

For Immediate Release

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Survey Uncovers Impact of Covid-19 on Associations: Need to Diversify Revenue Streams, Expand Corporate Partnerships

Chicago, IL (August 27, 2020) The impact of COVID-19 on associations has left many leaders feeling uncertain about the future, according to a recent study of association executives conducted by Researchscape International and CS-Effect, a Chicago-based strategic communications agency. But experts warn that uncertainty should not be mistaken for budget paralysis.

The 'Impact of COVID-19 on Association Revenue' survey revealed that nearly 80% of respondents were conducting 'business as usual, only remotely.' However, this may come with unanticipated risks, especially related to changing and adapting to challenges in revenue streams. With more than half of respondents indicating it is too early to tell what impact COVID-19 will have on their annual sponsorships for 2020, nearly 60% expected their annual sponsorships to stay the same for 2021.

"Leaders are saying 'we don't know what the future holds, but at the same time, we expect our sponsors will still be there next year'," says Candice Warltier, Founding Partner, CS-Effect. "While there is a level of uncertainty about the future of conferences and sponsorships, this is not the time to pause activity, nor to get comfortable. Association leaders must use this time to grow creative solutions to increase revenue, especially through corporate partnerships."

Realizing Value

According to the survey, the top two revenue streams for associations are membership dues (44%) and events (33%). Nearly three out of four associations named exhibiting at a conference as the primary sponsor benefit. With the common struggle of declining member engagement, matched with cancelled annual conferences, new revenue strategies must address the quick shift to a more diverse revenue stream.

"Understandably, associations are hesitant to rely heavily on sponsorship revenue, as the partners they've approached for the (now cancelled) events are the same sponsors that are laying off employees and undergoing budget cuts themselves," explains Warltier. "Despite the changes that COVID-19 has brought, some things are constant: Sponsors still need to reach their audiences. Associations have a product that is of value, but leaders need to shift the way

in which they market their product to demonstrate continued value and relevancy in this new world.

But the survey results may foreshadow even more shifts in association mindset for 2021.

“Successful corporate engagement is more about creative individualization, and less about standardization,” explains Bryn Reese, Practice Leader – Corporate Sponsorship, CS-Effect. “The issue is that corporate sponsorships and industry engagement are underutilized and undervalued. Continuing to offer a pre-fixed menu of benefits to sponsors will not demonstrate value. This is an opportune time to rethink relationships with sponsors, taking them from transactions to long-term, mutually beneficial partnerships.”

Other Survey Highlights

- 52% cancelled their annual event or conference due to the COVID-19 crisis.
- Nearly 80% of associations applied the sponsorship funds to virtual events
- 57% of respondents gave sponsors a full refund when events were cancelled due to COVID-19.
- 57% of sponsors asked associations to hold the funds as a credit for future sponsorship activity.
- Nearly 30% indicated that the current situation opened up doors for securing new sponsorships. 41% did not believe the current environment led to new sponsorships.

Methodology

The results in this report are from an online survey that was fielded from 69 respondents from June 4 to July 13, 2020.

ABOUT CS-EFFECT

Founded in 2003, CS-Effect is a woman-owned strategic communications agency specializing in collaborative, client-focused solutions. Headquartered in Chicago with offices in Milwaukee, CS-Effect works with leading national and global clients providing services in public relations, market research, digital content, influencer relations, issues management, member engagement, corporate sponsorship and industry engagement, SEO consultation and more. For more information, visit [CS-Effect.com](https://www.cs-effect.com) or @CSEffect_Agency.

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