

September 2011

## Summer Membership Offer

Some members have commented on the latest membership offer suggesting that it is unfair on existing members. Therefore, I felt it important to explain the rationale for this and other offers made from time to time.

Membership wastage in 2010/11 was 85 added to which 18 members took a subscription holiday by suspending their membership. Taken together the income lost was £78,000. The equivalent numbers for 2011/12 so far are 71 and 15, worth £60,000. The majority of those not renewing in both years were 7 & 5-Day members. Clearly, the business has to react to this if subscription prices are to remain reasonable by recruiting new members.

Anyone who has followed the golf membership market will know that it has become highly competitive with clubs vying for new recruits. Also, with the abolition of joining fees by many clubs, membership has become, in part at least, itinerant. To succeed, we have to try and stay ahead of the competition. This requires innovation in what is offered and increasing the perceived value of membership by the prospective new member and the real value to existing members. This is illustrated by the following:-

- ❖ *We have introduced rewards for members who introduce new members.*
- ❖ *We have introduced a points-based membership, which has been successful in retaining existing members, who would otherwise have left, and recruiting new members, particularly those who only play occasionally.*
- ❖ *We have introduced a Graduate membership for those aged between 22 and 27 to help overcome the affordability of golf for those starting out on their careers.*
- ❖ *We have run 3-month New Year offers with incentives for the first year's subscription if membership is renewed by 1<sup>st</sup> April.*
- ❖ *We have increased the number of reciprocal clubs at which members can play free.*
- ❖ *We have not increased Junior or Colt subscription for 4 years.*
- ❖ *We have introduced a zero subscription for juniors under 12 for members' children or grandchildren.*
- ❖ *We have introduced a "Free Subscription" draw for those members who pay their renewal in full before 31<sup>st</sup> March.*
- ❖ *Subscriptions were not increased for 3 consecutive years.*
- ❖ *Following the subscription increase this year, we offered last year's rates for those who paid in full by 31<sup>st</sup> December.*

Through our marketing initiatives, we recruited 154 new members last year and have attracted a further 70 so far this year. Despite this success, the number of 7 & 5 Day members has reduced by 36. Consequently, although overall membership numbers are broadly flat, we still have some way to go to match last year's subscription revenue.

Given that we have spare tee capacity during the summer and early autumn months, this year we are testing the market with a 4-month Summer Offer. Yes, of course we encourage those who take it up to continue with membership through to the end of the subscription year and beyond because of the high wastage levels. However, the primary idea is to recruit a number of temporary members for the summer months to cover the shortfall in subscription income without putting pressure on winter tee times. The offer itself at £350 is marginally higher than that paid by existing 7-Day members but we do offer the incentive of a 10% reduction on their subscription on renewal at 1<sup>st</sup> April 2012. (This is broadly similar to incentives given to those who renewed following the 3-month New Year offer that we have been running for two years.) So far, the Summer Offer has produced 6 new members - we had hoped for more - and we are yet to find out how many will extend their membership through to 31<sup>st</sup> March, let alone continue into 2012/13. The jury is still out.

Whilst we understand the concern expressed by some members about the incentives offered to new members, we believe that we make similar offers to members and are always looking to add value to their membership here at Donnington Grove.

Christopher Strong  
General Manager