



Member Communication and Retention

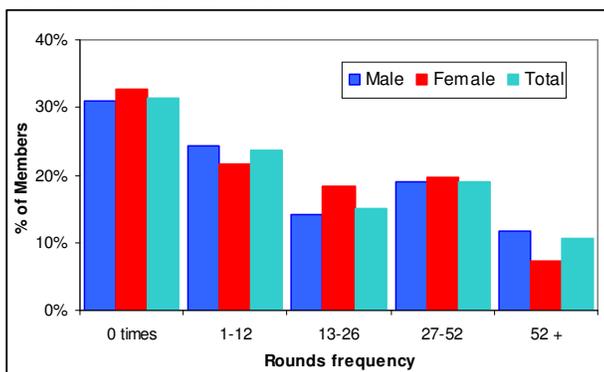
In the first *Monthly Benchmark* column published last month I talked about the importance of measuring member frequency. I received a number of emails and phone calls regarding the article and I was pleased to find out that there are a number of other like-minded thinkers out there at the golf course coal face. Given the environment we are currently in, this month's article is an extension of last month's topic, focusing on the importance of member communication and its use as a member retention tool.

Firstly let's revisit some of the known data discussed. Last month we established that the annualised rounds frequency for 2005/06 was 28 rounds a year per member. Last month an 8% increase was recorded in the monthly rounds average per member over the previous month with the rounds per month average moving from 2.0 to 2.2. This in turn shifted the YTD annual number to 28 rounds, a 1 in 13 day average.

As we look to the coming months we know that member frequency falls significantly in November and December (these months recorded the 3rd lowest and lowest average rounds results respectively last year). With these months on the horizon it follows that now is an appropriate time to role out some short term strategies to try to at least hold member frequencies and build revenues.

Being a keen believer in the value of numbers and what they tell you and with a view to understanding not just average member rounds frequency but also rounds distribution, more data from GolfLink has been extracted and examined. As you know, averages can be slightly misleading if there is a large spread of numbers at the extreme ends of the range examined. Therefore investigation of the rounds distribution spread would likely reveal the true challenge confronting us around frequency and associated communication. The reality is that this challenge is probably bigger than many expected.

Member Rounds Distribution



Source: GolfLink, Golf Australia

Let's look at the stats. For the 12 month period November 05 to October 06 it was found that:

- Over 30% of members had not participated in any club competition event at all!
- 15% had only been at their club between 1 and 6 times and 9% between 7 and 12 times in the previous 12 month period.
- At the other end of the frequency scale 30% are above a fortnightly average, (11% at least weekly) with 1 in 7 members stuck between fortnightly to monthly participation.

So what has this got to do with member communication? At the Queensland Golf Industry Conference held earlier this year I asked the assembled audience how often they as a member received communication from their respective clubs. Some were getting monthly communication (great), some quarterly (ok), but for the vast majority it was at more than 6 monthly intervals or not at all. Given that almost 50% of the national club playing base are very infrequent visitors to their clubs and are some distance from the 14 day, 28 round national average, it is unrealistic to expect loyalty and continued annual renewals. It is my view that increased communication can have a positive impact on this.

I am currently working with a club that has been sending a weekly 1 page club update email to 65% of its members who have provided email addresses for the past two months. Whilst it is early days, the email is so far proving to be immensely popular, particularly with those members who are infrequent visitors to the club, and those who are located interstate or overseas. The strategy is if they can't get to the club then let's take the club to them, remind them we exist, value them, and encourage them to come out again soon.

Now that regular email contact has been established, the next stage of the "project" is targeted email with a relevant incentive to those whose frequency is dropping or who haven't been at the club for some time. I should have some preliminary results to report on this initiative next month. Remembering that those more likely to leave the club environment are those who are playing or interacting less with the club, it is expected that this strategy and communication will go some way towards assisting member retention.

In the age of email and with some known facts around the distribution of member frequency, the importance of regular member communication and its role in the member retention challenge should now be quite clear.