A Study into Membership Attrition & Retention at Golf Clubs in NSW

Summary Report

December 2009

A NSW Golf Association Initiative

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Report Background

Introduction

Demand for golf club membership in NSW has fallen by 5% in the past five years. Whilst acknowledging the importance of generating new club members, in the current climate efforts and strategies to improve membership retention and reduce this annual attrition in golf clubs should be viewed as being equally important.

Understanding the reasons for attrition and actively developing strategies to reduce it will offer the industry some protection as modern living changes adult lifestyles and as parts of the state will be subject to varying levels of population growth. Should attrition rates be reduced all parts of the club industry, including its administration bodies, stand to benefit as the industry will be able to better capitalise on the underlying demand for golf club membership that does exist.

In order to make a positive impact on retention and reduce attrition, the respective retention and attrition rates currently and historically evident in the market must first be established. The New South Wales Golf Association (NSWGA) engaged Jeff Blunden Advisory Services (JBAS) to undertake this study so that the state's annual attrition rate can firstly be calculated followed by the preparation of a report that outlines the type of strategies necessary at club level that will aid in the greater retention of members across the state.

Scope of Works

The following scope of works was undertaken in the delivery of this study:

- Analysis of current and historical membership data provided by the NSWGA and Women's Golf NSW (WGNSW).
- Analysis of the new member numbers recorded per club in NSW, by gender for the period 2006 to 2008, as provided by Golflink.
- The joint analysis of both datasets to determine by club by gender and by region, the attrition rates historically recorded at clubs in NSW.
- The development and delivery of an on-line club survey, which sought from each club in NSW information about the retention strategies currently employed at their clubs.
- The development and explanation of a number of strategies which will aid in the retention of club members across NSW.

Historical State Population Trends

Introduction

Demand for golf club membership is a factor of the size of the local population that services it. Given this relationship, a review of population numbers and trends seen in NSW will assist in putting club membership demand and trends within the market into a wider market context.

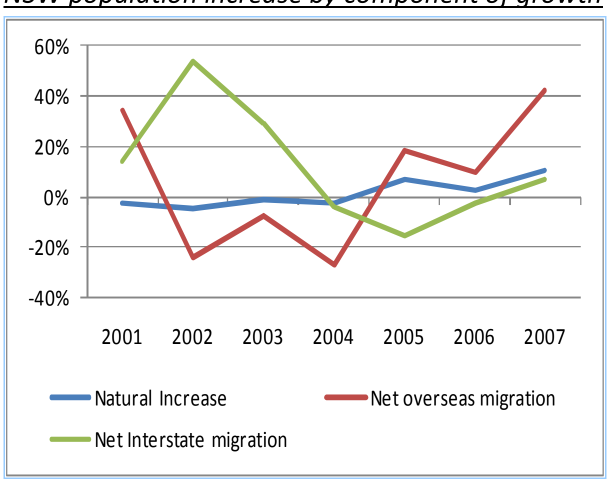
NSW Population

At June 2008 the estimated resident population of NSW was slightly under 7 million at 6.98 million people. An increase of approximately 1.1% over the prior year, growth in the metropolitan region of the state, accounting for 63% of the state's population, was 1.3% with 0.7% growth recorded in the regional areas.

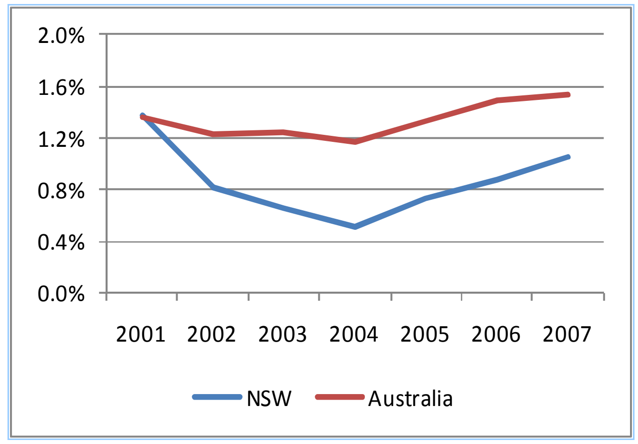
The Australian Bureau of Statistics report that the total population in the state has grown by nearly 36% since 1978. From 2001 to 2008 growth of 5% has been recorded largely fuelled by natural population increases, with the average annual population growth rate of 0.8% being 0.6% below the national average of 1.4% recorded over the same period.

The graphs below illustrate these trends for the period since 2001.

NSW population increase by component of growth



NSW population annual growth rate



Source: NSW Dept Of Planning

Population growth

Detailed regional data is available. Analysis of population data for the period 2001 to 2008 reveals that the population level in the metropolitan segment has grown by 6%, fuelling the overall state average.

