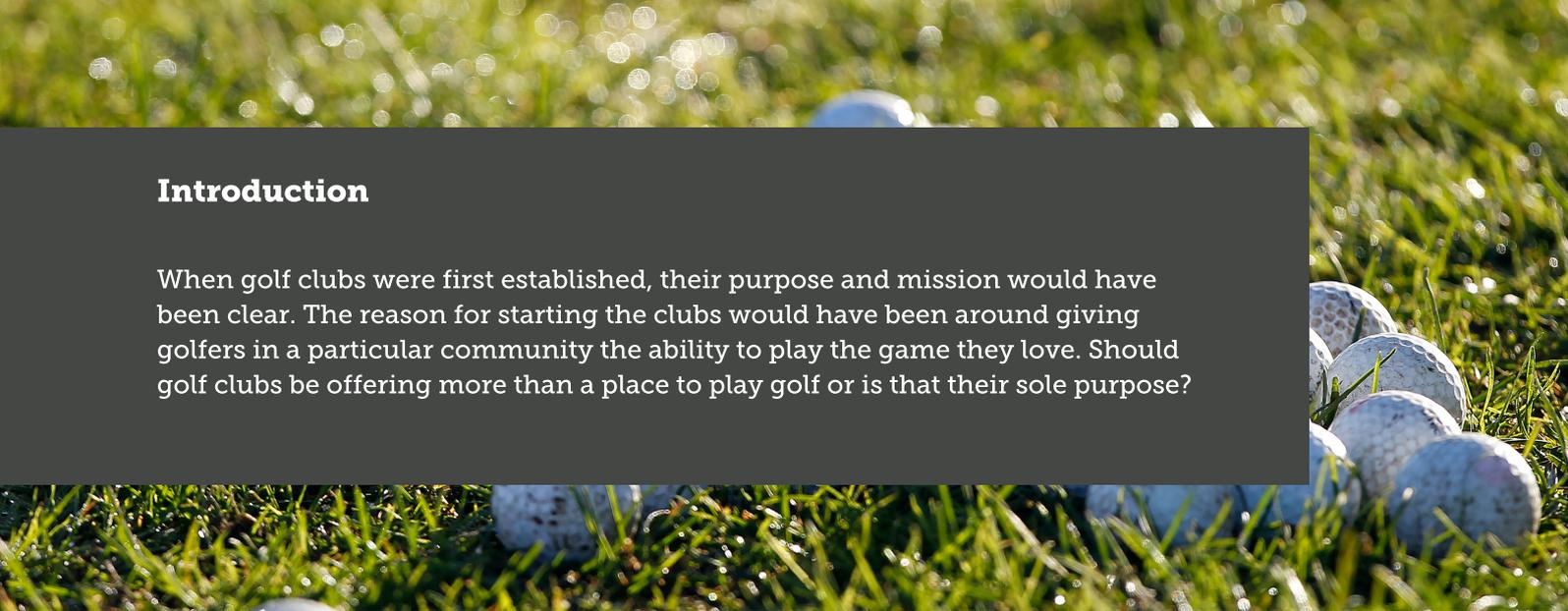


What is the role of your Golf Club?

CASE STUDY

AUGUST 2019





Introduction

When golf clubs were first established, their purpose and mission would have been clear. The reason for starting the clubs would have been around giving golfers in a particular community the ability to play the game they love. Should golf clubs be offering more than a place to play golf or is that their sole purpose?

The history of establishing sports clubs in New Zealand has been groups within communities coming together to set up fields, clubhouses and golf courses so people could play their sport they wanted as well as the ability to socialise around that sport. Sports clubs within New Zealand are now being faced with a number of pressures including urban sprawl, fewer people living in rural communities, and reduction of membership. Can golf clubs just rely on the course and golf to survive in the future?

All sports around the country are seeing a decline of membership at clubs, so the question for all sports, and not just golf, is relying only on the sport enough to keep the club going? We can look at Eden Park as an example of a facility that is a primarily a sports ground that has constraints imposed on it by the local community and is struggling financially. One could argue that if it were able to hold concerts and other events at night and diversify its income and outreach to the community, it could be in a better financial position. There are also people who say that Eden Park is the home of New Zealand Rugby and that is what should be its main purpose, a rugby ground and nothing else. If we were to build Eden park from scratch now would the facility look the same and if not, how would it look?

