

CCL GIMME-5 SURVEY RESULTS

2023 MEMBERSHIP RENEWALS



CONTEMPORARY
CLUB LEADERSHIP

April 2023



Tribe –

Thank you to everyone for contributing to our latest “gimme 5” survey, which helps to make you the most informed person in the boardroom.

From the 130 responses to the survey, the most important message that we learned is that membership levels are holding up much better than many feared.

There was a fear that this would be the year that we would lose members as rapidly as we were gaining them during covid, particularly given the multiple financial challenges we are all experiencing.

The “good” news is that the 2023 resignation rates are running on average at around 6%, which is roughly the same resignation rate (6.5%) that our industry was experiencing before COVID appeared.

This is also reflected in the question around confidence levels, with respondents showing a high degree of confidence in short to medium term, but a third of respondents admitting that they have some concerns about their longer term future, from 2026 onwards.

There is clearly still much work to be done, as we need to find out what would keep your members from walking away from your club, and then set about giving it to them. If this is something you want help with then please get in touch, we would love to help you.

Within this report you will be able to review –

- Overall demographics of the survey contributors (geography and tier)
- 2023 subscription increases (%) by tier
- Membership resignation levels by tier (High/Medium/Low)
- 2023 Green Fee increases (%) by tier
- 2023 Staff Wage increase (%) by tier
- Confidence levels within clubs – over the short, medium and long term.

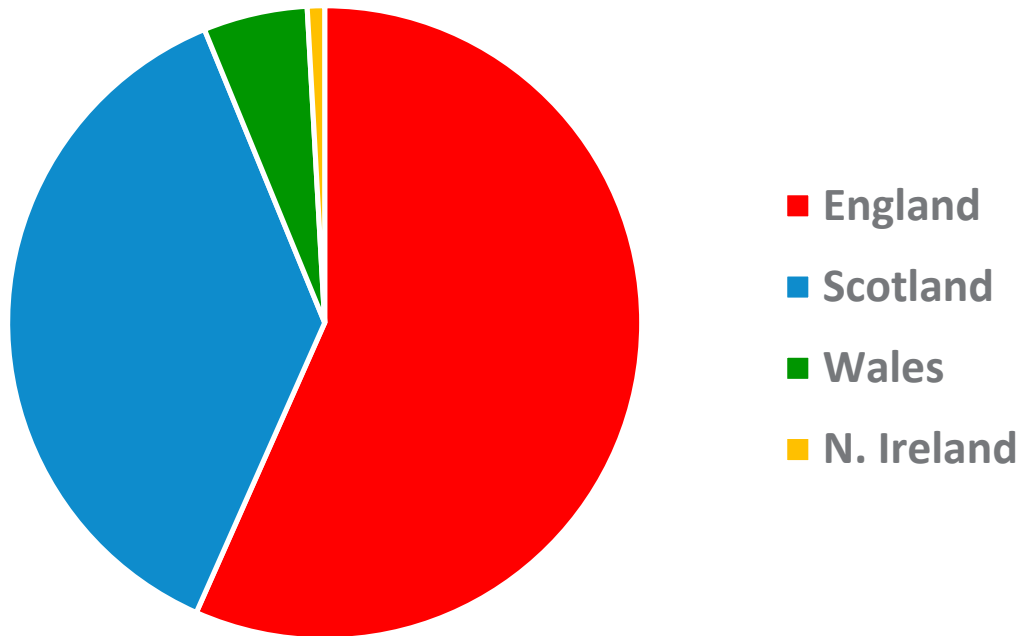
If you have any questions, don't hesitate to get in touch – and watch out for next week's bulletin which will give you the dates for our next training courses for clubhouse staff.