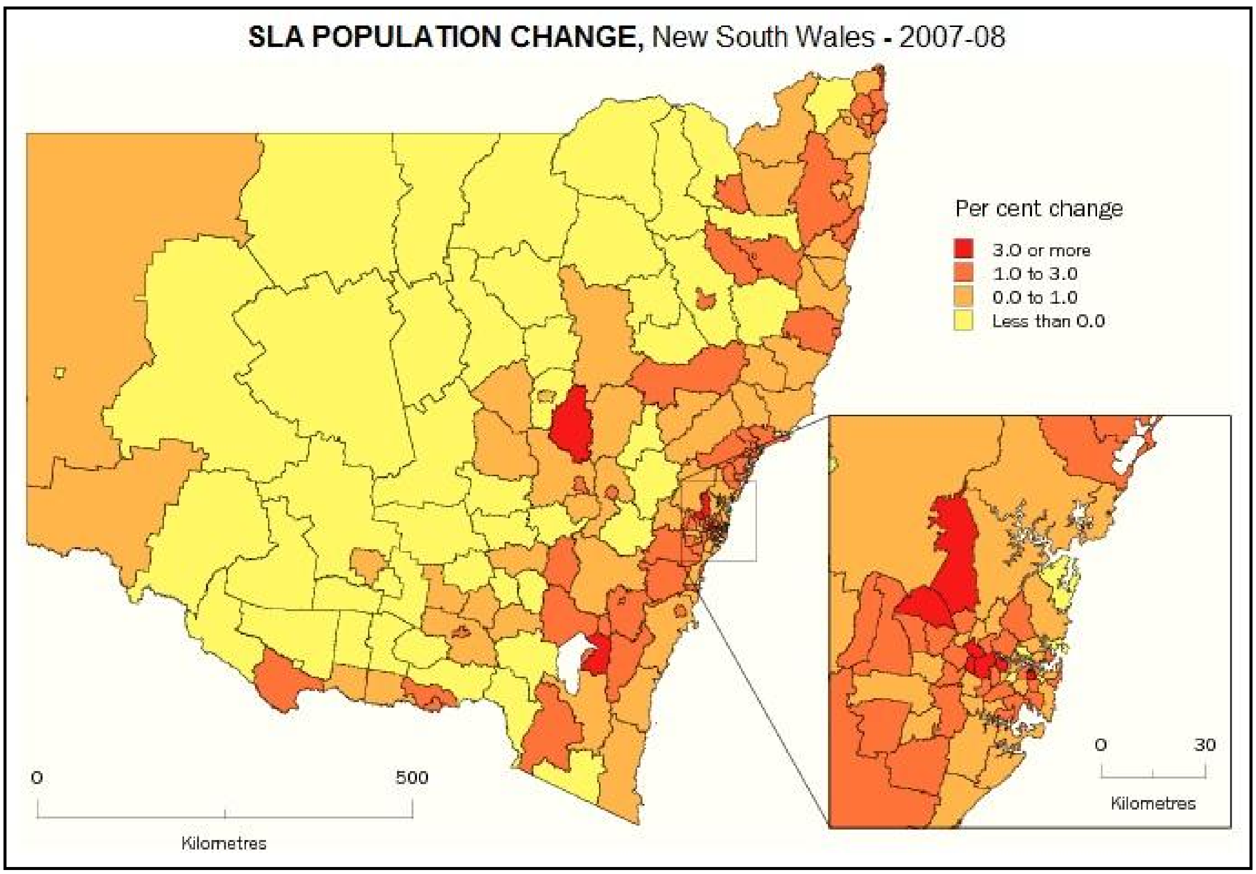
The coastal regions, accounting for 24% of the total population have been the strongest performing areas, delivering growth of 8%. The fastest growing areas within the coastal areas have been the Tweed area, Wollongong, Illawarra, Lake Macquarie and Newcastle. Inland areas experienced the slowest overall growth rate at 2% for the period with less than 20% of the inland local government areas having growth at rates higher than the state average.

The following table summarises the respective population sizes for the regions within the state from 2001 to 2000.

Region	2001	2008	% change	% of population
Metropolitan *	4,128,300	4,387,200	+6%	63%
Coastal	1,582,500	1,703,000	+8%	24%
Inland	720,400	732,900	+2%	11%
Far Inland	144,000	138,400	-4%	2%
Total	**6,575,200**	**6,961,500**	**+6%**	**100%**

Source: Department of Planning, New South Wales State and Regional Population Projections: 2008 Release
Note *: Metropolitan region is defined as Sydney Statistical Region

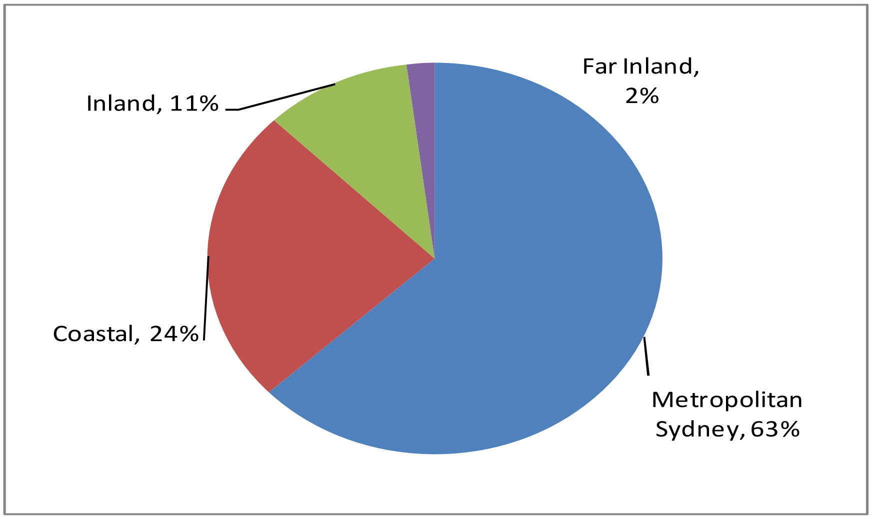
The following image identifies the movement in population from 2007 to 2008 within local statistical areas (SLA's). The image indicated that growth has been largely restricted to the metropolitan and coastal regions of the state (darker shading), with large parts of the state (lighter shading) not recording any growth or even reducing in total population numbers.



Source: NSW Dept of Planning

The growth numbers noted above result in the following geographic distribution of the NSW population base, indicating that the state's seaboard regions account for 87% of the state's population.

