



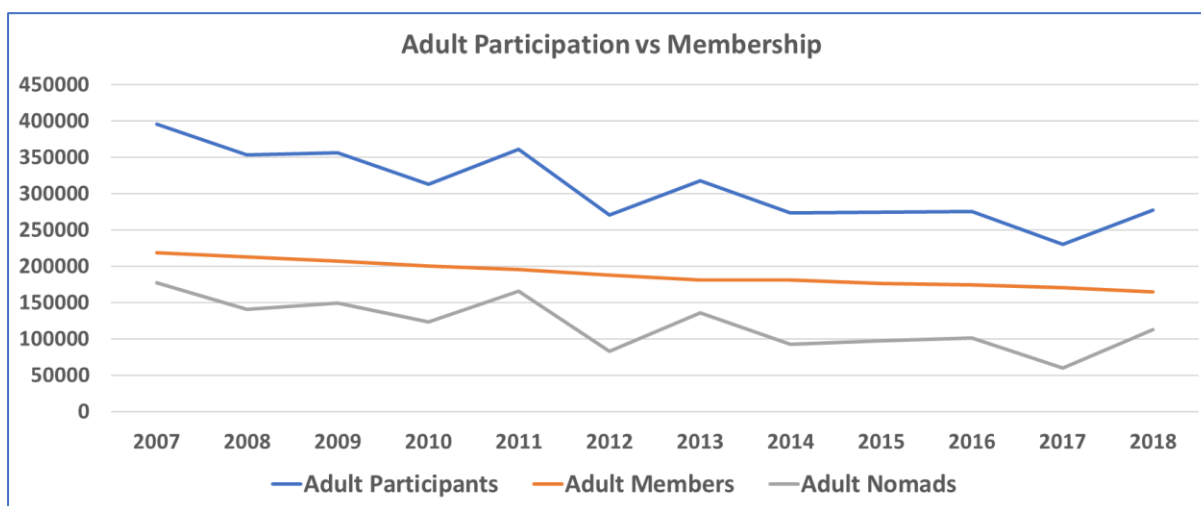
So why do Flexible Memberships?

The debate among committees on whether to go down the route of flexible memberships is one which continues to rage on up and down the country. However, with the traditional membership model facing an increasing challenge, more clubs are considering adopting this option. Our guide is designed to help committees better understand the rationale behind Flexible Memberships and offer direction on making the decision that works best for your club, as well as how they can be designed, priced, managed and risks mitigated.

So, who do Flexible Memberships appeal to? Those with busy lifestyles whose work, family life or other interests leave them with less time to play golf on a regular basis. They may have been members previously but cannot justify the cost of a full membership when they equate the increasing cost per round. Or they may be keen golfers who have never been a member because the traditional membership offering doesn't suit their needs, and who opt to pay as they play rather than committing to a club.

Membership Trends – The Move Away from Traditional Membership

If your committee is looking for evidence to support the need for Flexible Membership, the graph below highlights the trends of golf participation and membership among adults in Scotland over the last 12 years, using data from the Scottish Household Survey and Scottish Golf's membership returns.