Enjoy the Masters -

Kevin

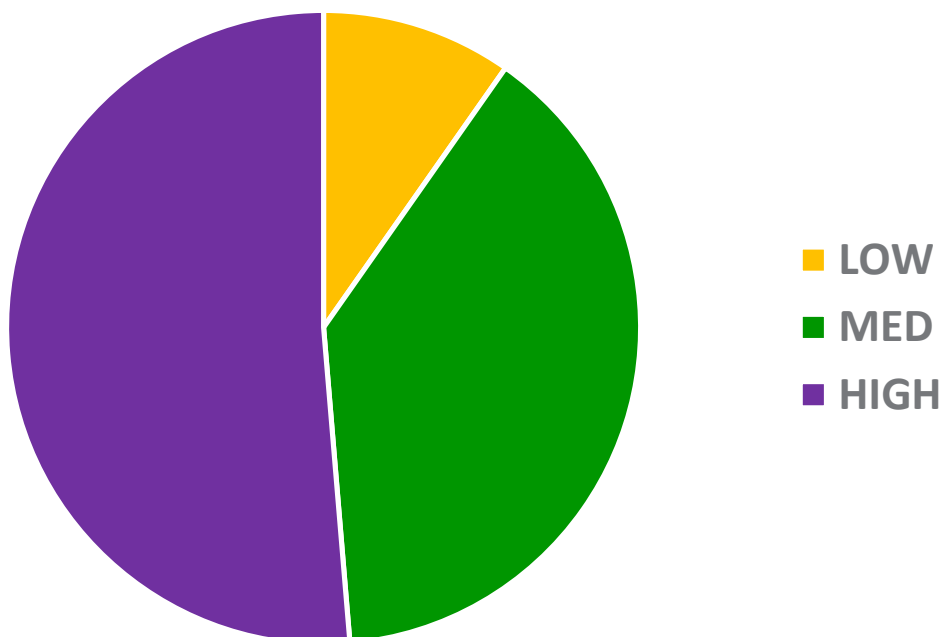
Once again we see a great spread of contributors, both in terms of geography, and size of club.

The size of club is based on your standard midweek green fee rate.



For the purpose of our analysis, a club's size is determined by the price it charges for a standard midweek summer green fee.

LOW	Green Fee up to £35	(Clubs who charge visitors less than £2 per hole)
MEDIUM	Green Fee from £36 to £71	(Clubs who charge visitors more than £2 per hole)
HIGH	Green Fee at and above £72	(Clubs who charge visitors more than £4 per hole)

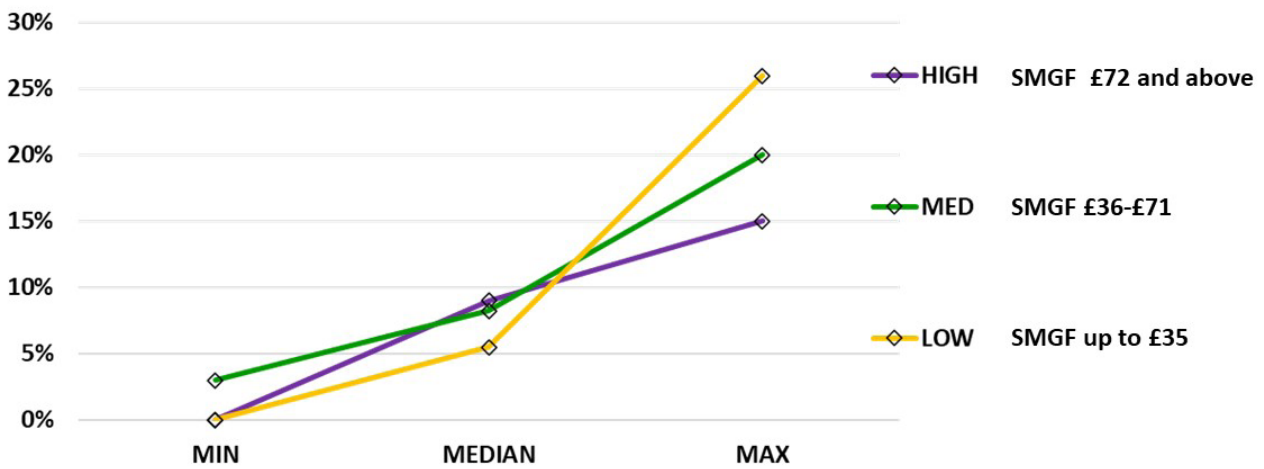


Most clubs rely upon membership subscriptions for the greatest proportion of their gross profit.

