

Membership

"Without objectives, the benefits and costs of membership schemes cannot be measured against any criteria — they cannot be evaluated." — G.T.

Membership or no membership?

To answer the question we must *first* set out the objectives of having a membership system. *Second*, list the benefits to the centre and to the community at large. *Third*, list the benefits to the individual members themselves. *Fourth*, analyse the costs to both the members and the centre. *Fifth*, consider the alternatives and their costs.

The objectives of a membership system within the public sector should be managerial and community recreational. Hespe⁵ put forward three main objectives, 1) social, 2) Administrative, and 3) Financial.

1. Social

It is probably the use of membership to achieve social objectives that is the most neglected by sport and leisure centres. Social objectives might be

- To attract specific sections of the community through marketing and pricing policy of various categories of membership e.g. unemployed, OAP, Disabled etc.
- Limiting the number of members in order not to penalise regular users or to cut out casual users.
- To enhance group affiliations. Many people need and want to belong.
- Many people want to belong to higher status groups and membership systems afford that possibility.

2. Administrative

Objectives could include

- Easier control of entry.
- Control over use of space and time.
- To fill off-peak spaces.
- To ease work-loads for receptionists.
- To be able to plan ahead more effectively.
- To undertake marketing e.g. through membership lists.
- To undertake research to aid future operational management and programming.

3. Financial

Objectives might include

- To achieve financial targets.

- To increase income to the centre.
- To have a guaranteed source of income over several years.
- To establish greater regular use thereby establishing long term direct or indirect revenue.

"Customers pay for future expectations." — Peter Drucker

Benefits to members

The traditional benefits to members

- Entry free of charge when no special events are being held.
- No cash deposit on hired equipment; deposit membership card instead.
- The right to book facilities in advance in person or over the telephone.
- Priority over courts and courses.

These benefits must be analysed closely and evaluated. The high level of non-renewals on membership suggests that in general the benefits to the public are not attractive enough.

Increased benefits for Members?

Increasing the benefits should lead to a more contented membership. Contented members should renew more readily and there should be less market resistance to rises in fees. Contented members should come more often, stay longer and the centre should benefit from indirect spin-offs.

Increased benefits might include:

- Cheaper tickets for special events.
- Preferential bookings, e.g. longer pre-booking period.
- Free creche for family-membership holders thereby attracting more families to the centre, e.g. family sessions.
- Discount purchase of sports goods from the leisure centre shop, town sports and leisure goods shops and from local traders.
- Discounts on services through agencies such as car hire, excursions and other commercial leisure services.
- Cheaper use of facilities.
- Increased information services — handouts, news letters, invitations.
- Social events for members — children's Christmas parties, birthday parties, celebrations.
- Off-peak memberships — women with young children, pensioners, shift workers.
- 5 day membership.
- Holiday membership, Saturday Clubs and 4 o'clock junior memberships.
- Summer or 6 month membership.

- Block membership — clubs, companies, business membership.
- Block discounts on sales — 10 saunas at 20% discount, 3 for 2 and other packages.
- Nominal membership groups — over 60's, unemployed.
- Credit card transactions.
- Instalments by Bankers order for high cost Centre Club membership, e.g. squash/tennis/badminton club.
- Free use tickets, e.g. occasional tickets for off-peak swim or court or 'Guest' free ticket. Eastway Sports Centre tried free squash in August.
- Sports Passports.

"Lapsed membership is at a high level — clearly, the benefits of membership are not attractive enough." — G.T.

"As a purely financial exercise, membership (at public centres) is not a viable proposition." — Hespe

Membership — Income Earning or Loss Making?

Do leisure centres generate more income through having a membership scheme?

CIPFA survey⁶ of single adult members per annum showed:

1983/84 Adult Member Charges

Lower Quartile	£4.50
Median	£7.20
Upper Quartile	£9.50

In view of Family, Junior, Youth and OAP membership reductions, the income per head is reduced to a general range of say £3 — £8.

Day entry charges, according to CIPFA are on average:

Adult	0.25
Junior	0.15

However, the range is extremely wide from 10p to 80p.

Membership and day charges at public leisure centres vary considerably but they are *minimal* compared to the private sector membership charges. In the public sector, income from membership represents say only 10% of total income, while in the private sector it can be up to say 70%.

The Costs of a Membership Scheme

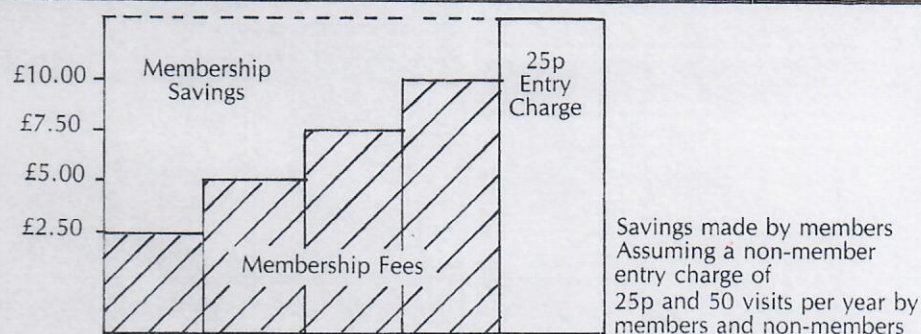
Costs will depend on a number of factors. They are not necessarily related to the numbers; certain basic costs will occur for all systems.

