

"Scotland's game for everyone"



Scottish
Golf

About Scottish Golf

To inspire a nation to love golf in all its forms and contribute to a healthier, inclusive and aspirational Scotland.

Purpose:

To promote, develop and govern golf for all generations and without barriers.

Strategic Objectives:

Playing the Game

Growing the Game

Improving Finances

Creating Champions

Staging Events

Governance & Leadership

Handicapping



Member Referral Guide

The 20:20 Model - Committee Presentation



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What is a Member Referral Scheme?



“Incentivising your existing members by offering them a personal reward as a thank you for generating new members.”

“Although providing a great experience for your existing members and keeping them happy can often be more powerful tool for recommending their friends!”

Use Your Members to Attract New Members



- There is no bigger advocate of something than someone who already actively takes part themselves, hence your existing members should be tapped into as a marketing channel.
- Existing members often complain about deals being offered for new members, while their perception is that they are not being rewarded for their loyalty.
- By providing a substantial offer for your existing members, they could earn a significant reward for referring their friends/family, and reduce your club's marketing costs at the same time.
- A Membership Referral Scheme is can be a great addition to your Club's marketing campaign.

What should you offer your existing members?



- Determining what you offer your existing members as an incentive is a key subject for discussion among committees.
- Consider what would be low cost to your club, but high value to your members.
- Many clubs have offered bar or catering vouchers or Pro Shop gifts or lessons, but feedback suggest the most powerful reward is a discount on their own membership fees.
- The bigger the discount, the more likely a member is proactively look for someone to recommend or introduce.

Being Brave! A Free Membership Offer?



- If you are being really brave, you could really create some headlines among your members by offering them free membership...
- It's not as daft as it sounds! For example, you could offer a 25% discount for every new member that you introduce. So if you introduced 4 new members, your discount would be $4 \times 25\% = 100\%$...a free membership!
- If a membership of your club cost £500, you would still be generating £2,000 of membership income for your £500 investment, so a £1500 profit – the equivalent of a 25% discount on the new members annual fee.
- The likelihood is that your existing member will stay a member for a number of years, so that cost of that 'hit' is effectively spread over the number of years they stay on as a member.

Financial Projections



The table below illustrates the potential return of an investment of an existing member being given FREE membership by introducing four friends, even if two of them left the club after Year 3.

	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Total Value (£)
Existing Member	500	0	500	500	500	2,000
New Member 1	375	500	500	500	500	2,375
New Member 2	375	500	500	500	500	2,375
New Member 3	375	500	500	0	0	2,375
New Member 4	375	500	500	0	0	2,375
Additional Revenue	1,500	2,000	2,000	1,000	1,000	7,500
Total Revenue	2,000	2,000	2,500	1,500	1,500	9,500

A £500 member reward sounds significant, but in 5 years it has the potential to generate £7,500 worth of new membership income.

Incentive Options



There are a number of options for how you can implement this type of offer*:

1. An Immediate Discount

A 25% discount on the current year's fees for the existing member but no discount for the new member

2. A Double Discount

A 10% discount on the current year's fees for the existing member matched by a 10% discount for the new member

3. A Deferred Discount

A further 25% discount for the existing member if the new member re-joins for a second year

* The level of discount is at the discretion of your club

How does it work?



- The first stage is making your existing members aware of your Membership Referral Incentive – this can be done through e-newsletter, website, social media and promotional flyers/posters around the club.
- Be direct and make it as easy as possible for your existing members to utilise it, such as Voucher in the Pro Shop or Bar, or a downloadable voucher from your website or e-newsletter.
- Once they receive this, the member would simply fill in their details and pass it onto the friend they are recommending – the new member would present the voucher as part of their application process.
- When the friend is confirmed as a new member and their payment is received by the club, the existing member receives their reward, either in the form of cashback, a deferred discount on their following year's fees.

Marketing your Offer

- Once your offer has been determined, you need to share this with your members through your marketing channels.
- You know who your audience is, so you can communicate your offer directly.
- This can be achieved through a mix of e-newsletters, social media, clubhouse posters and flyers, with more detailed information available on your website.
- Your frontline members of staff should also be briefed, so that they can talk about it to your members.
- The offer could also be introduced at your AGM or a Members Forum.



