

STATE OF THE INDUSTRY

Should Instruction Be an “Included Amenity”?



By Lorin Anderson, President

I was recently reading an article in PGA Magazine about Brown Golf Management and the fact that they offer instruction to their members as part of their included amenities. Since we know most golfers don't take formal instruction, I was curious to see how it worked for them.

Basically, Brown realized that if golfers don't see some improvement and they aren't having much fun at the course, they are prime candidates to leave the game and leave the facility. Sure, “free lessons” have to be paid for somehow, but when weighted against greater facility utilization, higher member retention and easier new-member recruitment, it can make a lot of sense to factor it into the overall club budget. Owner John Brown has come to the conclusion that “the free instruction concept is the best thing I've ever done in my long career.”

That's a pretty strong statement so I wanted to take a closer look at this idea and, frankly, it seems to have a lot of merit.

It's really not too hard to pay for this service. If you have 350 members and the club allocates \$200 per member for the year to the program (less than 5 percent of dues revenues at \$400 per month), you have \$70,000 to divide among the staff instructors for their time to facilitate these “free” lessons.

Plus the payback goes way beyond improved member retention. A study by a large private club in the South tracked the spending habits of the members at the club who take regular instruction versus those who don't and

found that member charges for golf spending, food-and-beverage and golf-shop-purchases was 80 percent higher for active lesson takers. Certainly, golfers who work on their games are more active and engaged at the club which makes the idea of “free instruction” very intriguing.

Assume that a “free lesson” program can move you from 25 percent of your membership working on their games and getting better to 50 percent. What will that do for spending in all of your departments? What does that do for member retention and new member referrals? What does that do for differentiating your membership in a positive way from the other clubs nearby? There is a positive domino effect at work here and allocating some of your club's marketing dollars to this may make a whole lot of sense.

While you may not want to offer all of your members unlimited free instruction all the time, you may be able to make a program like this valuable to the members without any overall decrease in your earnings. For example, perhaps the free lessons are only available on weekdays, or are only available to new members during their first year at the club, or maybe they are free for kids under 18 only. There are certainly hybrid situations that would allow you to engage more of your membership in instruction while still running your normal lesson business during the heavy demand periods.

I can't stress enough how important it is for all of us to maximize retention of our current golfers. It is much less expensive to engage your current customers than it is to attract new ones to your facility. Programs like free instruction conditions all of your members to the reality that they will play better and enjoy the game more if they

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