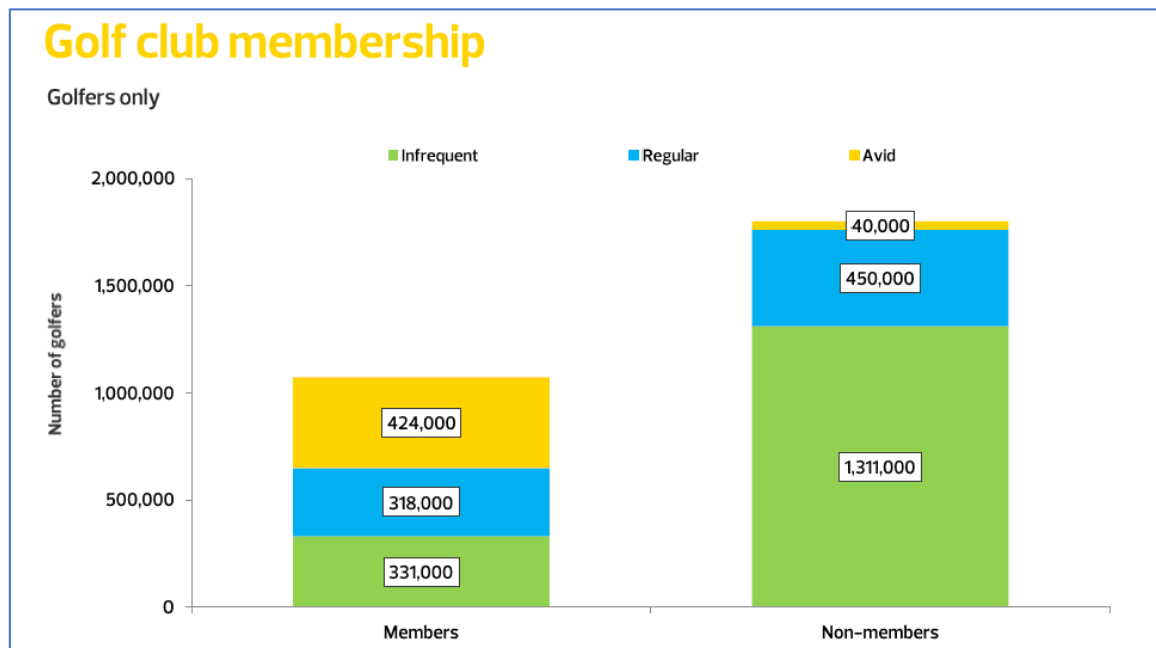


Club membership has been in decline since 2007, however at a lower rate than people playing the game overall. As a result, 'nomadic' golfers, those who play at least 10 times per year but are not a member of a club, has stayed fairly consistent over the same timeframe. In other words, numbers of people playing the game regularly have stayed fairly consistent, but more are choosing to do so in a different way than traditional membership and clubs are missing out on an increasing proportion of the market.

So, who is the target audience?

- The infrequent golfer who plays (on average) once a month
- Still wants to be a member of a golf club
- But currently doesn't get enough value out of a traditional membership
- Someone who sees the cost per round as too high
- But would enjoy the some of the benefits associated with club membership

The Potential Market for Flexible Membership



In the graph above (Source: Sports Marketing Surveys 2018) the blue section on the right represents 450,000 golfers in the UK who play golf at least once a month but are NOT a member of a golf club. Whilst some may never be attracted by any club membership there is clear potential here to offer them a different membership product that is of value to them. Conversely the green section on the left represents 331,000 golfers who play less than once per month but who ARE members of a club. A number of these who are in 'full' membership will be at risk of leaving membership if an appropriate product is not available to them. In turn, Flexible Membership should be viewed as a way of retaining those members who you may otherwise lose if they continue to play less frequently.

What does the average Flexible Member look like?

According to research from PlayMoreGolf, who support clubs with a Flexible Membership programme, the average Flexible Member typically has the following characteristics:

- Average age 48 (17 years younger than average 5/7 day member)
- Only plays 8 - 10 home rounds per year
- Only uses 50 - 55% of their 'points' during each year
- 8% of Flexible Members will upgrade to Full Membership
- 65% of golf will be played at off peak times (after 1pm)
- Average member retention rate of 83% (based on 2018 figures)

Other Flexible Membership Studies

Scottish Golf conducted research with a group from 2015 to 2017, supporting them to design and launch flexible membership. The following summarises the results, with 12 participating clubs tracked for a year:

- 8 out of 12 clubs reported success
- Sales of flexible membership ranged from 9 to 100
- The average number of new flexible members was 31, equating to £6,861 revenue
- No two clubs had exactly the same mechanic or list of benefits
- All 8 successful clubs priced Flexible Membership at a similar price point
- 3 clubs failed to launch a Flexible Membership category

The Average Price of Full Membership versus Green Fee

Typically, when a golf club member is playing less golf, they will start to calculate their average cost per round based on their membership fee, then weigh this up against the cost of a standard green fee at their club. As part of the study above, Scottish Golf researched the cost of membership and midweek green fees at 90% of clubs, with the following result:

- Average (mean) price of a Full Membership: £490
- Average (mean) price of a midweek green fee: £35
- Average number of rounds you would have to play: $£490/£35 = 14$

This means that **14** is the average number of rounds you would have to play as a green fee payer to pay for a full membership without all the other member benefits. This is a key figure as it indicates the number of rounds a member will play before they start to critically assess if they are getting value for their membership – purely in terms of golf.

