

Golf Clubs in 2020 – what will they look like?

My presentation at the 2007 GMA Conference focused on the operations of the Legends Golf Club; a workshop forum focussing on the challenges faced by a current Queensland club and first introduced to Conference delegates when Queensland last hosted the event in 1997.

Whilst highlighting the progress made by Legends in the various areas of club operations in the 10-years since its inception, the following glimpse into the future was also offered as to what is likely in store for club operations.

Expect to see:

- Membership flexibility
- Playing passes
- Weekend yield management
- More midweek golf
- More associated member benefits
- More local reciprocal playing opportunities
- Cost effective marketing
- Fewer golf clubs
- Greater involvement of committees

More membership flexibility

Greater flexibility in club membership structures is already a reflection of current demand and there is no reason to suspect that this trend will change in the short to medium term future. It is expected that clubs will increasingly need to be more creative about what they sell and how they sell it. This will make it essential that they will have to understand what makes current members happy and what benefits are most likely to attract new members and importantly, keep them happy.

In an increasingly time competitive society (a trend that is certainly not limited sporting commitments), clubs will have to accept the likelihood that they will not have access to vast numbers of potential new members under the old definition. Addressing current member attrition therefore becomes vitally important.

One thing that is certain is that the 'one size fits all' membership category will become a thing of the past.

Playing passes / increasing portion of fees being paid on a per game basis

It is expected that annual playing passes will become an increasingly familiar component of membership packages. Increasing numbers of players demanding regular golf but being unwilling or unable to commit to full 'traditional' fee structures, will see a shift towards an increasing portion of club membership fees being paid on a 'per-game' basis. A hybrid of this is lower annual fees combined with a higher per game fee, allowing members the flexibility to choose suitable participation levels (within their individual time and financial constraints), whilst maintaining the additional benefits that club membership packages offer. A vital element of this option is the ability to analyse member frequency of play patterns, enabling both parties to make better informed decisions in creating the membership offers.

Better yield management on weekends

Identifying that the time available for new members to play will likely still be on weekends, it is expected that clubs will start to successfully extract fee premiums for play in that time period. Concepts such as Premium Weekend membership categories (where members are not only guaranteed prime Saturday morning tee-times but pay extra to play in three-ball rather than four-ball formats to reduce game time) are likely to become commonplace.

Such membership categories have the combined benefit of not only attracting potential members who are 'time-scarce', but also ensuring that potentially higher yield peak periods are not monopolised by members who due to their personal circumstances (such as retirees), have unlimited access to the course at other equally convenient times.

Whether clubs can extract a better yield for weekend play, and in the process attract new members willing to pay for the privilege of such access, becomes a simple mathematical formula.

More midweek golf

It is expected that there will be an increased demand for midweek golf, reflecting the increasing flexibility of societies working conditions whilst also being direct result of greater yield management on weekend peak periods. A change in competition days, and more specialised member competitions within those non-peak periods (such as seniors, ladies, or shorter game formats), will also be a direct result of these shifting, more flexible working conditions.

For example, an increased demand for and offering of six or nine-hole game formats, possibly being played in conjunction with existing 18-hole member competitions, will create the opportunity to put more players through the course on a daily basis, at times which better fit club members individual work and family commitments.

Again, for this concept to work successfully clubs will need to understand current playing patterns and have reasoned opinions as what potential new playing formulas are likely to be popular and seen as offering additional benefits to existing club membership.

More associated member benefits

Direct links with other clubs, both sporting and service related, will become an increasing feature of club membership into the future. Loyalty purchase schemes, or the availability of discounted purchasing of products and services from preferred 'partners' will be seen as adding significant additional benefit to club membership packages. Future club members can also expect preferred 'buy-ins' with associated national golf sponsors, offering mutually beneficial purchasing and marketing opportunities for both parties.

More local reciprocal playing opportunities

The continuing trend towards increased flexibility and variety in playing options will become increasingly prevalent for future club members. Reciprocal playing rights and playing passes between 'collectives' of geographically neighbouring courses have become increasingly popular in recent years, and is a trend that is likely to continue into the future as clubs look to 'value-add' to current membership structures.

More tailored yet cost effective marketing required

Future marketing of products and services will be all about getting to the consumer more easily and more effectively, and this will create a significant ongoing challenge for clubs generally. The ability to advertise not only ongoing membership benefits, but ad-hoc or last minute course availability to those willing to pay premium rates will become increasingly vital. While effective member communication through email, website or SMS platforms will form the basis of such marketing activities, clubs will also need to have greater 'post-match' communication with corporate and social green-fee players. The capture of personal contact information from non-club members will take on increasing importance as the attraction of club membership for 'occasional' golfers continues to wane.

Possibility of fewer golf clubs as clubs seek strength in numbers

The increasing reality is that golf is a numbers game and to be successful you need to have efficiencies in cost structures. For example it costs as much in club management to prepare a course for 700 players as it does to prepare a course for 1000 players, yet the club of 700 doesn't have resultant revenue benefits that 1000 members would bring. Increasingly clubs will accept that the sum of two parts is greater than two individual operations. Economic necessity will become the priority and the flow on effect will be more competitive pricing gained via strength in numbers.

While most clubs will not need to take the drastic step of full amalgamation with neighbouring facilities, greater sharing of management resources (particularly back office administrative processes) will also become commonplace. Increasing examples of use of shared resources, in particular senior management and course maintenance equipment will also leave clubs better off financially in the long-run.

Greater involvement in committees in the day to day running of golf clubs

As club board positions are gradually filled by younger age retirees, slowly but surely the quality of boards will improve. It is therefore expected that these boards will become more involved in the day to day running of golf clubs as their skill sets remain relevant to day to day club operations. As a result of this, it is likely that clubs can expect a greater level of financial analysis of their operations to be undertaken and therefore clear understanding of the key drivers to successful golf club business.