The direct running costs alone including a micro-computer system, print-outs, membership cards, administration, stationery, staff hours and accounting can be in the region of £10,000 — £15,000 at a large centre. Costs can use up a good 20 — 25% of membership income.

Entry Charge Instead of Membership or Increased Activities Charge?

Members visit leisure centres at least once a week and some many times a week. What would be the financial effects of either charging an entry charge of an increased activity charge instead of membership, assuming no drop off in participation?

Number of members, say	Fees on average per head, say	Annual income	Less 20% costs	Additional cost per visit, say 1 visit per week × 50 weeks to cover fees
8,000	£8	£64,000	£51,200	13p
	£6	£48,000	£38,400	10p
	£4	£32,000	£25,600	7p
6,000	£8	£48,000	£38,400	13p
	£6	£36,000	£28,800	10p
	£4	£24,000	£19,200	7p
4,000	£8	£32,000	£25,600	13p
	£6	£24,000	£19,200	10p
	£4	£16,000	£12,800	7p
2,000	£8	£16,000	£12,800	13p
	£6	£12,000	£9,600	10p
	£4	£8,000	£6,400	7p



How many members?

How many members should a centre aim to achieve? An optimum number is needed to ensure a balance value and economy. Do centres limit their membership numbers to give members value for money and still permit a reasonable level of non-member usage?

There are very few centres which have waiting lists. Is this because demand is not high enough? Or are members taken on regardless of the consequences of insufficient time and space for numbers? Are managers playing the numbers game where kudos is derived from a high membership total? Is overcrowding a reason for lapsed membership which runs at over one-third on average?

A reasonable guideline favoured by a number of managers consulted at participation leisure centres is as follows:

Member optimum levels

Attendances per week	1,000
2,000	2,000
4,000	3,000
6,000	4,000
8,000	5,000
10,000	100,000
	200,000
	300,000
	400,000
	500,000

Case Study: Membership Scheme to non-Membership

Where membership has been discontinued at a major leisure centre, the disadvantages to many users has been considerable, but the benefits to the centre have been substantial also.

Billingham Forum, opened in July 1967, operated a membership scheme

until March 1976. A detailed survey established the reactions to the change to a non-member organisation 4).

Once the membership scheme had been removed, one in three ex-members claimed that their usage had declined. Alternative facilities had been used with greater frequency. Two in three former members regretted the ending, mainly because of the greater expense, loss of priority in bookings and the influx of a greater number of "layabouts". However, a substantial proportion would not support the re-introduction of membership at a more economic (higher) price. Subsequently, a door charge was re-introduced, more for the purposes of visitor management than for economic reasons.

GUIDELINE TO MANAGERS ON SETTING UP OR CHANGING MEMBERSHIP SCHEMES

- 1. Set of Objectives** — Social, administrative and financial — and balance the economic and social costs and benefits bearing in mind the policies of your organisation.
- 2. Use New Technologies** — New computer membership controls will aid effectiveness and efficiency. But the information is of no use unless it is used to good effect.
- 3. Market the Membership Scheme** — Promote the benefits of membership particularly to target groups you wish to attract. Create a quality image, real benefits for members, quality handouts, a bright and professional image.

4. Use Membership as a Management Tool — Membership lists must be used to market, provide information, collect data, research and be put to the best benefit for member and centre.

5. Increase Benefits — Member benefits are not attractive enough. Every year introduce at least one new benefit.

6. Follow up Lapsed Members — Discover why members are not renewing.

7. Evaluate — Discover the direct and indirect benefits and costs and modify appropriately.

8. Reconsider Categories — One low price or a variety of choice — sports, social, multi-club? Remember, charges are often too low to offer too many varieties.

9. Don't Make it Compulsory — The dilemma facing the public Leisure Centre is how to achieve commitment by the community and produce income and still remain socially acceptable. A non-exclusive membership may help, i.e. people can become members if they want to.

10. Re-consider all Possible Solutions — Encourage use by the community in the ways they want to use the centre, e.g.

- Free entry + pay for activity or
- Nominal entry charge + pay for activity
- Registered user or 'friend of the centre' card — free entry + pay for activity
- Free 'membership' for any disadvantaged, with some tangible incentive to visit + nominal cost for most
- A membership scheme with improved member benefits.

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3. Birch, J. (1971) *Indoor Sports Centres* (Study No. 1) Sports Council, H.M.S.O., London.
4. Arrowsmith, G. (1979) from a study by public Attitude Surveys Ltd., "Sports Council Research Working Papers 17: Sports Usage and Membership at a Large Urban Leisure Complex: Billingham Forum", The Sports Council, London.
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