Case Study

What is the magic number?

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NEW ZEALAND golf

What is the magic number?

How often do we hear the following stories "I am not renewing my membership as I am not playing enough golf to justify the cost of it" or "Why would I join a club it's cheaper just to pay green fees".

It's a simple calculation for a member or casual golfer to work it out, e.g."I pay $700 for my membership and I only played 10 rounds last year that's $70 a round!! I can pay $20 a round if I look around that's a lot cheaper. I don't play the competitions"

A simple way of looking at the renewal of membership or membership decision making process, we understand that clubs are always looking to add value to their membership so this simple calculation is not as relevant, the sense of belonging, the friendship and the opportunities a club can provide negate some of the calculations effect. This case study will identify the National Average Return on Investment number, the amount of rounds of golf needed to equal the membership cost.

To identify ways to improve this there are an existing pool of case studies that give a number of ideas and initiatives that are already working out there. Also the members of the NZ Golf Community Golf team are always happy to help.

The Process

A total of 387 club websites were visited with the intention of locating the following details:

- Full playing membership amount (highest figure used)
- 18 hole Non Affiliated Green Fee (highest figure used)
- 9 hole membership (highest figure used)
- 9 hole Non Affiliated Green Fee (highest figure used)

For the sake of the exercise we "assumed" that the figures shown on the club websites were up to date and correct.

Purpose

To identify the National Average

- Full playing membership amount
- Non Affiliated 18 hole Green Fee amount
- 9 hole membership amount.
- Non Affiliated Green Fee amount.
- Return on Investment (rounds played to equal membership amount) for Full playing and 9 hole memberships.

Challenges

Of the 387 club websites visited, only:

- 212 had membership details showing.
- 245 had Green Fee rates showing.
- 169 had 9 hole membership details
- 169 had 9 hole green fee rates showing.

Opportunity

Firstly check your club website, how easy is it to find these details? Are these details readily accessible? Then ask a non-golfer to find the information. Did they find it as easily as you did?

The Numbers

NZ Average Full playing membership amount:	$708.00
NZ Average Non Affiliated 18 hole Green Fee amount:	$36.00
NZ Average 18 hole Return on Investment number:	19.66 rounds
NZ Average 9 Hole membership amount:	$460.00
NZ Average Non Affiliated 9 hole Green Fee amount:	$25.00
NZ Average 9 hole Return on Investment number:	18.4 rounds

Opportunity

1. Identify your ROI number where do you sit verse the National average? To give you an idea of the spread the numbers ranged from a club where the cost of membership was equivalent 5 green fee rounds to the other end of the spectrum where the cost of membership was the equivalent to over 49 green fee rounds. Both are well known NZ Golf clubs.
2. Identify your average rounds per player, how does this compare to your ROI number? How many of your members are playing enough golf to justify the cost per round played?

Also,

If the National green fee average was $40 the ROI figure drops by a whole 2 rounds...

Some food for thought.