

CLUB MARKETING -
THE MEMBERSHIP STIMULUS PLAN

CLUB RESOURCES

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The news lately has been dominated by talk of the economic crisis and what the government will do to turn the downturn back up again. The defining buzz phrase for America's first decade in the 21st century is fast becoming the "Economic Stimulus Package."

Polling club managers over the past several weeks has been a bit like following CNBC Market Watch. It is almost like there should be a little digital box alongside the Crude Oil, DJIA and NSDQ tickers called Club Selling List Average (CSLA). It seems as though this is the new buzz word for a club's health and worth -- "How many members are on your "Club Selling List."

A typical year at Club Resources involves facilitating board retreats, developing & implementing membership marketing plans, conducting member surveys and club strategic planning. This year has begun differently to say the least. Lately, we have been working primarily with new client clubs that are staggered by a wave of resignations, abandoned memberships and a lack of new member prospects. Consequently, we have been hard at work developing customized solutions for clubs suffering hardship the likes of which we have not seen since the Tax Reform Act of 1986 with its harsh effects on the city club industry. Inspired by our federal government's response to the nation's fiscal crisis, we have developed our response; ***"The 2009 Membership Stimulus Plan."***



We begin with the question that many clubs are now asking themselves: "What will "stimulate" membership sales?" Seriously, what can clubs really do about this economic debacle? Clubs can't print their own dollar bills like our government can (unless of course you consider the unique forms of currencies devised for the para-mutuals during the annual member guest invitationals)? What can a private club do in order to avoid conditions such as: "membership short sales," "club foreclosure," "runaway selling lists," "declining membership equity," and "increasing membership taxes (dues)." It is hard to imagine terms like this being applied to the club industry. Unfortunately, these conditions are beginning to become the norm instead of the exception, even impacting prestigious clubs that have had multiple year waiting lists as long as anyone can remember.

Just as our federal government's response to the economic crisis is the "*Economic Stimulus Plan*," clubs should also develop their own Stimulus Plan to attract and retain members. Our approach is a turbo-charged version of the fundamentals we have always applied -- Member-Market Input, Membership Marketing and Member Retention, a fundamental approach that doesn't rely on slash and burn price cutting that undermines a club's value long after the program ends. Although every club needs its own special approach, here is a simplified version of the outline we use.

Member-Market Input:

- 👤 Realistic assessment of internal club current trends - prior year is not a valid benchmark
- 👤 Realistic assessment of conditions and trends in the club's own market
- 👤 Member input - regarding satisfaction, usage, value and circle of influence
- 👤 Sensitivity analysis - to test the long term impact of a plan

Membership Marketing:

- 👤 Long term objectives (preserve future value, Mission and Vision are important)
- 👤 Short term initiatives (create/sustain momentum, incentives, keep the dues flowing)
- 👤 No arbitrarily set Initiation or Transfer Fees (market tuned- market driven)
- 👤 Long waiting list of members wanting to sell? This may be the single most important reason members add their names to the list to sell and negatively impact the club's reputation. Develop a plan to aggressively knock down the selling list.
- 👤 Members must be engaged and have clearly defined roles (privileges, rights and responsibilities)
- 👤 Someone dedicated to membership growth and retention
- 👤 Effective Member Orientation Plan. This has to be more than a package of information or a personal tour. You must get new members engaged
- 👤 Programming activities that encourage new member referral

Member Retention:

- 👤 Aggressive & constant communication plan (letter, email, web, verbal, use it all)
- 👤 A system to identify those at risk of resignation so a targeted retention plan can be implemented
- 👤 Survey your members frequently: once a month for new members during their first 90 days and at least annually for the entire membership
- 👤 After 90 days of membership ask your new members for referrals and make it easy for them to invite and entertain prospective members.
- 👤 Pay close attention to hiring front line staff, it is critical to develop one on one relationships with every single member
- 👤 Track and encourage member usage (get ahead of retention)
- 👤 Strategies to save members (pricing, demographics, usage levels)
- 👤 Exit interviews, membership retirement parties, bylaw changes, etc.

These are only a few of membership fundamentals that would make up a Membership Stimulus Plan. There is nothing really unique about them. It is the current economic condition and the extraordinary challenges that clubs are facing that make them more critical today. Develop a Membership Stimulus Plan for now, and then make it perpetual.

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