In 2023, the typical subscription increases were between 5% & 9%, with the larger clubs typically pushing through slightly greater increases.

2023 SUBSCRIPTION INCREASES BY TIER

Data as of 3rd April 2023



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We have never seen such a wide range of increases, which we believe shows how differently clubs are weighing up the multiple variables in play in 2023.

Not an easy task, as none of us has a crystal ball.



Clubs experience a nervousness around membership renewals every year, but none more so than 2023.

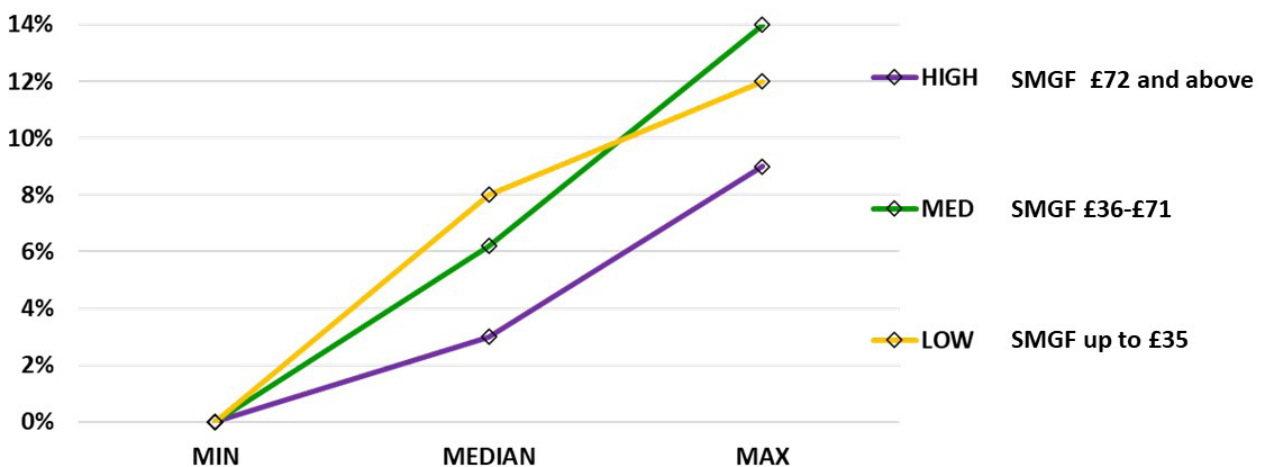
There was an understandable concern that we may lose membership numbers as rapidly as we were gaining them during the unique circumstances of lockdown.

There was also great concern about the multiple financial challenges we are experiencing in the country, adding up to a fear of a mass exodus of members choosing not to continue with what might be described as a non essential purchase.

Thankfully, those fears have not come through in this data, where the average resignation rate is sitting at around 6%. This is almost exactly the same resignation rate (6.5%) that our industry became familiar with prior to COVID, and we can confirm that the tier resignation rates are also running true to form.

2023 MEMBER RESIGNATIONS

Data as of 3rd April 2023



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There is however clearly still much work to be done at clubs to prevent such a high percentage of resignations being the accepted norm.