Geographic Distribution of NSW Population - 2008



Source: Department of Planning, New South Wales State and Regional Population Projections: 2008 Release

Population forecasts

Population growth in New South Wales over the next thirty years is expected to be largely concentrated in Sydney and coastal areas of the State, with some growth in and around major regional centres in inland areas.

The youngest populations are expected to be mostly in Sydney, with the highest concentrations of the elderly in coastal regions and some declining inland areas. However the proportion of people aged 65 years and older will increase in all parts of the State.

The following key points are noted from this section.

Key Points - Population

- Population in the state has grown by approximately one third since 1976 and is currently estimated at 6.98 million people.
- The average annual population growth rate for the state of 0.8% is 0.6% below the national average over the past 10 years.
- The eastern seaboard area accounts for 87% of the state's total population, 63% being located in the Sydney metropolitan area.
- Grow along the eastern seaboard has fuelled the state's overall growth.
- Large parts of the state, particularly in the non coastal country areas have not recorded any growth or are reducing in total population numbers.
- Population growth over the next thirty years is expected to continue to be largely concentrated in Sydney and coastal areas of the State, with some growth in and around major regional centres in inland areas.

NSW Golf Participation and Club Membership Overview

State Golf Participation

An overview of the wider participation levels in golf help to put these club trends into perspective. The level of participation in golf in NSW is measured by the Australian Sports Commission (ASC) via its annual Exercise, Recreation and Sport Survey (ERASS). The ASC have reported the following levels of total participation in golf in NSW since 2001, that is the number of people aged over 15 years of age who played at least one round of golf each year. These results reflect all golfers, be they club members or social golfers.

Year	Male	Female	Total	Participation rate %	Club Golf %
2001	355,700	71,800	427,500	8.4%	46%
2002	376,600	93,200	469,800	9.1%	41%
2003	363,600	75,600	439,200	8.4%	43%
2004	383,600	77,100	460,700	8.7%	40%
2005	309,900	93,300	403,200	7.6%	45%
2006	315,500	81,600	397,100	7.5%	45%
2007*	226,200	72,200	298,400	5.6%	59%
2008	337,000	82,600	419,600	7.7%	41%
% growth 01 - 08	**-5%**	**15%**	**-2%**	**--**	
5 year average	**330,000**	**82,000**	**412,000**	**7.4%**	**46%**

Source: ASC ERASS Reports
Note: * 2007 numbers considered to be unreliable

Total participation in golf in NSW has been relatively stagnant since 2001 with no genuine increase or decrease in total playing numbers, (against a 6% increase in total participation), as golf participation has averaged slightly above 7% of the population since 2003. The male participation rate is four times that of females, averaging approximately 12%. The five year average of the total golf demand pool, reveals that club golfers account for approximately 40% to 45% of all golfers in NSW.

Historical Club Member Trends

Over the past thirty years demand for golf club membership in NSW has grown by approximately 19%, almost half the rate of growth seen in the wider population. With club member numbers totalling approximately 172,000 at the end of 2008, NSW clubs now account for 40% of the total Australian golf club member population base.

In the past ten year period from 1998 to 2008, the rate of growth enjoyed by the state has slowed, particularly in the second half of the 10 year period. At the end of 1998 demand for club membership in NSW had reached almost 210,000, the highest point recorded for the state. From that peak numbers have since slid by nearly 18%, with a 13% decline at an average of 2% per year recorded since 2003.

The male playing base accounts for approximately 80% of this total, a consistent percentage of the total playing base for the period since 2001. The recorded decline of 13% has been equal across both genders, with the female rate slightly higher since 2006.

These numbers are summarised in the following table:

	2001	2006	2008	% change 01-08	% change 06-08
Male	157,470	142,741	136,921	-13%	-4%
Female	38,726	35,807	33,623	-13%	-6%
Total	**196,196**	**178,548**	**170,544**	**-13%**	**-4%**
% male membership	80%	80%	80%		

Source: NSWGA, WGNSW

Geographic Regions

The state of NSW is separated into two main regions by the NSWGA, namely metropolitan and country. The metropolitan area is split into three zones, with the country areas split into 20 districts, known as district golf associations (DGA's). For summary purposes, these DGA's are then rolled up into three regional zones, resulting in six total zones for the state.

Regional names and areas used by WGNSW differ from those used by the NSWGA however due to the need to merge both male and female numbers at each club to obtain total club numbers and for further comparability needs between zones and districts, the regional definitions adopted by the NSWGA have been used for this report.

The following table summarises the six state zones, indicating total average male, female and total numbers per zone along with total metropolitan and country averages based on reported year end 2008 membership numbers.

Zones	# of Clubs	Av. Male Members	Av. Female Members	Av. Total Members	Total Members	Share of Market	% Male Members
Metro Zone A	29	853	216	1,069	31,012	18%	80%
Metro Zone B	29	664	163	827	23,977	14%	80%
Metro Zone C	34	385	83	467	15,885	9%	82%
Country Zone D	90	388	97	486	43,719	26%	80%
Country Zone E	94	135	37	172	16,191	9%	79%
Country Zone F	116	277	66	343	39,760	23%	81%
Total Metro	**92**	**620**	**150**	**770**	**70,874**	**42%**	**81%**
Total Country	**300**	**266**	**66**	**332**	**99,670**	**58%**	**80%**
Total State	**392**	**349**	**86**	**435**	**170,544**	**100%**	**80%**

Source: NSWGA, WGNSW

The following tables summarise the specific Country zones.

