



Membership attrition – who are these people?

Welcome to the latest edition of *The Monthly Benchmark*. Over the past six months we have done some very satisfying one on one advisory work with clubs across the country. These clubs have ranged from mid tier metropolitan clubs, to regional clubs, and include some ranked in Australia's top 100.

This article takes from these experiences and looks at what we are finding to be one of the biggest issues facing clubs right now – very few know anything about the members who are leaving them.

The importance of membership retention has been a talking point for some time now. Why? It is based on the basic principle that the member you know is cheaper to retain and more immediately valuable than the one you don't know and need to go and find in an environment where supply is exceeding demand in most areas of the country.

Let's look at the current numbers. Preliminary golf club membership numbers for year end 2006 submitted to Golf Australia show a 2% fall on year 2005 numbers and a 9% fall on year 2000 numbers to now approximate 444,500. These reported numbers are the net result of lost members and new members. A further 2% fall this year is not good news but what they hide is the true amount of people leaving the club environment.

Unfortunately gross numbers (lost AND gained) are not collected nationally so I'll use an example from one of the clubs we have studied in a metropolitan city to make the point.

For the five year period 2001 to 2006 this club's membership numbers fell by 5% or some 85 members to approximately 930, roughly in line with the national trend. It is the gross numbers from this club however that reveal the key story. Annual attrition averaged 95 members per year, and for the period totalled over 430 members, some 43% of the total 2001 membership base! In the same period they were thankfully able to attract 350 new members but, given the competitive market they operate in, they had to remove the normal joining fee in order to get the signatures.

The outcome for this club is that the new members they had to find cost them a significant amount of money. What they didn't have was information about what type of and why members were leaving that could be analysed and then used to create programs that could potentially stem the flow out the door.

The theory around membership is that if you know what they are thinking you have a much better chance of keeping them happy and retaining them as a member. We know that this is not always true and members do leave golf clubs for many reasons that the golf club can't control. Many however do leave for reasons that can be controlled. The challenge for clubs is they first need to be tracking and measuring

the reasons for departure if they decide they want to do something (informed) about it.

I have written a previous piece on the importance of understanding and measuring member frequency. Why? Because there is a direct relationship between frequency of play and member satisfaction. There is also a direct relationship between satisfaction and one's decision to remain a member. Impact frequency and you can potentially impact satisfaction and as a result positively impact or reduce your attrition rate.

Back to our example club. The question I had is what was known about these 430 people and why were they leaving? Our subsequent analysis found that the average age was 48 years, 3 years less than the average and the average length of membership was 11 years against a 15 year total membership average. This data alone tells a story!

So what do you need to know to really tackle attrition? In current times exit surveys are a must. Find out reasons for departure, and track age and length of membership (as above), as well as gender, playing category, and frequency of play (when leaving). Do this by phone if possible.

Here's a positive story that was recently shared with me. A club GM in Sydney personally phoned 100 members who had not renewed their membership, 100 people the club would have historically given up on. As a result of the phone calls he managed to get 50 back and in the process learned a lot about what they were looking for in their membership. Information that they are now using in membership packages to new and existing members. A great return both financially and knowledge wise for a few hours on the phone.

It must be said that understanding your membership doesn't start with just those who are leaving. You should already be measuring existing member satisfaction but we are finding that many aren't. Golf Australia can now offer help with this.

In the last *Benchmark* I reported that we were investigating the creation of an on-line survey tool to help us with our research. I am happy to report that this is now working and that two projects have already been completed. This tool now allows us to offer tailored survey capabilities to the industry, be it clubs or other bodies/companies, and can help you gain a better understanding of your member's views – hopefully leading to reduced attrition!

Finally, I encourage you all to subscribe to the Golf Australia electronic newsletter - E News. The newsletter is a key element in the Golf Australia communication plan and as a subscriber you will be the first to know of industry relevant news, features and updates, delivered directly to your inbox. Go to www.golfaustralia.org.au and simply enter your e-mail address in the specified E Club subscription box.

Happy golfing.



GolfAustralia

Golf Australia Club & Industry Advisory Services

Golf Australia is now the formative source of industry advice and in its role as the National Sporting Organisation it is able to provide fundamental advisory services to the golf industry.

Jeff Blunden heads up the Club and Industry Advisory service offered by Golf Australia, providing real, affordable assistance to those that need help, not only in the interpretation of data but also its effective implementation via proper strategy development. Jeff is well known to many within the golfing industry through the golf advisory work previously undertaken at Ernst and Young.

The services that Golf Australia offers include:

- Club Assistance Program (see below)
- Golf club financial and operational review services
- Board meeting facilitation services
- Residential/Golf feasibility studies
- Project structuring, budgeting and business planning advice
- Golf industry research, including member and consumer surveys
- Market demand and feasibility/relocation studies

Clients receiving these services have included management companies, local governments, other industry associations and interest groups, developers, financiers, and equipment manufacturers.

To find out more about the services Golf Australia can offer you please contact Jeff at jeffb@golfaustralia.org.au

Club Assistance Program

The Golf Australia Club Assistance Program (CAP) is a program that has been designed to provide clubs with assistance in their planning and strategic development.

Golf Australia has recognised that the skill, time and resources to do the work required to successfully address the current challenges presented by the industry operating environment may not always be readily available at all clubs around the country. Golf Australia has therefore created a program which gives clubs access to the skills required on a project by project, consultative basis.

The services provided via the program ensure that real, informed and affordable assistance is available to those that need it, not only in the interpretation of industry data and its relevance to micro markets but also effective actioning of the relevant information via proper planning and strategy development.

A \$100,000 fund has been set aside for the CAP for the 2007 calendar year. The fund will be provisioned on a pro bono basis to clubs, at a time and expense cost to Golf Australia.

Click [here](#) to link to the Golf Australia website to find out how to apply for the Club Assistance Program.