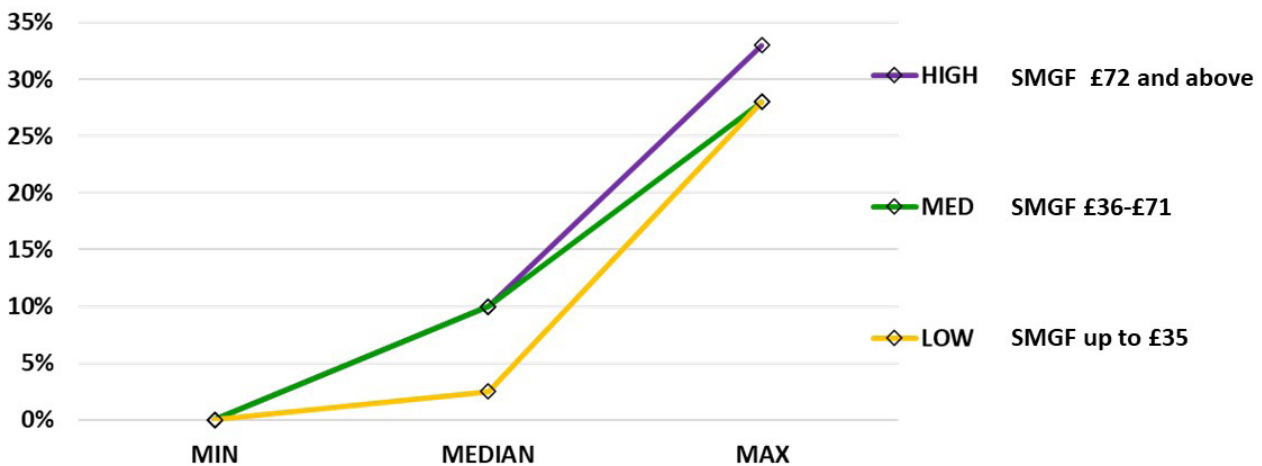
Many clubs are in the fortunate position of being able to rely upon a second major revenue stream to bolster their gross profit, from visitors.

Visitor green fee rates have increased significantly during lockdown, with clubs being bullish about the value of their limited number of available tee times to non members. In 2023 we have seen that rise in green fee rates continue, although you will see in the lower tier, which had previously been at the forefront of rate rises for visitors, this has now slowed considerably at most of those lower tier clubs.

We note that in general, clubs are more keen to put the increase in costs on to the rate they charge for a visitor, rather than the membership subscription rate, which will continue to place greater strain and dependency on that revenue stream.

2023 GREEN FEE INCREASES BY TIER

Data as of 3rd April 2023



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Whilst we do not have a crystal ball, we do have a rear view mirror, and know that life has a habit of biting us when we least expect it. Covid, the twin tower attacks, foot and mouth, the 2008 recession and now the post covid recession, were all described as once in a lifetime challenges but the reality is that these five challenges have all occurred in the last 20 years. Each of them placed great strain on visitor revenue and we would encourage clubs to ask whether too great a reliance is being placed on non members covering the running costs of your members club. We will be running a webinar on this topic later this year for our Club Governance Online subscribers.



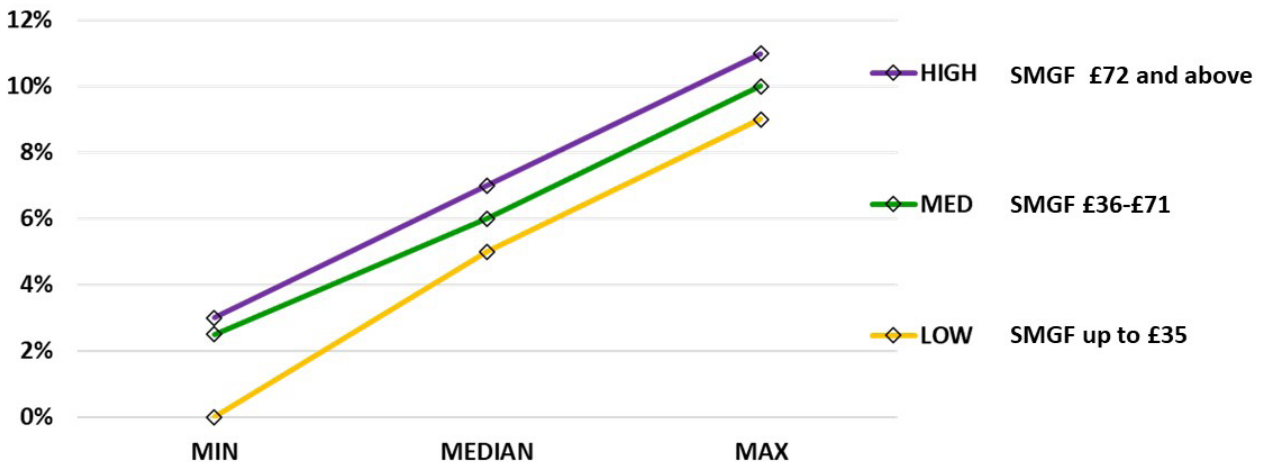
We know from our analysis of over 200 UK private member golf clubs year end accounts that around 46% of a clubs annual budget will be spent on staff salaries and wages. It is therefore no surprise that the annual salary increase receives such focus each year, and 2023 has had its own challenges to contend with.

