

Is golf still the most important aspect of the country club?

BOB

The golf course saved many clubs from extinction this year and remember that golf drives initiation fees.

DAN

I contend that excellent food and beverage programming and execution is centric to the member experience.

Bob's Point of View

Dan, it goes without saying that golf is the most important aspect of a golf club, otherwise it would simply be a dining club; and how many of those do you know outside of a major city? Country clubs, on the other hand, are now being touted as family clubs and over the last decade or so, national surveys flipped from golf being the main reason for joining a country club (typically scoring 4.5 out of 5) to dining becoming number one, presumably the social aspect of dining. But then came the pandemic and my guess is that golf has bounced back to where it rightfully belongs—the number one reason to join and remain a member.

It is generally agreed that the spouse in most families has a significant role in the decision whether to join a particular club. However, in spite of all the inroads made by the USGA and PGA to attract more juniors and women to the game, I suspect that given their druthers, many spouses would still prefer to join the local swim and racquet clubs. They are far less expensive, more family centric and provide greater local social connectivity.

Although it is clearly in the best interest of all family clubs to focus attention on spouse and children's programs, a club should not lose sight of how important the golf course and practice areas are to the longterm health of the club and to a sustainable membership. That is not to say that clubs should shortchange the aquatic and tennis facilities or restaurants and bars as they are the social hubs of any club.

Many country clubs have been hard hit by the pandemic and will not be able to recover financially or in membership

counts for several years to come. This downturn may provide the impetus to finally cut back on marginal services and activities but be careful where and how severe cuts are made to key member amenity areas. The golf course saved many clubs from extinction this year and remember that golf drives initiation fees. Take care of your key asset!

COUNTER POINT

Dan's Point of View

Bob, your points barely dignify who you rightfully identify as the decision maker when families make the decision to join a club—the spouse. And you only somewhat dignify what a full-service club offers beyond on golf.

Consider all country and golf clubs on a bell curve. Those below the median or in the first or second quartile were struggling before COVID-19 and that struggle is further exasperated now. I contend that excellent food and beverage programming and execution is centric to the member experience. Everyone eats and dines, and great clubs today provide both. Beyond traditional golf, consider all the creative programming that has emerged because of the pandemic: creative dining delivery, online social and intellectual programming, virtual fitness and a range of events and activities that have kept members engaged at the better private clubs in America. Those same clubs currently have or are trending toward a more robust range of activities, amenities and services than ever before. They know they are not in the golf business or the restaurant business but the *entertainment* business.

Members can find golf access at a range of clubs and courses. There are 14,400 golf

clubs in America and only 4,000 or so are private. That should tell you that unless your golf product is in rarefied air on one of the many “lists,” exclusive or is located in a key location, you’re just another farm with push up greens and some tee boxes with a lawn in between—a product that can be found ubiquitously without initiation fees and dues.

You reference industry data. I would point out that several surveys identify privacy, safety and the free association with like-minded individuals as critical elements of the private club industry. I am sure the National Club Association would agree. The club experience is visceral, experiential, unique and can be shaped very specifically to members; ideally something members cannot get elsewhere. What other industry has such rich consumer data?

Consider what has happened to the ski industry. More than 400 “mom and pop” ski areas across the country have vanished since 1975. Today there are approximately 480 ski resorts and facilities, 150 viewed by ski industry experts as “on the edge.” Key turning points for the ski industry include a series of significant liability lawsuits, the escalating costs to make snow (both energy and capital)—and the expectations of what the ski experience should be: a resort experience versus the ski hill experience where you pack your lunch and have access to three versus 50 lifts, along with a number of other differentiators. It’s camping compared to the Four Seasons. The overall impact of these escalating fixed costs to the small “ski hill” are self-evident. They are gone. An overarching challenge for the ski industry today is what is perceived to be how difficult it is

to learn how to ski or snowboard, despite the technology improvements in equipment. Sound familiar?

Clubs that view themselves in the entertainment business versus the golf business or the restaurant business have the best chance of survival both short and long term. The ski business has evolved to be predominately owned by a handful of private equity and public companies. Might the club business be far off? **CD**



Dan Denehy, CCM, CHA, is president and **Robert C. James**, CCM, CCE, CHE, is vice president, DENEHY Club

Thinking Partners, a full-service executive search and management consulting firm serving the private club and boutique resort industries at more than 300 clubs and resorts on more than 700 projects. They can be reached at dan@denehyctp.com or bob@denehyctp.com. Learn more at denehyctp.com.

COUNTRY CLUB TECHNOLOGY PARTNERS



- Technology Master Planning
- Club Technology Report Cards
- Cost Reduction / Audits
- Hosted IT Solutions
- Surveillance Cameras
- Cyber Security Analysis

www.cctechplan.com | contact: noel@cctechplan.com