You should assess what your ratio of full subscription to midweek green fee is and keep this in mind when considering pricing of your flexible membership.

Flexible Membership: Fears, Concerns & Objections

When considering launching a Flexible Membership product it is important that you discuss all potential negatives with key decision-makers and influencers in the club. This is important as it allows you to establish what risks are real, and what are simply perceptions. In turn you can ensure you mitigate any risks by putting necessary controls in place.

The key concerns you will hear are likely to be the following:

1. *“We will make less money – the cheaper format of playing membership will cause more existing members to transition to the cheaper flexible option thus losing income”*

How to control the risk:

- Launching after your membership renewal period will help avoid any initial jump. The new category can then be used as a retention strategy by targeting those who have left through lack of play.

- Limit the number of Flexible Members (e.g. 20). This will enable you to control maximum risk and increase steadily over time to find the right balance.
- Making sure a 'vote at the AGM' is not a member benefit afforded to flexible members. This ensures that power to change or stop the category is retained by full paying members. This rule can also help bring onside some traditional members who are concerned in the short term about a change to how the club is run.

*Remember the whole point of launching a flexible membership product is to make you more membership subscription revenue, not less.

2. "How will we stop it being abused?"

How to control the risk:

- How do you currently police the tee? Similar to-day members not playing at weekends, a new category of membership will require an element of trust in the member.
- Ensure you have clear and concise Terms and Conditions that members must sign up to. This enables you to communicate to the new members what the restrictions are and allows transparency for other members. If you have a case where a member does abuse this, then you have a signed agreement to point to and take appropriate action.
- Many online booking platforms allow you to colour code different categories of membership, allowing anyone to quickly see if someone is playing at an appropriate time.

What is the best way to structure a Flexible Membership product?

The two most common ways that clubs structure flexible membership are:

- 1) The Points Bundle
- 2) Up Front Joining Fee + Cost per Round

1. Points Bundle

In this format, a club will sell a number of points for a set fee and those points can be used by the member in exchange for access to the golf course. Clubs will often make tee times worth different amount of points, depending on how in demand they are based on peak and off-peak times.

Some clubs will also not allow access to some particularly high demand times or restrict certain competitions as these are an exclusive benefit of full membership. If a Flexible Member wants to access peak times of key competitions, then you have the opportunity to upsell them to full membership.

Example:

- £300 points = £300
- Saturday / Sunday am = 40 points
- Saturday / Sunday pm = 20 points
- Midweek = 15 points
- Top up = £100 for 100 points

Clubs may also sell add on bundles e.g. 100 points for £100. It is key to link the price of points to your subscription level. The points-based system is commonly used in clubs with a technological solution to manage the use of points such as an EPOS till system, or through PlayMoreGolf.

The till system keeps a real time record of the points used and provides a report for the Manager showing them who is on the course and how the points are being used. Also, the EPOS system allows Flexible Members to buy and place more points on their cards when topping up. These points generally can't be used for buying a guest green fee or purchases at the bar, catering or Pro Shop.

2. Up Front Joining Fee + Cost per Round

For clubs looking for a more 'manual' way of administering a flexible membership may wish to consider the joining fee and pay per play option. This option enables clubs to get a financial commitment from the new member up front and allows them to play as many rounds as they wish at the designated pay per play rate.

It is key that this is priced at a rate that when the flexible member gets towards playing above 14 rounds (see stat above) then they will get more value from a full membership and may wish to upgrade. This can be administered in a paper-based way by the starter or Pro signing / stamping a card as the member goes out and duel logging the play in their own records.

Example:

- Upfront fee: £100
- Saturday / Sunday am = £20
- Saturday / Sunday pm = £15
- Midweek = £10

What other benefits should you offer?

Access to the golf course is generally the key member benefit for a golfer. However, club membership is about much more, with other benefits designed to better connect golfers to your club.

A key aspect to Flexible Membership is that those within this category feel part of the club's community, and in order to achieve this, you need to offer an appropriate package of added benefits.

To start this process, you should list all the key benefits of a full member. If you haven't done this already, please refer to our **Benefits of Membership Guide**.

Once you have the list then create a simple matrix of all categories that allows you to decide what benefits the flexible member will have access to. This will be influenced by the current demand for benefits and culture of your club.

