



THE ENEMY AT THE GATE?

Jane Carter, Golf Unlimited, writes the second in a series of articles on marketing. In this document Jane, discusses pay and play golf.

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As pay and play golf is a growing trend, Jane Carter argues that rather than regard nomads as the enemy, it is time we welcome them, begin their conversion to club membership and embrace dreaded discount green fee schemes

I read with interest the article in the March issue of GCM in which one golf club manager added her voice to the many which blame discount green fee schemes for golf's current decline in attracting new members and keeping existing ones. Apparently any scheme which appears to offer an alternative to golf club membership, including the England Golf's own Associate Membership programme (its discontinuation was announced this month), have brought about the demise of golf as we know it.

The solution offered was for every county to introduce a County Card scheme (a good idea). For each county to then offer 'cross county' schemes so that club members could use the card wider a field (another good idea, helping golf clubs bring new business) and then finally to use County Golf cards to replace 2-for-1 income from casual golfers with this 'income' from members of other golf clubs (not a good idea!)

Whilst the view that by keeping golf's best offers for its own, that is existing members, then we will somehow tempt those nomadic golfers into paying an average of £800 annual subscription plus joining fee to become part of 'our gang', is well-intentioned, it is dangerous in that it pays no attention to current market trends other than price.

It also overlooks the fact that all of the business being encouraged through the County Card is heavily discounted anyway and to my mind is simply swapping one group of discounted golfers (nomadic) for another (golf club members) on the basis that it is OK because they have paid to join a club. Even worse is that they are all members of a club so the prospect of turning a visitor into a new member would turn a green fee price war into one over membership fees.

At the risk of never being asked to write for this magazine again, I will say this: Discount green fee schemes are NOT the cause, or even a major contributory factor, for the decline of golf club membership in this country. If they were, then frankly golf clubs would have no one to blame but themselves.

What's worse is the argument offered by some critics that if every club was to withdraw from these schemes (and of course their own price discounting efforts), the growing number of nomadic golfers in this county would give in and join a club. Problem solved. They would be wrong.

Before I explain, let's look at the principle of price discounting. I cannot think of a single industry which at one time or another does not discount its prices. Walk into any supermarket, for example, and witness a whole host of 'Buy One Get One Free' offers (their equivalent of 2-for-1). Even well-known household names use this tactic because they know it works.

Price promotion encourages sampling, stimulates sales at quiet periods (every business has them) and brings an opportunity to create a new customer.

The big difference of course is that when you walk into the same supermarket a week later the offers are no longer available. They are fiercely controlled both by the distributor (the supermarket) and the supplier. Unlike in golf.

The very first 2-for-1 green fee scheme (which bears its name) was started by a magazine publisher back in the late 90s. It was a good idea and still is today:

- ✿ It was a massive national promotion costing several thousand pounds but at no monetary cost to the clubs involved. Their contribution for this free publicity and promotion was the availability of green fees which should have been the toughest to sell anyway.
- ✿ It was a huge data collection exercise which, by the way, was also available to the clubs themselves by accepting a green voucher bearing the person's name and address, details which of course they promptly added to their own database! (Or perhaps not!)
- ✿ It was controlled by the clubs, subject to availability and with the ability to be able to dictate how often, and when, they could be used. If it had one fault, it was the name and therefore the half price discount over which the golf clubs had no flexibility.

On the face of it, this was a good promotional programme similar to that found in the most sophisticated of consumer industries. Sadly, it created a monster – and I don't mean the nomadic golfer looking for cheap golf. The monster was within the golf club industry itself as more and more clubs with no clear marketing objectives used the scheme and the many others which sprung up to stimulate demand for their product with no thought as to what to do with it once they had. I call it the discount treadmill and like all treadmills, once it is moving, it is difficult to get off.

Let's deal with another misconception – that all nomadic golfers are looking for cheap golf and that the loyal golf club member is happy to pay the going rate because they understand how expensive it is to run a golf club and because they wouldn't want their club marketed as a discount facility. Let me throw another couple of 'food for thoughts' at you:

I would make a very educated guess that the combined data of these national green fee schemes would total less than 100,000 – and a fair percentage, say 30 per cent, would be duplications, that is people buying vouchers from more than one scheme. There are reckoned to be more than four million nomadic golfers in the UK. Let's be ruthless and bring that down to one million and discount green fee buyers still represent less than 10 per cent of the market.

Oh ... and I forgot. I would wager a significant amount of money on a third or more of these discount voucher 'addicts' being members of a golf club! It's the NIMBY attitude. Don't want them at our golf club but if there is access to cheap golf elsewhere, sign me up.

These are commercially-run national schemes that don't take into account the number of golf clubs now running their own discount promotions which, apparently, is acceptable. If it was up to me I would rather rely on a national campaign with the marketing costs borne by someone else to send me new business – and then work damn hard with every marketing tactic at my disposal to make sure I kept it and eventually turned the nomads into new members. And it is this latter statement which brings me to the crux of what is wrong with this 'us versus them' attitude. Nomadic golfers are not the great unwashed. **THEY ARE YOUR FUTURE MEMBERS!** Maybe not right away but in a few years' time, when their lifestyle permits, and you need to be interacting with them **RIGHT NOW**.

If it takes a discounted green fee to first win their custom, so be it. Welcome to the world of consumerism.

However, stay off the discount treadmill by following these simple rules:

- ☛ Be disciplined. Use price promotion as just one of your marketing tactics – not the only one. Carefully monitor who is using them and when. If someone persists in visiting using green fee promotional vouchers, talk to them about a membership offer.
- ☛ Use it to drive data. Each contact your golf club acquires incrementally reduces your marketing costs. It allows you to open up a dialogue directly with your customers and to start doing business on your terms.
- ☛ Use price promotions to first win the business – and then up sell. Once the customer is through the door sell, sell, sell whether its food drink, trolley or buggy hire, or accommodation. Remember the ultimate up-sell is membership.
- ☛ Use any commercial green fee schemes as the ultimate driver of data for your business. The cost of reaching the audience is what deters many golf clubs from launching their own marketing campaigns. These commercial companies are, or should be, marketing experts. Use them to bring you new business (I emphasise new as some are now just marketing to the same database themselves) and then take control of it.

I agree with all of the contributors to this debate when they say that price discounting can not be the future of this industry. It is unsustainable as ultimately industry value is destroyed.

However, I vehemently disagree that the answer is to simply withdraw from schemes which encourage nomadic golfers to play golf seemingly on their terms.

Whether we like it or not, pay and play golf is here to stay and probably in far greater numbers than we ever imagined as an industry. It should not be regarded as a threat but, simply, a different way of doing business. A way which requires more thought, more creativity and more effort than perhaps we are used to.

We cannot afford to pull up the drawbridge and hope the ‘enemy’ will withdraw. More likely they will increase in numbers, or, worst, disappear from the game completely. Those golf clubs that welcome them, open up a dialogue, then use every opportunity to promote the value of being a member at their club, will ultimately prevail.

For this reason England Golf, which has announced the phasing out of its Associate Membership scheme, should not turn its back on nomadic golfers. It should regard them as ‘missionary work’. What else is better placed to embrace the growing number of pay and play golfers and start communication on behalf of the game and most importantly on its terms – before they no longer want, or need, to listen?

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