GGA Partners

Club Members Perspective

Insights into the changing needs & wants of private club members

MARCH 2024

Industry Perspectives™ Research

The Club Members Perspective report is part of GGA Partners' Industry Perspectives™ Research to understand what the key stakeholders currently see and what the future holds for an increasingly complex and exciting area of the hospitality business. The Industry Perspectives™ Research series explores unique views from within private clubs, golf, residential communities, and resort industries.

1 Club Members

Global study of club members emphasizing the need to understand their changing needs and desires while delivering unique insights that integrate contemporary consumer knowledge to create a deeper understanding of what our members are looking for.

2 Club Leaders

Through a partnership with the Club Management Association of America, this annual operations-driven study benchmarks key operational data and examines trends while exploring timely topics and how club leaders are addressing new challenges and taking advantage of opportunities within the market.

3 Club Partners

Leveraging the substantial network of vendors, industry partners, and other important support organizations, this trends-focused research explores those who are engaged within and beyond the expanse of our industry to understand what they are seeing and what this could mean in the future.

4 Club Employees

As an increasingly important stakeholder in the success of hospitality, this research looks beyond the traditional role of 'employees' to delve into what creates a positive People and Culture environment and how employees can reach their full potential in taking our industry to the next level of success.

Executive Summary

> Members' wants and needs are constantly changing, and this year's report provides insights to support the industry's need to elevate the member experience.

Launched in 2020 to provide club industry operators insights into club members' changing preferences and desires, this installment of the Club Member's Perspective goes beyond current habits and preferences to examine the underlying reasons behind members' behaviors.

This year's survey results show:

- Members find emotional connection value over all other types of value, including the often-discussed cost-benefit.
- Members are motivated by the desire to access amenities and services, followed by having the right culture.
- Generationally, younger members place higher importance on most club areas, as they plan to use the facilities more than their seasoned counterparts.
- While members agree that the social environment is critical, a desire for non-traditional usage of the club is not universal.
- Members' concerns mirror those of managers – there is a growing concern related to the lack of people to work in clubs.
- While members plan on staying longer, this increased member 'stickiness' could be a challenge moving forward.

Contents

Member Value and Motivation

Member Value and Motivation Insights

Members are finding much more than just financial value from their experience

While members will always discuss the financial considerations of membership, results show that members find the most value in the emotional connection they receive from their club. Price may always be top of mind, but clubs focusing on the emotional and quality value delivered to their members will see a different type of conversation around price and value.

Current experiences might meet members expectations for satisfaction, but not all members are willing to spend more to maintain them.

Overall, 92% of members said they enjoy using the club, with 76% agreeing that the club represents a satisfactory level of quality.

However, when asked about paying more annually, only 36% of members said they would pay more to elevate their experience, while 23% indicated they would pay more to maintain their experience. While results might be tied to economic uncertainty, clubs have a unique challenge of overcoming value perceptions that members are unwilling to pay more to maintain their current experience for all generations of members.

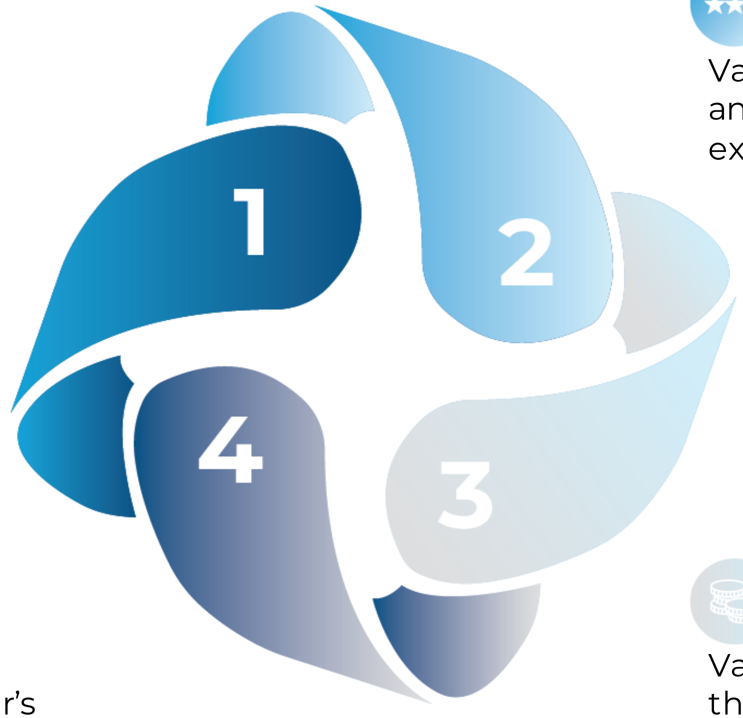
Member motivations for belonging to a club can be placed into six definable areas – activities, culture, fulfillment, service, social environment, and accessibility.

When asked which membership benefits were most important, members selected club and amenity accessibility, followed by club culture and personal comfort/ quality service.

When reviewing differences between respondents, it was clear the Silent Generation (born before 1950) places less importance in most areas than other generations. However, the social environment is the one constant that all generations place the same importance on.

