

Golf Queensland



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MODERN MEMBERSHIP FOR GOLF CLUBS

Strategies to attract and retain members including the updated report on Membership Attrition and Retention at Golf Clubs in Queensland

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This report was compiled by Jeff Blunden Advisory
Services for Golf Queensland.



Golf Queensland is pleased to present its report into modern membership strategies to assist clubs to improve and retain membership levels. The report is inclusive of the second study of attrition and retention of golf club membership in Queensland.

The first report, released in December 2009, was the first of its kind in Australia. The report revealed surprising results with the data and recommendations being of great interest to clubs in Queensland. The report also created considerable interest in other States and subsequently a similar study was completed in NSW.

Importantly recommendations from the study addressed how clubs could establish practical strategies designed to proactively deal with retention and attrition issues. In particular, the report concentrated on retention - 'keeping the devil you know'.

This second study updates attrition and retention dynamics and provides insight into some successful membership strategies being implemented by Queensland clubs. In particular, there is discussion of membership structures designed to meet the changing needs and wants of society, golfers and potential golfers.



Meeting these needs may require changes within the golf club. Potentially, club culture and beliefs concerning a range of issues may need to be challenged to ensure strategies are successful. Implementing a new structure means some changes, and with this, strong leadership and resolve from club committees may be required.

Lindsay Ellis

A handwritten signature in blue ink, appearing to read 'L. Ellis', written in a cursive style.

CEO
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In 2009 Golf Queensland (GQ) published the first ever study undertaken into golf club attrition and retention at club in Queensland.

This report was requested as notwithstanding the importance of generating new member demand, with total demand for golf club membership in Queensland in decline, the level of membership retention in golf clubs is now equally as important.

In order to make a positive impact on retention and reduce attrition, the respective retention and attrition rates currently and historically evident in the market needed to first be established.

GQ engaged Jeff Blunden Advisory Services (JBAS) to undertake this study, identify these numbers and prepare a report that outlined the type of strategies necessary at club level that will aid in the greater retention of members across Queensland.

As a follow up to the 2009 report, GQ wants to continue to monitor the results being achieved with regard to attrition and retention and highlight some of the successful strategies being implemented around the state.

Membership Retention & Attrition Principles

The following recommendations were made in the 2009 report for consideration by clubs

as they separately determine how to address member retention and attrition.

Retention

- Communicate to all members on a regular basis
- Measure member rounds frequency
- Communicate direct with members with low frequency
- Survey your members at least every two years
- Conduct new and existing member events - the goal is to add value to the annual fee paid
- Ensure you have payment flexibility
- Limit barriers for transition from Junior to Adult membership.

Attraction and Attrition

- Measure attrition on an annual basis - what gets measured gets acted on
- Consider your membership structures - are they relevant for today's market?
- Conduct resigned member surveys - what are they telling you?
- Know your market - both wider population and regional peers
- Incentivise members to introduce new members
- Ensure you have payment flexibility
- Limit barriers for transition from Junior to Adult membership.

QUEENSLAND CLUB MEMBERSHIP DATA

Current Trends

At the end of 2008 club membership numbers in Queensland slightly exceeded 75,000. A year on, this number has declined by 2.1% to now approximate 73,800 members. Over the year the fall has been consistent across genders with near equal numbers lost from the south east region of the state and the remainder.

Reviewing membership numbers by region identifies that different trends are evident at the sub market level. Positive growth has been evident in the Brisbane metropolitan market with all other areas of south east Queensland recording declines.

Of the remaining regional areas, a loss of 5% was recorded, with the largest losses occurring in the Northern region where number fell by 7%.

Trends by gender were consistent over the 12 month period, with near double the percentage loss incurred by females over the longer three year period.

The total membership numbers for the period 2006 to 2009 are summarised in the following table:

Region	2006	2007	2008	2009	% change 2006-09	% change 2008-09
Brisbane	17,309	17,219	16,990	17,287	0%	2%
Gold Coast	14,598	14,207	14,252	13,915	-5%	-2%
Sunshine Coast	14,452	14,170	14,567	14,407	0%	-1%
Other SE Qld	15,487	15,561	15,770	15,108	-2%	-4%
Total SE Qld	61,846	61,157	61,579	60,717	-2%	-1%
South	988	956	943	947	-4%	0%
East	4,275	4,349	4,314	4,199	-2%	-3%
Central	162	137	142	136	-16%	-4%
North	8,786	8,607	8,396	7,798	-11%	-7%
Total Remainder	14,211 w	14,049	13,795	13,080	-8%	-5%
Total State	76,057	75,206	75,374	73,797	-3%	-2%
Male	60,550	60,149	60,309	59,039	-2%	-2%
Female	15,507	15,057	15,065	14,758	-5%	-2%

QUEENSLAND CLUB MEMBERSHIP DATA

2009 Statistics - New Members

New member data for the period 2006 to 2009 provided from GolfLink identifies the current level of new member demand evident in Queensland's golf clubs.

