

Member Rounds Frequency – A key to Retention

The financial success of any golf club is directly linked to how many members you have, how often they visit and what they spend when they are there. As we are all well aware, pressure has never been greater for most clubs in their attempts to retain and attract members. I say retain first before attract as I believe that retention is too often overlooked in the annual membership challenge.

We all know that it is the most recent playing patterns that impact our membership renewal decision. It is simply a value proposition. What does our research tell us? The Australian Golfer Survey – 2005 found that those members that play once a month or less are twice as likely to leave their club in the next 3 years than those who play more than once a month. This is a very significant finding and certainly tells me something. I have concluded the following – frequency of play has a tight relationship with satisfaction. Increase frequency and you'll likely increase satisfaction (and club incomes). Increase satisfaction and you'll be doing yourself a favour by likely easing the annual member recruitment challenge as your retention will be better. I'll talk about other retention initiatives in a later column but for now the focus is on frequency.

Now you might be saying "but I have people waiting to join and they will pay a joining fee so I am actually better off not retaining members." Whilst that might be true for (only) some right now, it is far from the norm in the current membership environment. The typical club model is an odd financial structure, in that it requires member turnover to make cents. It works in a growing environment but what about in a shrinking one? - No member turnover, no joining fees, no profit? We'll detail this issue as well in a later edition of this column but I promise that if you start down the path of tracking member frequency, you'll be better placed to increase satisfaction which will in turn assist member retention. By following this process you will also be better prepared and therefore ahead of the game now that/when/if the new member demand source dries up.

So today's point is that if you had a focus on your members playing frequency, aiming to increase at least those who are below the club average, you would proactively be improving satisfaction levels and therefore protecting against potential member resignations. Whether via this focus and communication you actually increase frequency may not even matter, as the communication effort alone will likely be noticed and make a difference. This is another future column piece!

Now assuming you are still with me in this logical thought process, you need to establish the starting point of this exercise. In order to focus on those initially more vulnerable (initially, as all members are important, just in the retention game some are more of an initial priority than others) you need to know the current member average right? How do you get this information?

In September 2006 approximately 980,000 rounds of golf were played by members at clubs nationally across Australia. With approximately 459,000 golfers currently recorded as club members in GolfLink, and making an allowance for a small amount of social member rounds, this monthly result converts into an annualised average of 27 rounds per member. The equivalent number in September 2005 was 25 rounds (impacted by 4 weekends in the month vs 5 in 2006) with the annual result for the 12 months to August 06 being 28 rounds per member. In 2004 Golf Australia reported an annual club average of 31 rounds per member, via data from the club survey of that year. By comparing the historical data to September 2006 it would appear that member frequency is averaging downward. What is the trend at your club?

The numbers above are national averages and they do vary across different club types. Below are some benchmarks however that give you a relevant point of comparison. The benchmark does vary depending on how you decide to measure it but my preference is the annual fee measure as it best communicates the implied value proposition.

Average rounds per member by annual fee category						
\$1- \$249	\$250- \$499	\$500- \$999	\$1,000- \$1,499	\$1,500- \$1,999	\$2,000 +	Av
25	30	37	38	28	33	31

Once you identify your club's average member frequency you are then in a position to start to identify those members who are well below the average (who are vulnerable) and then proactively address them and the reasons why. Almost all club member systems have a rounds reporting function (they need to as this is the information sent to GolfLink) and this is what you should ideally be interrogating.

In the current day understanding your member's frequency is vital and the effort you make around frequency will assist you in the member retention challenge.