Zone D	Clubs	Average Members	Total Members	% Share of Zone	% Share of Total Country
Lower North Coast DGA	12	500	6,004	14%	6%
Central Coast DGA	12	662	7,939	18%	8%
Hunter River DGA	16	277	4,434	10%	4%
Mid North Coast DGA	15	407	6,100	14%	6%
Newcastle DGA	17	606	10,306	24%	10%
Northern Rivers DGA	18	496	8,936	20%	9%
Total Zone D	**90**	**486**	**43,719**	**100%**	**44%**

Zone E	Clubs	Average Members	Total Members	% Share of Zone	% Share of Total Country
New England DGA	10	144	1,442	9%	1%
Blue Mountains DGA	12	280	3,365	21%	3%
Central Western DGA	15	265	3,972	25%	4%
Lachlan Valley DGA	14	67	941	6%	1%
North West DGA	9	129	1,158	7%	1%
Central North DGA	13	232	3,022	19%	3%
Western DGA	21	109	2,291	14%	2%
Total Zone E	**94**	**172**	**16,191**	**100%**	**16%**

Zone F	Clubs	Average Members	Total Members	% Share of Zone	% Share of Total Country
ACT-Monaro DGA	24	431	10,346	26%	10%
Far South Coast DGA	13	542	7,041	18%	7%
Illawarra DGA	23	497	11,441	29%	11%
Murray DGA	16	347	5,550	14%	6%
Riverina DGA	13	143	1,858	5%	2%
South West DGA	15	106	1,597	4%	2%
Western Riverina DGA	12	161	1,927	5%	2%
Total Zone F	**116**	**343**	**39,760**	**100%**	**40%**

All Country Zones	Clubs	Average Members	Total Members		% Share of Total Country
Zone D	90	486	43,719		44%
Zone E	94	172	16,191		16%
Zone F	116	343	39,760		40%
Total	**300**	**332**	**99,670**		**100%**

Source: NSWGA, WGNSW

Key findings from the tables above include:

- Metropolitan based clubs account for approximately 23% of all NSW clubs and 42% of total NSW club membership.
- Clubs in NSW average 435 members, with male members accounting for 80% of this number.
- The average size of country clubs is 332 members, less than half of the average size of metropolitan clubs.
- Zone D, largely covering the northern coastal regions of NSW, is the largest Country area, accounting for almost half of all county based members.

Club Membership Numbers by Region

Reviewing membership numbers by zones identifies the membership movement evident across the state. Membership numbers by zone for the period 2001 to 2008 are summarised in the following table:

Region	2001	2006	2008	% change 01-08	% change 06-08
Metro Zone A	31,859	31,155	31,012	-3%	-0.5%
Metro Zone B	26,153	24,670	23,977	-8%	-3%
Metro Zone C	18,563	16,842	15,885	-14%	-6%
Country Zone D	48,934	45,677	43,719	-11%	-4%
Country Zone E	20,826	17,191	16,191	-22%	-6%
Country Zone F	49,861	43,013	39,760	-20%	-8%
Total Metro	**76,575**	**72,667**	**70,874**	**-7%**	**-2%**
Total Country	**119,621**	**105,881**	**99,670**	**-17%**	**-6%**
Total State	**196,196**	**178,548**	**170,544**	**-13%**	**-4%**

Source: NSWGA

The table above indicates that the total number of club members in NSW has fallen by 13% since 2001 and 4% since 2006. Greater than average losses have occurred in Country areas over both the longer and shorter term periods as membership numbers fell by 17% and 6% respectively. Zone F, accounting for near 40% of total Country members, recorded an 8% fall, the biggest regional loss, since 2006.

Metropolitan numbers have been sustained by stronger than average results in Zone A as Zone C in the long term and Zone B in the short term have both sustained greater than average declines in total numbers. No one Zone in the state has move against the wider trend over the longer or short terms.

Regional Share

Given the large difference between the respective sizes of the geographic zones in NSW and the number of clubs contained within each, the percentage movement results reported above can mask the identification of the zones having the most impact on the overall state results.

The following table identifies the reported difference in member numbers from 2001 to 2008 and the share of the difference that this number represents.

Zone	Clubs	% of Members	Variance 2001 to 2008	% share of variance
Metro Zone A	29	18%	(847)	3%
Metro Zone B	29	14%	(2,176)	8%
Metro Zone C	34	9%	(2,678)	10%
Country Zone D	90	26%	(5,215)	20%
Country Zone E	94	9%	(4,635)	18%
Country Zone F	116	23%	(10,101)	39%
Total Metro	**92**	**42%**	**(5,701)**	**22%**
Total Country	**300**	**58%**	**(19,951)**	**78%**
Total State	**392**	**100%**	**(25,652)**	**100%**

Source: NSWGA

As evident above near 80% of the total membership losses (25,600) have been recorded in the Country zones with Country Zone F, the south west region of the state, accounting for near 40% of total losses.

The following key points are noted from this section.

Key Points - Club Membership

- The average participation rate for golf in NSW in the five year period to 2008 was approximately 7.5% with the male participation rate of 12% being approximately 4 times that of females.
- NSW golf club member numbers peaked in 1998 at almost 210,000.
- From that peak numbers have since slid by nearly 18%, with a 13% decline at an average of 2% per year recorded since 2003.
- At the end of 2008, NSW clubs accounted for 40% of the total Australian golf club member population base.
- The male playing base accounts for approximately 80% of this total, a consistent percentage of the total playing base for the period since 2001.
- The recorded decline of 13% has been equal across both genders, with the female rate slightly higher since 2006.
- Metropolitan based clubs currently account for approximately 23% of all NSW clubs and 42% of total NSW club membership.
- Clubs in NSW average 435 members, with male members accounting for 80% of this number.
- The average size of country clubs is 332 members, less than half of the average size of metropolitan clubs.
- Zone D, largely covering the northern coastal regions of NSW, is the largest Country area, accounting for almost half of all county based members.
- Membership decline has been more evident in Country regions, falling by 17% since 2001 against the wider state average of 13%.
- Metropolitan clubs have not been immune to membership pressure with clubs in metropolitan Zone B and C sustaining greater than average declines in total numbers at 8% and 14% respectively since 2001.
- Near 80% of the total membership losses across the state (25,600) have been recorded in the Country zones.