The level of new membership demand in Queensland golf clubs has averaged 17% over the past three year period, being approximately 12,800 new members per year.

Above average new demand is evident in the Gold Coast and other SE Queensland markets. Most of the regional Queensland markets still continue to experience new member demand at a rate consistent with the wider state.

New demand levels by gender are similar with male and female new demand levels averaging 18% and 15% respectively.

The table below summarises this information.

Region	2007	2008	2009	3 year average	% of m'ship
Brisbane	1,674	1,815	1,803	1,764	10%
Gold Coast	3,237	2,789	2,491	2,839	20%
Sunshine Coast	2,526	2,279	2,186	2,330	16%
Other SE Qld	3,289	3,247	3,345	3,294	21%
Total SE Qld	10,726	10,130	9,825	10,227	17%
South	61	70	137	89	9%
East	776	1,000	954	910	21%
Central	22	24	37	28	20%
North	1,555	1,731	1,434	1,573	19%
Total	2,414	2,825	2,562	2,600	13%
Total State	13,140	12,955	12,387	12,827	17%
Male	10,916	10,655	10,278	10,616	18%
Female	2,224	2,300	2,109	2,211	15%



2009 Statistics - Lost Members

Lost member data for the period 2007 to 2009 identifies that there continues to be a large amount of annual attrition occurring within Queensland's golf clubs.

As outlined below, the level of lost membership demand in Queensland golf clubs has averaged 18% over the past three year period, being approximately 13,700 lost members.

Attrition patterns are similar to the new member patterns in that areas with high new demand also have high attrition.

Most regional areas have also returned attrition rates above the market average, evidencing the general challenges being faced in regional areas. The Male attrition rate is slightly higher than the female attrition rate as they account for 81% of all lost members.

The table below summarises this information.

Region	2007	2008	2009	3 year average	% of m'ship
Brisbane	1,764	2,044	1,506	1,771	10%
Gold Coast	3,655	2,716	2,821	3,064	22%
Sunshine Coast	2,808	1,982	2,319	2,370	16%
Other SE Qld	3,214	3,038	4,004	3,419	22%
Total SE Qld	11,441	9,780	10,650	10,624	17%
South	93	91	136	107	11%
East	716	1,137	1,066	973	23%
Central	46	20	43	36	26%
North	1,735	1,966	2,189	1,963	24%
Total	2,590	3,214	3,434	3,079	16%
Total State	14,031	12,994	14,084	13,703	18%
Male	11,317	10,698	11,699	11,238	19%
Female	2,714	2,296	2,385	2,465	16%

Introduction

The reality being realised at many golf clubs is that times have changed and are continuing to change at a faster pace than experienced in the 20th century. With regard to golf, there is generally:

- less club participation occurring
- more choice in terms of other venues
- less loyalty is evident in today's consumer needing constant satisfaction
- there are more social options available other than golf clubs
- there is less social stature attached to being a golf club member
- society in general is demanding more flexibility in all that is offered.

In summary, golf membership as it is currently structured simply doesn't fit as well into our lives as it used to.

Couple this with the reality that in many areas it is a "buyers" market, a newer more modern approach to membership is necessary for most.

Modern Membership Features

There are numerous options available to Clubs as they consider creating a more modern membership structure.

- More flexible payment frequency
- Specific day of week or time of day course access
- Pricing relevant to frequency of play
- Increased flexibility in access to other courses (a more modern take on reciprocal rights).

Observations made of the common features now being included in membership structures/offers made by Clubs are:

- A move toward user pays with course access incurring a fee
- A friendlier introduction to club golf (Women's Golf Network)
- Better transitional pricing from Junior to Adult membership.



Club Culture

As clubs come to terms with what they may need to do to continue to ensure that the membership offers being made are relevant to today's golfer, a key to long term success is ensuring that the club culture being promoted is also welcoming of these new initiatives.

As an example, if a club is going to make a concerted effort with the junior market, it should also be addressing club rules and regulations that, as they currently stand, may have a greater impact on that group or bearing on their satisfaction.