The same question around starting a facility from scratch can be asked around golf clubs. If you were to build your current golf club now what would it look like? It may seem a pretty simple question but there are a number of factors to take into consideration if you were to start over again; Would you go with an international facility with no memberships, a high-end member only club, a multi-use facility, or some other form of golfing facility? If you were to start the facility from scratch would you be building it as a golf only facility and if so, how would your funding model look? If you were to have a facility that was multi-purpose how would it be set up? What would success for the club look like and where would you want the club to be in 5 years' time? What would the club do to reach this goal?

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For a club that wants to be members only it is likely to have to charge a premium price, have a world class product, and go above and beyond on the service front. For a club that is wanting to be more than just a golf club, it would have to find ways of diversifying its income. For this it would have to consider if it has a café or restaurant attached to the club. Would it run the food side of things or would it rent it out? Could this type of facility partner with other clubs and sporting clubs in the area to diversify its income stream as well as bringing a different demographic into the club.

Looking at the trends in all sports, the membership model for sports clubs is resulting in falling numbers. We know with golf that there is a decline in club membership yet the number of people participating in the game is actually increasing. If starting again, how would the club capture this market opportunity

It may appear an exercise which has no purpose thinking about if we started over. I would say that it isn't, especially if the imagined golf club is far away from the current model the club is running. It can give the club an opportunity to hit the reset button, work out what is important to be relevant in the future and what needs to be changed. There is a belief among a lot of sports clubs that an increase in membership is the goal to get the club back to running at the level it wants. If that is the aim for the club a review and some tough decisions need to be made. The first would be around the green fee pricing. If a club wants more members it has to prove to those perspective members, as well as the current ones, that they are getting value for money from their subscriptions. Are clubs willing to increase their green fees to give better value for membership? It can be assumed that an increase in green fees will see a decrease in golfers on the course. Is that same club willing to possibly forgo the lost revenue in green fees to gain members? Many sports clubs are caught in the trap of trying to be everything to everybody and aren't willing to put a stake in the ground and state who they are and what they stand for. To be able to state what a club stands for and who it is it needs to be able to say what it isn't. If you decide that the re-do of your club would be a facility that is focused on members then to give that member satisfaction, they will need to be able to have tee times almost whenever they want. This will mean reducing the number of corporate events, green fees, and disruptions to the course. To keep these members happy is having a golf course enough? To keep the satisfaction level high would the club need to have a quality dining experience, a pool and other facilities to offer a wider range of events? It may seem a rather simple question as to what a club wants to be, but there needs to be action to back it up.

On the other hand, if a club decided it wanted to be a truly community-based facility, what questions would they have to consider? Societal change has meant that people have less time to partake in activities, with knowing this would a golf club be willing to reduce from 18 to 9 holes with options to play even shorter versions. Would the club be willing to share its grounds and clubroom with other sporting and cultural groups within the community? Would the club be willing to have the focus of the facility move away from being golf and towards a mashup of the local community? To be a truly community-based club, the focus would have to move away from membership and towards the wants and needs of the community. The members, if there were any, would have to come second to those needs. The advantage for both these situations is that the club will know what its true purpose is and then can really plan into the future.

Conclusion

Originally sports clubs were set up to provide a place for the local community to meet and socialize around the sport involved. Over the years sports clubs have moved to focus on the sport and the facilities and have withdrawn from the local community. Ask anyone who has not had an experience at a golf course and they will likely tell you that golf clubs seems elitist, restrictive, and aimed at people who are wealthy. Would getting back to the original reason of being a social and sporting hub for the local community help the club? Originally the target demographic for golf clubs when they were established was men and the goal was them to come play and socialise. Society has moved on from these restrictive norms and as a society we are far more inclusive. If you looked at your current golf club now, does it break down into the same demographics as the local community? If not, why isn't the golf club looking like the community that it sits within? If clubs looked more like the break down of the community that it sits in the negative images that golf may have in society would break down and the club being the social hub for the community would return. Knowing what the club stands for and what they want to be will keep clubs alive and help boards and committees focus on what is their real reasoning for being.