NSW Club Membership Attrition Statistics

Introduction

As outlined in the previous section, demand for golf club membership in NSW is currently in decline. Given this reality, the annual retention of members in golf clubs should be a priority for all involved in club management and administration.

Presently, reported year end club membership numbers are the annual net result of current members plus new members less resigned members. The previous section identified the recent trends in this number, being a 13% and 7% decline since 2001 and 2004 respectively.

The number of new and resigned members recorded each year at clubs across NSW has not been formally measured, nor has the resultant calculation of the state's annual attrition rate. Using the annually reported (and merged) NSWGA and WGNSW membership numbers, and new member numbers sourced from GolfLink, allows for the state's annual club member attrition rate to be calculated for the first time.

With this number established, the NSWGA, WGNSW, and the member clubs will be aware of the level of new demand that exists for golf club membership as well as the size of the annual resignation pool. Recent data from 2006 to 2008 is being used, with a 3 year average also to be reported to smooth out any one year irregularities.

Analysis by Region

New Members

New member data for the period 2006 to 2008 provided from GolfLink identifies the current level of new member demand evident in the state's golf clubs and is summarised in the table below.

Region	2006	2007	2008	3 Year Average	% of total membership	% of all new demand
Metro Zone A	2,708	2,852	2,987	2,849	9%	7%
Metro Zone B	3,284	3,354	3,720	3,453	14%	6%
Metro Zone C	1,962	2,092	2,595	2,216	14%	13%
Total Metro Zones	**7,954**	**8,298**	**9,301**	**8,518**	**12%**	**40%**
Metro Annual %	11%	11%	13%			
Country Zone D	6,646	6,328	6,274	6,416	15%	30%
Country Zone E	1,476	2,473	2,207	2,052	13%	10%
Country Zone F	4,056	4,608	4,773	4,479	11%	21%
Total Country Zones	**12,177**	**13,410**	**13,254**	**12,947**	**13%**	**60%**
Country Annual %	12%	13%	13%			
Total State	**20,131**	**21,707**	**22,555**	**21,465**	**13%**	**100%**
State Annual %	11%	12%	13%			

Source: GolfLink, JBAS

As indicated above, the level of new membership demand in NSW golf clubs has averaged 13% over the past three year period, approximating 21,500 new members per year. No zone has delivered new membership demand well in excess of the wider state average, with Zone A generating new member levels of less than 10% of total membership, largely due to lower levels of availability.

The makeup of these new demand numbers in terms of gender is also of interest. For the past ten year period male members have accounted for approximately 80% of total membership demand. In the past three years the percentage of new members who are male has been 83%.

Lost Members

Having identified the number of new members recorded each year, the number of members lost each year can subsequently be calculated. For 2008 the formula would be:

2008 = 2007 net member numbers - (2008 net member numbers - 2008 new members)

Lost member data for the period 2006 to 2008 identifies that there is currently a large amount of annual attrition occurring within NSW golf clubs. As outlined below, the level of lost membership demand in NSW has ranged from 12% to 16% over the past three year period, averaging 14% or 24,700 members per year.

This rate, being greater than the new member rate, explains why total membership numbers have declined over the three year period measured. The table below summarise this information.

Region	2006	2007	2008	3 year Average	% of total Membership	% of all lost demand
Metro Zone A	2,343	2,465	3,517	2,775	9%	5%
Metro Zone B	4,253	3,419	4,457	4,043	17%	6%
Metro Zone C	2,194	2,683	2,852	2,576	16%	11%
Total Zone D	6,483	7,275	7,285	7,015	16%	28%
Total Zone E	1,660	3,146	2,534	2,446	15%	10%
Total Zone F	4,922	6,125	6,509	5,852	15%	24%
Total Metro Zones	**8,790**	**8,567**	**10,825**	**9,394**	**13%**	**38%**
Metro Annual %	12%	12%	15%			
Total Country Zones	**13,064**	**16,547**	**16,328**	**15,313**	**15%**	**62%**
Country Annual %	12%	16%	16%			
Total State	**21,854**	**25,113**	**27,153**	**24,707**	**14%**	**100%**
State Annual %	12%	14%	16%			

Source: NSWGA, JBAS

Market Attrition Rate

Having identified the absolute results recorded in each market, the respective performance of each market in terms of overall positive and negative member movement can be expressed as a more relevant and meaningful percentage.

The table following summarises this finding, showing the average new and lost members as a percentage of total membership over the past three years. The variance that results indicates that in all but one market lost members numbers are greater than new members.