**INTRODUCE A
FRIEND...AND
RECEIVE 25% OFF
YOUR FEES!**



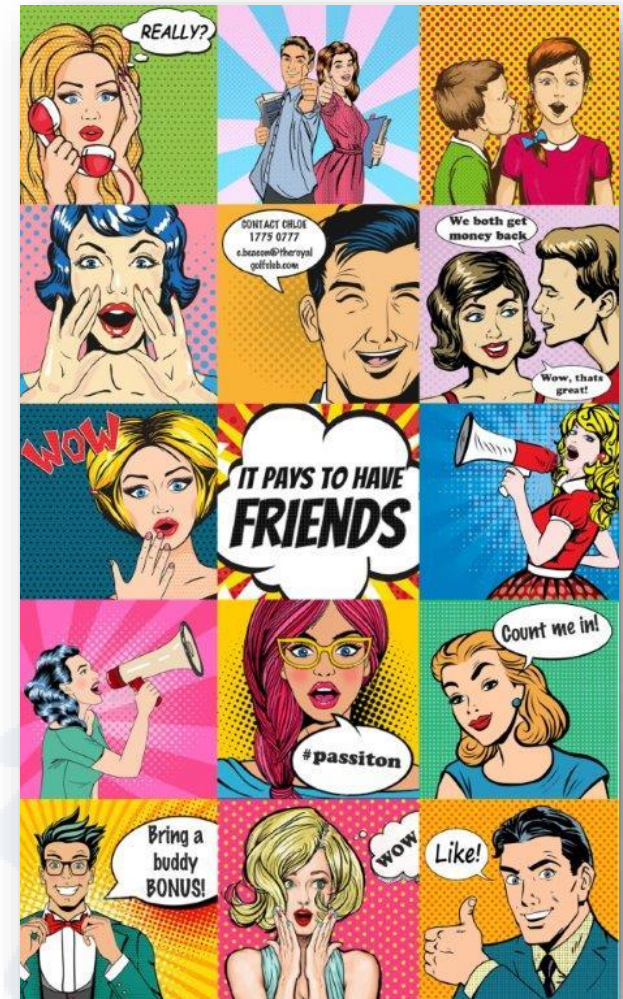
**RECEIVE 25% OF YOUR MEMBERSHIP
FEES WHEN YOU INTRODUCE A FRIEND
TO OUR GOLF CLUB. RECOMMEND 4
PEOPLE AND YOUR MEMBERSHIP IS
FREE FOR A YEAR!**

CALL 01234 567890

Benefits of Membership Referrals Scheme



- Provides a tangible reward for your existing members and avoids them complaining that new members get the best deals.
- Low cost marketing option – the lifetime value of your existing members means their level of discount is minimal over the lifetime of their membership income
- Encourages your existing members to take some ownership of your club's membership recruitment marketing activity.
- The existing member will be a ready-made 'buddy' for the new member which should help with integration and retention.



Non Financial Membership Referrals



- Your club may have already tried a membership referral scheme, or your members may think they have saturated their network of friends through previous offers – or they may feel awkward in being a salesperson!
- As we have mentioned previously in this Guide, your Club can equip and motivate your existing members to refer their friends through sharing experiences and stories from your club.
- Consider creating video testimonials from long-time members or ask other members to capture the experience of being part of your club – think real, honest, authentic and interesting stories.
- These can then be captured as social media content and then encourage your members to share them. Sharing these stories gives the wider community an insight into the camaraderie, culture, and friendship that comes from being a member.

Key Considerations



- **Keep your offer consistent** – have the same level of discount available for all members, rather than different offers for different groups.
- **Have clear terms & conditions** – ensure your existing members are fully aware of when and how they receive their reward.
- **Brief your staff** – your bar staff, manager, pro and others will have regular dialogue with members so ensure they are briefed to talk up your offer.
- **Do the maths** – get your finance convenor to do some calculations around what level of discount you can afford to offer while balancing the potential income to establish your Return on Investment targets.
- **Recruitment Marketing** – make your potential new members aware that this is on offer to their friends through your other marketing messages.

Summary

- Your existing members are the best advocates or ambassadors for your club
- Use them as a marketing channel to attract new members from their network
- Consider an offer that's going to make them sit up and take notice
- Market your incentive to your membership
- Create video testimonials from your members for your members to share



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