Clubs are clearly aware of the high rates of inflation and wage rate inflation, but also I am pleased to say, are also becoming more conscious of the need to recruit and retain a motivated and well led team to deliver their objectives and keep membership satisfaction levels high.

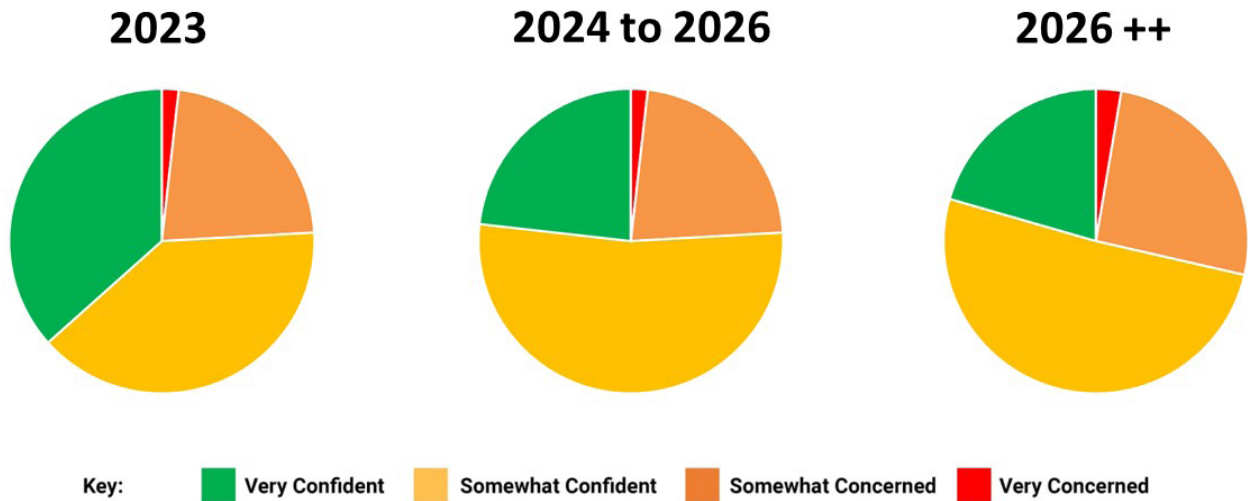
In the chart below you can see a wide range of salary settlements, and what is very clear is that the bigger the club, the more determined they are to back this up with evidence of their commitment to the team.

2023 STAFF WAGE INCREASES BY TIER

Data as of 3rd April 2023



CONFIDENCE LEVELS IN CLUBS 2023 and BEYOND



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Finally you can see in the chart above, three quarters of clubs responding to the survey confirm that they are feeling very confident or somewhat confident about the short to medium term for their clubs.

In the 7 years that we have been conducting these surveys, the typical demographic of CCL clients has naturally shifted towards the larger clubs in the industry, as evidenced by the pie chart on the first page of this report. This may explain why there is a more robust response to this confidence question than we have seen in the past.

However even with this demographic the confidence levels do begin to shift as we look to the longer term (from 2026 onwards), where it could be said that around a third are admitting to being somewhat concerned about their clubs future.

CCL is here to help you to build your club’s future, and quite simply to help you to do the right things right. If you have any questions please don’t hesitate to let us know, and if you feel that the services we provide would help build confidence and membership satisfaction at your club then just drop us a line.

We hope that you have benefited from our April 2023 Industry Report.

Kevin Fish CCM
 Director, CCL Ltd.



Contemporary Club Leadership Ltd

Industry Insight ~ Guidance and Assurance ~ Empowerment

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