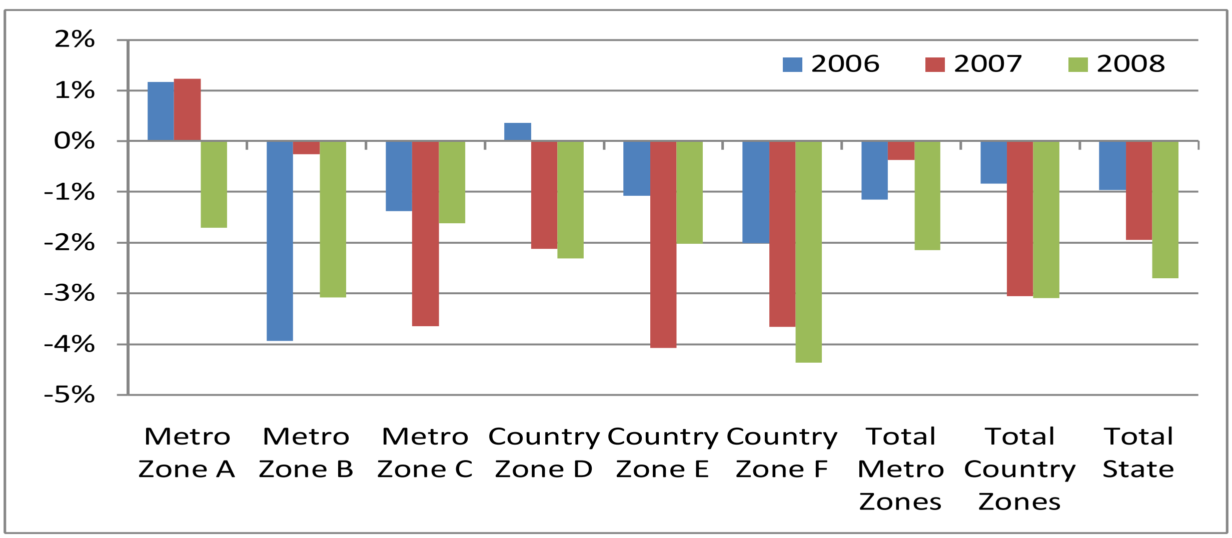
Region	3 yr Average % New Members	3 yr Average % Lost Members	Net Result	Outcome
Metro Zone A	9%	9%	0%	**flat**
Metro Zone B	14%	17%	-2%	**Negative**
Metro Zone C	14%	16%	-2%	**Negative**
Country Zone D	15%	16%	-1%	**Negative**
Country Zone E	13%	15%	-2%	**Negative**
Country Zone F	11%	15%	-3%	**Negative**
Total Metro Zones	**12%**	**13%**	**-1%**	**Negative**
Total Country Zones	**13%**	**15%**	**-2%**	**Negative**
Total State	**13%**	**14%**	**-2%**	**Negative**

Source: JBAS
Note numbers may not add due to rounding

The table indicates that all but one market has experienced real attrition over the past three years, with the worst performing Zone being Zone F. Excepting Zone A, attrition levels are consistent across the entire state.

The following graph illustrates the new/lost variance recorded each year by Zone for the period 2006 to 2008. Of the six zones measured provided, the variances recorded in 2008 over 2007 were greater in four zones, with the overall trend being increased variances in both metropolitan and country zones, largely due to a heightened number of lost members being recorded.

% Variances in new/lost members 2006 - 2008



Source: JBAS

Analysis by Gender

Further analysis by gender indicates that there is a slightly higher attrition rate in female club members than male club members, with a three year average variance of 3% compared to a 2% variance in males. All zones recorded net negative results except for male numbers in Zone A.

Region	3 yr Average % New Members	3 yr Average % Lost Members	Net Result	Outcome
Male				
Total Metro Zones	12%	14%	-1%	**Negative**
Total Country Zones	13%	16%	-2%	**Negative**
Total State	**13%**	**15%**	**-2%**	**Negative**
Female				
Total Metro Zones	10%	12%	-2%	**Negative**
Total Country Zones	11%	15%	-4%	**Negative**
Total State	**11%**	**13%**	**-3%**	**Negative**

Source: JBAS
Note numbers may not add due to rounding

Other key statistics concerning gender include:

- Male attrition accounts for an average of 82% of all attrition in the past three years.
- Female attrition is more prevalent in Country areas.
- Zone D and Zone F are the two zones experiencing the most membership pressure

Analysis by Club Size

Undertaking a similar type of analysis by club size helps identify whether different size clubs have different retention and attrition characteristics.

Note: Only clubs with members at the end of 2008 have been included in the following analysis.

Overview

Approximately 50% of clubs in NSW are less than 300 members in size. Given the average size of these clubs they account for only 11% of total membership. Clubs of 700 members or greater in size, whilst only accounting for slightly over one quarter of all clubs, account for near two thirds of all members, as summarised below.

Club Size	# of Clubs 2008	% Clubs	Total Members 2008	% Members	Average Size
< 300 members	193	50%	18,698	11%	97
300 to 700	92	24%	43,784	26%	476
700 to 1000	54	14%	44,890	26%	831
> 1000 members	49	13%	63,172	37%	1,289
Total	**388**	**100%**	**170,544**	**100%**	**440**

New Members

The club size with the highest level of new members, when measured as percentage of total membership, is the 300 to 700 member category with a 3 year average of 15% new member demand. The 1000 plus member clubs deliver the lowest level of new member demand at an annual rate of 10%, largely due to a higher member count and lower level of attrition as outlined in the following section.

The following table summarises this information.

Club Size	3 Year Total New Members	3 Year Average New Members Per Year	% of Membership
< 300 members	2,276	12	12%
300 to 700	6,672	73	15%
700 to 1000	6,256	116	14%
> 1000 members	6,215	127	10%
Total	**21,419**	**55**	**13%**

Source: NSWGA, JBAS

Lost Members

These results largely mirror the new member results. The 300 to 700 member size club recorded the largest number of lost members when measured as a percentage of total membership, with the 1000 plus member clubs recording the lowest level of attrition at 10% of membership.

