

# Case Study

**Adapting to Change**  
Modern Membership Options

August 2016





## Introduction

Life outside of golf clubs has changed a great deal in recent years with different work habits, variable working hours, longer commutes and modern attitudes to family life. Golf is still an affordable and accessible sport in New Zealand but societal changes have meant for many golfers that free time and the value of

membership has declined. It is difficult for golfers to justify having a full membership at a golf club if they are not able to play enough to get value for money.

## Current Trends

Information on the state of the game in New Zealand indicates some clear trends with the number of golf club members declining annually at a steady rate of around 2%. In line with the drop in membership, the number of rounds played by club members has been declining at an average rate of 2.3% per annum since 2011. In contrast, the number of rounds played by casual golfers has risen at an average of 7.3% per annum over the same period.

The 2015 Participant Survey conducted by NZ Golf provides some insight into the reasons casual golfers are shying away from membership at a golf club. The survey broke down casual golfers into two groups, those who had previously been a member and those who had never been a member of a golf club. The top three reasons for not being a member across both groups were;

1. Memberships are too expensive
2. I don't have enough time to have a membership
3. I prefer the flexibility of playing different courses

This evidence shows the growing casual golf market is price sensitive and that casual golfers do not play enough golf to make a typical golf membership cost effective. The evidence also indicates the increased value placed on flexibility by nomadic casual golfers.

## Flexible Membership

This is where flexible membership options come into the mix to compliment the traditional membership categories that golf clubs currently offer. Flexible memberships, also known as pay as you play, associate memberships or golf points, typically involve golfers paying an affordable annual membership fee for a certain number of rounds or access to the course at reduced green fee rates.

Many golf clubs in the UK have introduced flexible memberships resulting in a large number of new members joining clubs, and more recently clubs in New Zealand have started to adopt the concept.

Flexible memberships are ideal for the occasional golfer or those who want to try the game without committing to a full membership. Flexible memberships provide a pathway into club membership with the potential for clubs to transition these golfers into other membership categories when they have more time at their disposal. Flexible memberships can also play an important role in a club's member retention strategy by offering an affordable alternative to members who are considering resigning because they are not playing enough to justify their current membership.

While some may be sceptical about flexible memberships and concerned that offering a more affordable membership option will cannibalise their current membership base, one of the tricks to developing a suitable flexible membership is to understand the playing patterns of current members, and to structure pricing and playing times accordingly.

## Flexible Membership Models

Below is a selection of modern membership models to cater to a wide range of consumers. These models can be modified to suit the particular needs of a club and the target market.

- **Points system**

A system in which the golfer buys points and pays for their rounds with these points. The club can decide how many points a round costs depending on the day of the week, time of the day and time of the year. For example, a round in the weekend might cost more points than during the week.

If under this system the golfer gets the same playing and social benefits as full members, it is a good compromise between full membership and pay to play. It fully engages the golfer with the club with the potential to become part of the social structure but provides the flexible feel of a green fee player.

- **Pay as you play**

A lump sum payment upfront which provides a certain number of rounds followed by a reduced green fee rate for every additional round.

- **Multi Course Membership**

Several clubs are already offering variations on this theme to their full members by way of an allocated number of free rounds or preferential green fee rates at selected local courses.

A flexible model for people who like to explore new courses is a membership which provides access to several courses without having to commit to a full membership. This type of membership requires a collaborative approach between golf clubs to put together an attractive package. The flexible model for this type of membership is similar to pay as you play with a base membership fee and preferential green fee rates. The preferential rate may vary between the courses on offer depending on the quality of the facility.

- **Twilight Membership**

Playing rights after 3pm for the working golfer. This can be combined with a discount on green fees when playing at other times. This product encourages utilisation of the course outside of peak times.

- **Concession Cards**

The green fee model can be extended to selling 10-20 rounds in one go for an attractive fee. Selling the rounds per 9 holes can make it attractive to play 9 holes for those golfers with limited chances to play 18 holes. People more often have a 2-hour slot available in their schedule than 4-5 hours for 18 holes.



## Conclusion

Golf clubs are starting to recognise that one package no longer fits all and that the member who plays occasionally is still a member worth having. They also recognise that the member who is keen to continue playing, but can no longer commit as much time to the game is worth retaining even if this needs to be achieved by offering a more affordable membership option. Accommodating these people achieves some revenue that would otherwise be lost. It also serves to retain an interest in golf and an association with the club which will likely benefit the club in the future when the golfer has more time at their disposal and is more comfortable in making a greater financial commitment to membership. The challenge with offering flexible memberships is to fully engage these members in the community of the

club and overcoming this will require a proactive approach from clubs and their members.

For more information on flexible membership models, you can contact the Community Golf team at NZ Golf on 09 485 3230.

### REFERENCES:

New Zealand Golf, 2015 Participant Survey

<http://www.golf.co.nz/uploads/Participant%20Survey.pdf>

European Golf Course Owners Association, Vision 2020 The Future of Golf

<http://thefutureofgolf.eu/>