A relevant example for this market would also include dress code requirements. A whole of club approach or review is required for any new initiative to be a long-term success.

Strategy Choice

Given the above realities, and the adoption by some clubs of some of the above features, it is becoming increasingly necessary for many clubs to adopt a more modern view on membership.

Ultimately, the strategy chosen will be what you have determined best suits, matches and integrates with:

- The current and future customer's needs
- The demographic patterns in area your club services
- The current membership structures of the club
- Current club culture
- The cash flow needs of the club.



McLeod Country Golf Club – New Members

McLeod Country Golf Club is located in the inner south west of Brisbane. The club was founded in 1968 as a nine-hole course with the second nine complete in 1972.

In a unique administrative structure, it is the only club in the Southern Hemisphere managed by female members. Despite this structure the club had not been immune from general golf participation pressures and over the period 2005 to 2009 membership at the Club fell by 16% to approximately 750 playing members at the end of 2009.

The Club acknowledged it had a problem that needed to be addressed. It found that its membership base was aging and not enough new members were being attracted on an annual basis. In an effort to better understand why it was losing members, the Club had been surveying resigned members to find the reasons for them leaving.

Upon learning that there was little it could do as many of the reasons were non-club related (moving to new area, not playing enough golf/too busy, too old to keep playing) and that these reasons were not going to change in the coming years, the Board developed an Introductory Membership.

Capitalising on an already successful beginners program (join for \$126.00 and play nine holes of golf (supervised by volunteers) on a Thursday morning or Saturday afternoon) the Club decided that it would keep targeting new golfers, recognising that they make up a large percentage of the non golf member market. The Club developed a new category called the Gateway, with all of these members having the same rights as a full member (with the exception of some tee time booking restrictions for men).

The Club had identified that the benefits of joining a club were more than just golf so its goal was to get as many players as possible to experience the benefits of being a golf club member, hence few restrictions on the category.

In order to encourage them to keep moving, Gateway members can only stay in the category for one full year membership year, giving the Club a defined time in which to retain them.

Membership pricing was based on what the Club thought was the most attractive marketable price, enhanced by some other value added inclusions.

Longer term plans with the category include an expansion/joint offering at other clubs including team competition events as the Club transitions the members to be more comfortable in all member events.

What can be learned?

There are a number of things that can be learned from this short case study that are applicable to all club situations. They are:

- The club recognised it had an issue
- It proactively addressed the issue
- It undertook some resigned member research, with the results guiding its strategy
- It built on what it had already started
- It recognised that club membership is more than just golf
- It made an attractive price offer, with value added incentives
- It gave these members a time limit, but also a limit on how soon it had to convert them to another category.

Ipswich Golf Club – A New Era and Active Promotion

The Ipswich Golf Club was established in 1897, and is currently enjoying its 114th year of operation. Earlier this decade, and in order to improve its long-term financial sustainability, it decided to pursue a partial land swap with a development company. This land swap enabled the Club to build a number of new golf holes and modernise its golf course and member facilities.

Having recently gone through this course redevelopment, due to the golf course disruption the Club lost a number of members with year-end 2009 numbers down some 30% on those reported in 2005. With all major works now complete and a new product to showcase, the Club is now entering what it hopes is a growth period following the recent opening of its redeveloped golf course, refurbished clubhouse and car park.

Acknowledging the environment in which it is in, and the need to be an attractive proposition to a range of golfers, the club is being proactive as to how it has structured and is promoting its membership opportunities.

The Club currently has several different membership options all with payment options to suit most needs. Membership Category options include the traditional offerings of Full and Six day membership and also more modern membership entry points such as Intermediate, Social and Pathway (user pays) membership.

In order to encourage use of the facilities by families not just individuals, and acknowledging who one of its key markets are, the club is offering a fee rebate on the two main membership categories for family members and those aged 65 years or older.

Further, as the Club seeks to make the cost of membership affordable, it is also offering its members flexible payment options, ranging from weekly to monthly alternatives.

What can be learned?

There are a number of things that can be learned from this short case study that are applicable to all club situations. They are:

- The club recognised it had a long term sustainability issue and determined that it had to offer a more modernised product across all areas of its business.
- Accepting membership declines from course disruption, it has proactively addressed the issue and upon course completion and is now actively promoting membership opportunities tailored to its market.
- It recognised that club membership is more than just golf and has an enhanced social and entertainment offering
- It is making an attractive price offer, with payment flexibility.





"More People Playing More Golf"