Club Size	3 Year Total Lost Members	3 Year Average Lost Members Per Year	% of Membership
< 300 members	2,721	14	15%
300 to 700	8,073	88	18%
700 to 1000	7,177	133	16%
> 1000 members	6,482	132	10%
Total	**24,453**	**63**	**14%**

Source: NSWGA, JBAS

The following key points are noted from this section.

Key Points - Club Attrition

- The level of new membership demand in NSW golf clubs has averaged 13% over the past three year period, being approximately 21,500 new members.
- No one market or zone has contributed an above average level of new demand with 60% of new state demand coming from Country zones, in line with state member distribution.
- For the past ten year period male members have accounted for approximately 80% of total membership demand. In the past three years the percentage of new members who are male has been 83%.
- No zone has recorded new female numbers that are in advance of the historical 80/20 trend.
- The level of lost membership demand in NSW golf clubs has averaged 14% over the past three year period, being approximately 24,700 members.
- Membership losses have been proportionately spread with Metropolitan and Country attrition rates within 1% of the wider state average.
- All Zones except Zone A have recorded negative attrition rates, that is lost member numbers have been greater than new member numbers.
- The state’s net attrition rate has gradually increased over the past three years, moving from -1% to -2.7% in the past three years.
- Consistent attrition trends have been recorded across both genders for the period 2006 to 2008.
- The club size that has recorded the highest level of new members, when measured as percentage of total membership, is the 300 to 700 member category with a 3 year average of 18% new member demand.
- With a three year average of 18%, the 300 to 700 member size clubs have recorded the largest number of lost members when measured as a percentage of total membership.
- The 1,000 plus member clubs, representing 13% of clubs and 37% of all members, have recorded the lowest level of annual attrition at 10% of membership.

Member Retention Strategies

Introduction

The analysis undertaken thus far has revealed that there is significant annual attrition occurring at golf clubs in NSW. Importantly there is evidence of significant new demand for club membership across the state. Therefore, should the annual attrition rate be able to be reduced, and new member demand continue to materialise, all parts of the club industry stand to benefit.

This chapter outlines the strategies that clubs should have in place to better increase their chances of reducing member attrition and improving member retention.

Club Survey Results

As part of this study a club survey was conducted of clubs across NSW, seeking information from them about the retention strategies they currently employ at their clubs.

Overview

73 clubs completed the survey, a response rate of 19%. Approximately 40% of respondents were from clubs located in the metropolitan region of NSW, home to 23% of clubs across the state. Somewhat disappointingly, a low response rate was received from clubs in regional areas, the area in which annual attrition is most prevalent.

Other key survey findings were:

- 10% of clubs have a waiting list for male membership
- 7% of clubs have a waiting list for female membership
- Approximately 40% of clubs charge an entrance fee
- Approximately 80% of clubs have a website
- One quarter of clubs have volunteer management
- Approximately 60% of clubs are directly controlled by its golf members, with a further 20% owned by a Council.

Survey Sample Attrition Rate

Analysis of the survey sample revealed an average net attrition rate of -0.4% compared to the wider state average of -3%. This reveals that a slightly better (lower attrition) result was returned by the sample set, potentially reflecting the awareness of its importance to current club operations and perhaps greater interest in the general topic.

Results from this survey are referenced in the relevant sections below.

Retention Strategies

The general premise of member retention is satisfaction. Members will remain members as long as they are satisfied with what they are receiving from the club. This goes to the value proposition that the annual fee offers, the general level of service received, and the satisfaction with club facilities.

A number of retention strategies are outlined below that will assist clubs in reducing membership attrition.

Member Surveys

In order to accurately gauge member satisfaction regular member surveying should occur. Such surveys will gather feedback about club facilities and will provide the club with regular opportunities to address any issues that arise.

The club survey revealed that approximately 50% of clubs in NSW last surveyed their members more than one year ago, with a further 20% not having surveyed their members in the last 10 years. Given an average annual turnover rate of 14% of members in the past three years, such a time frame would mean that the current members views have never been formally sort or measured. The goal is to gain a general feel for satisfaction so if low it can potentially be improved.

It is recommended that clubs formally survey their members at least once every two years.

Why members are leaving

The reason for attrition is that members choose to leave a club. The question that needs to therefore be asked is why? The club survey asked clubs what the top four stated reasons were for members leaving their club. The top four reasons were:

- Change in residential location: 24%
- Age /health reasons: 24%
- Time constraints: 19%
- Increasing time and family commitments: 25%
- Not receiving value for money: 5%

These survey findings identify where the opportunities to reduce attrition might be. Little can done about attrition caused by moving residential locations as past industry research has found that 80% of golfers will travel only up to 30 minutes to play regular golf. Also little can be done by the club about age and health issues.

Increasing time constraints and family commitments are however two reasons that should encourage further questioning. Is it that there is no time available to play at all or is it that there are currently not enough adequate opportunities/events in the time that is available to play? This answer could be found out via a resigned member's survey, which probes for more detail behind the decision to resign. It is this detail, when consistently collected and analysed, which could potentially reveal an opportunity for a club to retain more of its members.

The project survey asked clubs whether they surveyed resigned members. It found however that currently only 24% of clubs survey their resigned members. This vital information is therefore not even being collected at most clubs across the state and as a result they do not know what potential actions or club offers could have convinced a resigned member to actually retain their membership.

It is recommended that all clubs undertake resigned member surveys, seeking to understand the reason for resignation and whether the club could have done anything to help them keep their membership.

Member survey detail

The following information should be collected and measured in any member resignation survey.