It is worth noting that you may wish to give some member benefits that are profitable to the club, but at a slightly less generous rate than the full member would get. This allows you to differentiate full membership and justify its greater cost. Also, it will enable the flexible members to see what additional benefits they would get by upgrading.

It is not uncommon that clubs allow all member benefits and the only restriction is access to the golf course, or specific competitions (which are generally played at peak times). The idea here is that flexible members will be fully part of the club but are simply getting a more appropriate value for how much they play.

Example:

This example details a 'upfront cost and pay per round' model but can easily be transferred to the points model.

Your Golf Club Member Benefits	Membership Category & Price			
	Full	Flexible	Junior	Get into Golf
	£450	£100	£80	£100
10 hrs group coaching from PGA Pro				
Saturday AM tee times		£20		
Saturday PM tee times		£15		
Sunday AM tee times		£20		
Sunday PM tee times		£15		
Monday to Friday AM tee times		£10		
Monday to Friday PM tee times		£10		
Play in club competitions				
Get an official CONGU golf handicap				
Play in Club Championship				
Guest green fee rates	£15	£30		
Play in club competitions				
Book the clubhouse for events				
Access to reciprocal golf				
Bar Discount	15%	5%	15%	15%
Volunteer for the Committee				
Watch Sky Sports in clubhouse				
Get your own locker				
Keep healthy in the fresh air				
Friendships and club camaraderie				
Use of practice facilities				
Vote at General Meetings				
Family Friendly Environment				
Services of a PGA Professional				
Free social membership				
Convenient online tee time booking				
Easy monthly payment option				

Success and Failure Factors

The clubs who took part in the Scottish Golf study referenced above were canvassed for feedback on the factors that determined success and failure in their Flexible Membership launch. The responses are summarised as follows:

Success Factors:

- To gain momentum within club, articulate rationale, starkly
- Establish a price point that appeals to golfers with a 'modern' lifestyle
- Give benefits that appeal to golfers with a 'modern' lifestyle
- Personal contact – "welcome, you are part of the Club"
- Be clear about your intent
 - Retention

- Recruitment (succession planning)
- Reacquaint (lapsed members)
- Get help from those who experts (Scottish Golf)
- Consider limits – either to those you are recruiting, or from those you are retaining
- Timing – after the annual renewal run
- Driven by one person, taking everyone with them
- Define procedures and T&Cs
- Training – of staff and members

Failure Factors:

- Failure to articulate why this is necessary
- Failure to recognise urgency, and lack of other options
- Failure to take ownership to make this happen
- Lack of buy-in of staff point of sale
- Failure to market effectively internally and externally
- Get help from those who know best (Scottish Golf workshop & RCDO)
- Wrong price point &/or lack of appealing benefits

Marketing of Flexible Membership

An effective marketing campaign is critical to the success of your Flexible Membership offer and targeting the correct audience. You need to decide if you are using it as a retention initiative – meaning your promotion will be focused internally with existing members and those recently lapsed – or expand your marketing to the wider community to attract new members. Each will require a different approach. For guidance and ideas, please refer to our [**Effective Marketing Guide**](#) and consider applying for the [**Club Development Fund**](#) to boost your marketing budget.

Summary

Launching Flexible Membership may be seen as a leap of faith but with 36% of clubs across the UK now offering some form of this category, it is a growing trend within the industry. While it is not right for all clubs, there is increasing evidence to suggest that overall membership revenue can be increased when designed, implemented and marketed effectively. The stats included within this Guide should help you or your committee make the case for Flexible Membership if your traditional members are in decline.

It is important to achieve the right balance between full and flexible membership so that clear differentiation exist but ensure that flexible members feel part of your club as the potential is always there to upgrade if they get a great experience. If you follow the steps above taking into account your clubs own pricing, administration capacity and member benefits, you can create a ‘hypothetical’ flexible membership that can be discussed and then tailored to ensure you have a package that best suits your market.

Without the right communication and evidence to support the need for change, some traditional members can be quick to create negativity about the prospect of this ‘radical’ form of membership. It is therefore important to create the case for why – you are introducing this to respond to changing consumer needs and to protect the future sustainability of the club. The way people play golf is evolving and this product is one solution to welcome more people into membership of the club who otherwise wouldn’t join.