

Summary

The new study tracks similar data reported by The Schapiro Group in 2007. “Despite changes in markets and demographics, a nagging recession and the growing influence of the internet, the chamber brand today is stronger and more dynamic than ever,” said ACCE President Mick Fleming. “We’re proud that the numbers prove, once again, that engagement in a chamber means a positive perception of the business in the eyes of the buying public.”