- Age
- Gender
- Membership category
- Length of membership at club
- Handicap
- Level of frequency recorded in their last year of membership
- General level of satisfaction in the final year of their membership
- Reason for leaving

Once collected trends that may materialise can be questioned and then potentially actioned (new offers, adjusted terms etc). Such a process will ensure that the club's membership offer (or offers) will always remain reasonably up to date with member needs and expectations.

The Club survey found that:

- Approximately 55% of clubs do not measure the average age or gender profile of their resigned members
- Approximately 95% of clubs do not measure the general level of satisfaction of members in the final year of their membership
- Approximately two thirds of clubs do not measure the average length of membership held at the club by resigned members.

It is therefore recommended that clubs review this information to determine whether any actionable trends may be apparent, that can then be questioned as to possible cause and actioned accordingly.

Member communication

A key requirement within retention is communication, specifically its frequency. The more regular the communication, the more regular the member is thinking about the club and being encouraged to use its facilities (thereby hopefully increasing satisfaction.)

The project survey asked clubs how often they formally communicate (via newsletters etc) with members. The survey found that currently 50% of clubs are communicating at least monthly (17% at least fortnightly), with another third formally communicating on a quarterly basis. Approximately 20% of clubs said they were only communicating on an annual basis or not at all.

Given the link between facility use and member satisfaction it is recommended that clubs formally communicate with their members at least monthly, with an even more frequent communication schedule recommended where possible.

Member playing patterns

A common proxy for member satisfaction is golf frequency. Frequency of a member determines the average cost to participate and this therefore typically determines the members view on value. If a member is playing a lot of golf, they will more likely be more satisfied that a member who is not playing a lot of golf.

The club survey found that approximately 85% of surveyed clubs do not periodically contact members with low facility utilisation, be it either golf course or clubhouse.

Given the link between playing frequency and satisfaction it is recommended that clubs regularly track member playing frequencies and communicate with those with low frequency.

The club product and extending the value proposition

A key determinant to membership retention is whether the cost of such membership reflects the quality of the facilities on offer. Value for members is not always necessarily the obvious value they receive from the act of playing golf and its cost, it can also come via other member based events.

The club survey asked clubs whether they host new member evenings and/or special member events. The survey found that currently 65% of clubs host new member events and conduct special events for members.

In order to increase the perceived value of club membership (over and above the average cost to play), it is recommended that all clubs conduct both new member and existing member events throughout the year.

Participation costs

Like clubs in most other states, many clubs in NSW rely on public golf green fees to supplement their annual revenue streams. Therefore attention must be given to understanding the cost of membership versus the cost of public play. Ignoring this comparison and not having appropriate payment options in place will not only encourage attrition. In this regard membership payment options become key sales tools for clubs as they seek to retain members and attract new ones.

The club survey found that:

- Half yearly payments are offered by 50% of clubs.
- Quarterly payments are offered by approximately one third of clubs.
- Monthly payment options are offered by approximately one third of clubs.

It is recommended that clubs understand the cost of public golf versus the average cost of member play and where a sizeable social/casual golf market exists, in order to make membership appealing, have payment options available that do not require significant lump sum transactions to be made.

Membership product

As clubs consider retention and what they may be finding from the resigned member surveys, the “product” itself may need adjusting or expansion to fit into the modern consumer world. Traditionally club membership has centred on an “all you can eat” package, that being unlimited golf for the annual fee paid. This has been adjusted over time to allow for day restrictions such as mid week and three, four, five and six day memberships.

As participation patterns continue to change, so to must the membership offering. In this regard membership options also become key sales tools for clubs as they seek to retain members and attract new ones. Four “new” ideas are offered below.

1. Annual playing pass (capped number of rounds)
2. Reduced annual fee with a higher green fee per round
3. Non competition golf only with restricted time of day access to course (eg after 1pm only)
4. Non competition golf only with discounted green fee access to course

The club survey that approximately 10% of clubs are already trialling the first three concepts. Near 25% of clubs are already trialling the fourth concept.

It is recommended that clubs give consideration to such concepts in order to make membership as appealing to as wide a market as possible.

Transition of junior members

The successful transition of junior members to full members is regarded as another key member retention outcome. Industry research has found that once exposed to the game as a junior level, take up in later life will be greater. This take-up will also be at a more capable (skill) level.

Importantly, a number of Clubs within NSW recognise this. When asked to rate the Club's view as to the importance of promoting a junior membership program in securing long term loyal members, approximately 80% of clubs said it was important, with near 45% saying it was a high priority.

A number of basic strategies are available for clubs as they choose to promote junior development and importantly retain junior members as they transition to adult membership. The club survey found that:

- Staged increases in annual fees are offered by 54% of clubs
- The definition of “Junior” has been extended to a more modern and relevant age at 50% of clubs.
- From those clubs that charge an entrance fee, no additional “top up” joining fee is payable by a Junior member when they transition to adult membership at two thirds of clubs.

It is recommended that all clubs consider the above strategies in order to increase retention of Junior members.

Retention Checklist

The following checklist is provide so you can check what strategies you have in place and what you still need to address when considering member retention and attrition.

Tick	General Strategy
☐	Measure attrition on an annual basis. What gets measured gets acted on
☐	Communicate to all members on a regular basis
☐	Measure member rounds frequency
☐	Communicate direct with members with low frequency
☐	Survey your members at least every two years
☐	Consider your membership structures – are they relevant for today's market?
☐	Conduct resigned member surveys – what are they telling you?
☐	Conduct new and existing member events – the goal is to add value to the annual fee paid
☐	Ensure you have payment flexibility
☐	Limit barriers for transition from Junior to Adult membership
☐	Incentivise members to introduce new members