



FLEXIBLE MEMBERSHIP SCHEMES – THE FUTURE OF GOLF?

Craig Innes, the manager of Lincoln Golf Club has warned that golf clubs will die unless they start offering flexible membership packages to their customers. Is this the future of golf?

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A focus on five golf clubs' answer to growth and sustainability through the implementation of a flexible membership scheme.

Lincoln GC - February 2012

Craig Innes is a former GCMA 'Manager of the Year' finalist. He stated that members of clubs will continue to convert to 'nomadic' pay-as-you-play golfers if they are only offered limited subscription packages such as either full or five-day memberships, even if they can pay in instalments. He claims the key is to offer golfers' a package tailored to their requirements, which involves flexible schemes in which golfers pay a relatively small amount to benefit from being a member of a club and then pay reduced green fees every time they play the course.

"People are queuing up to leave golf clubs, not join them," he said. "There is a need to offer different products to suit different lifestyles and today's golfer is fearful for their job security as well as being value-for-money-orientated and technology-savvy. So flexibility is key."

He accepted that golf club committees and treasurers fear flexible schemes, and many members dislike them, but added that they are proven to work and can secure a golf club's future. He cited China Fleet Golf & Country Club in Cornwall which, more than 10 years ago, surveyed former members to find that many had left the club because they were playing too few rounds of golf to justify the annual subscription of £600. The 2002 the introduced a flexible membership scheme in which members pay £200 per year plus £8 green fees in the summer and £5 in winter. The scheme attracted 200 new members in its first 18 months. Ten years on it consists of 300 members who have an average age of 45. The average age of members of the club's traditional scheme, which also has 300 members, is 59.

"I really do feel most private members' clubs within the next 10 years will be operating on a flexible membership scheme and unfortunately the best thing that can happen if clubs do not, is if some start going to the wall," stated Craig. "I do not wish to see any organisation fail, however all the trends are there and failure is a guaranteed way that will kick-start the thinking process to change, and the product to evolve, for those clubs that are left. "The average age of full playing members at a club I managed at was 60, and only 5.5 per cent of members were under 40. This is not healthy."

Craig's comments support research by golf blogging website <http://ldngolfplayr.com/> of 32 clubs in London, in which the average annual membership subscription is £1,189 and the average

standard weekend green fee is £41.82, meaning that members need to play at their club at least 28 times a year at weekends for it to be better value for money than being a visitor, and that excludes joining fee costs. For some clubs in the UK, members have to play more than 40 times per year – almost once a week – for it to be more cost effective than paying green fees.

“There are also so many other ways for individuals to dispose of their income. To try and justify one large subscription payment for a few rounds per year does not add up,” said Craig. “Most private members’ clubs must offer a flexible membership in order to survive. We have become too expensive for a lot of people and we must take that leap of faith to accommodate our customers or we will die.”

Goodwood GC - June 2012

Golf at Goodwood in West Sussex, which uses a credit membership scheme, has attracted over 100 new members so far this year (2012), even though the club has a 93 per cent membership retention rate.

This is the sixth year in a row that the resort has used the ‘flexible membership’ scheme, in which golfers pay a relatively small amount of money as an annual subscription, and then pay for credits when they want to play rounds.

“Members purchase a bundle of credits for rounds of golf for themselves and their guests thus avoiding the annual cost usually associated with club membership,” explained Lord March, owner of the Goodwood estate. “The system has had significant results with Goodwood enjoying a 93 per cent retention rate of members who themselves have recommended 65 per cent of new members to join the club. Credit membership means that golfers, whether they play every day or just once in a while, enjoy all the benefits you would expect from a golf environment.”

Bedale GC - January 2013

Bedale Golf Club in Yorkshire has become the latest venue to offer a flexible ‘pay as you play’ membership category to retain and recruit customers. As clubs are increasingly competing to secure members, several have introduced schemes in which golfers pay a relatively small annual fee that entitles them to a few rounds of golf per year, and when they have used them up, they then pay discounted green fees every time they play a round.

Golfers have shown demand for these products as they are more suited to some people’s busy lifestyles, but the majority of golf clubs do not offer them, particularly because they run the risk of members paying less, or an unknown amount of, money throughout the year, rather than one fixed sum that entitles them to unlimited golf. Clubs that have introduced these schemes, such as Golf at Goodwood, have generally found that they lead to an increase in membership numbers.

“Our flexible membership scheme is available for those golfers who prefer the flexibility of playing golf at any time of the day but cannot justify a full membership,” said a spokesman for Bedale. “The scheme is also attractive to those who may wish to take up the game on a low-cost, trial basis.”

The cost of the category is £200 and entitles subscribers to the benefits of full membership, including discounted drinks at the bar, handicap rights and the ability to play in most club

competitions, but not voting rights. The 12-month package starts when the buyer wants – rather than on a date the club chooses. The £200 allows between 10 and 20 rounds for the year, depending on when they are played, which is cheaper than current winter green fee rates of £19 per weekday round and the current full membership cost of £690. Once the initial £200 has been spent, flexible members can buy extra points as required. If they decide they want to join Bedale as full members, any unspent points can be set against the subscription.

The club has also introduced a ‘second club membership’ category in which golfers who are members of another golf club can join Bedale for £345, irrespective of where they live.

“Around here the days of joining fees and waiting lists are long gone. We have to be innovative in our quest for new members,” said Bedale Golf Club’s chairman Jim Shaw. “We are optimistic that the flexible member option will prove attractive to golfers who fancy the undoubted benefits of being part of a members’ club but cannot justify the cost of full membership.”

Panshanger GC & The Oxfordshire GC - May 2013

Two more golf clubs have introduced flexible membership schemes to attract and retain members.

Flexible packages, also known as golf credits, associated memberships and pay as you play memberships, are one of the fastest growing trends in the industry at the moment. They typically involve golfers paying a discounted annual subscription to be a member of the club, and then reduced or free green fees for a certain number of rounds they play. This seems to be popular with golfers who do not play enough golf to make a typical annual subscription to a golf club cost effective – one of the most cited reasons why memberships at clubs have dropped so dramatically in the last decade.

Panshanger Golf Complex in Hertfordshire is hoping its credit system ‘will appeal to casual golfers who may not want the commitment of a membership but also want to get value for money’.

The scheme, which has just started, enables users to pre-pay for one of five credit options, ranging from 30 for £85 to 250 for £475.

Credits are tiered with, for example, peak time usage of the course at weekends worth 10 credits, or weekday usage after 6pm worth two credits. To compare, a typical standard green fee at the club at the weekend is £30.50, while seven-day membership is £748.

Richard Martin, manager at Panshanger Golf Complex, said:

“As the weather begins to improve, we wanted to provide a way that golfers with all budgets were able to play as much as they wanted. We feel that the golf credits system will be a brilliant option for those who want to play often and get value for money, but may not want to commit to a membership. We wanted to make the golf credits as user-

friendly as we could, so the credits can be redeemed seven days a week and there are several different options to suit a range of budgets.”

Meanwhile, **The Oxfordshire**, which charges £2,600 for an annual subscription plus a £1,000 joining fee, has also introduced ‘Flexi-Membership’.

“This year The Oxfordshire launches one of the most innovative and accessible golf membership products in the region. Flexi-Membership is designed to allow you to join The Oxfordshire on a flexible package giving you the choice of when you wish to play, seven days a week,” said a club spokesman. “All members are able to play in any competitions, participate in club social events, and matches – both home and away.”

The club also offers five options, from £495 for 50 credits to £1,795 for 310 credits. Green fees are then worth four to seven credits, depending on the time of day, day of the week and month that they are redeemed.

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