Value Proposition

Members internally assess the value of their membership. This is typically evaluated and understood from the price perspective – are members satisfied with their experience regarding the cost and effort required to use it? But this value for dues and satisfaction perspective does not consider members' increasingly complex relationship with their club. By taking a more comprehensive view of value, results indicate that industry leaders need to take a more holistic strategy to meet the value-based needs of their members.



EMOTIONAL

Value created from the feelings or emotional outcomes associated with membership

QUALITY

Value provided by the quality and performance of the club experience

SOCIAL

Value generated by a club's ability to enhance a member's social standing or self-perception

PRICE

Value derived by comparing the satisfaction of the club experience to the cost and effort required to use it

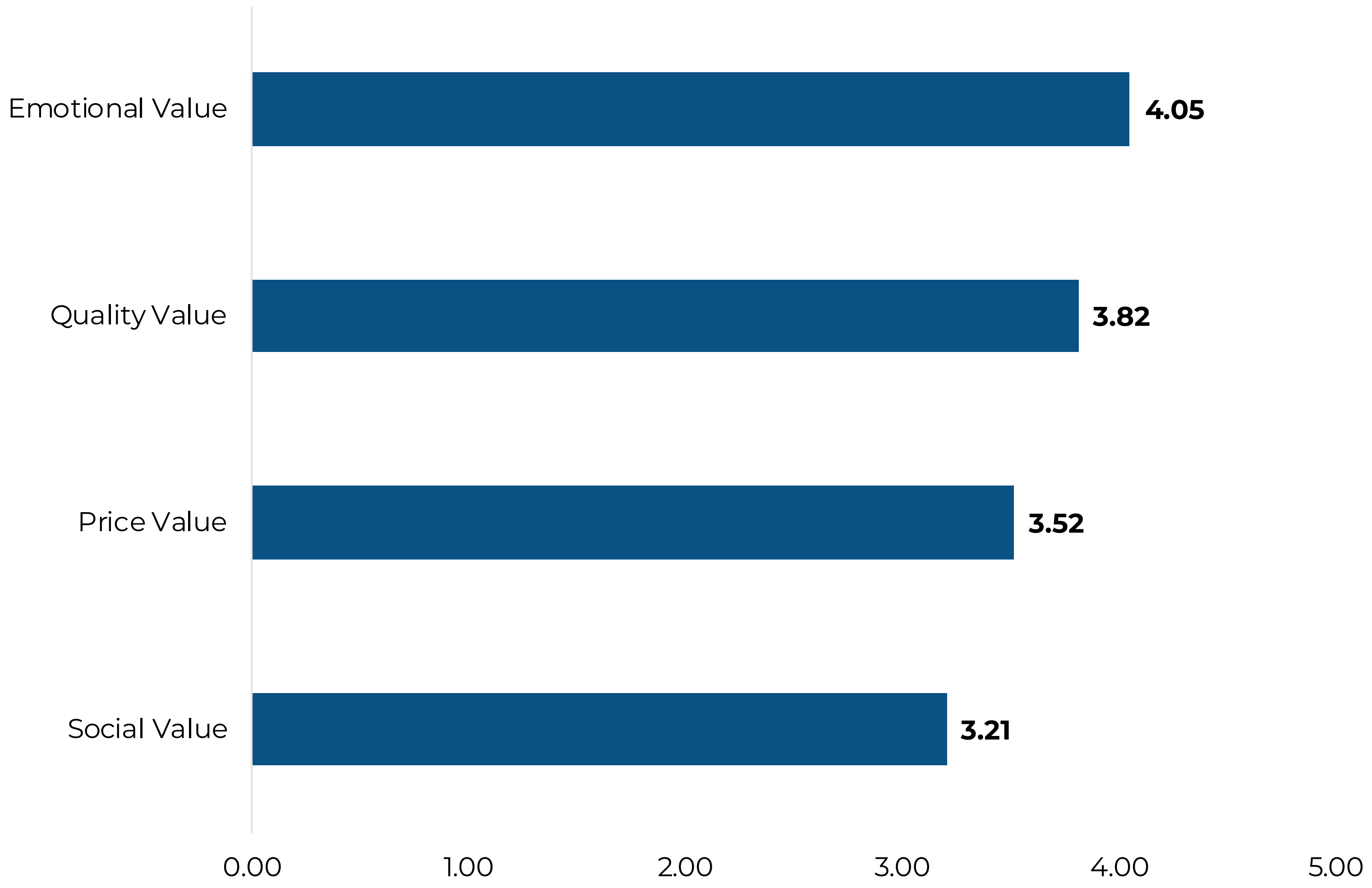
Source: GGA Partners *Club Members Perspective Report 2024*

Value Importance

Results are clear – members find the greatest value in their emotional connection with the club.

Price will always be top of mind, but clubs focusing on the emotional and quality value delivered to their members will see a different type of conversation around price. If members see increased value in these two areas – that they feel positive emotional outcomes from their membership and performance value is delivered – the resistance to potential price increases to maintain their experience will diminish as members see a deeper value from their membership.

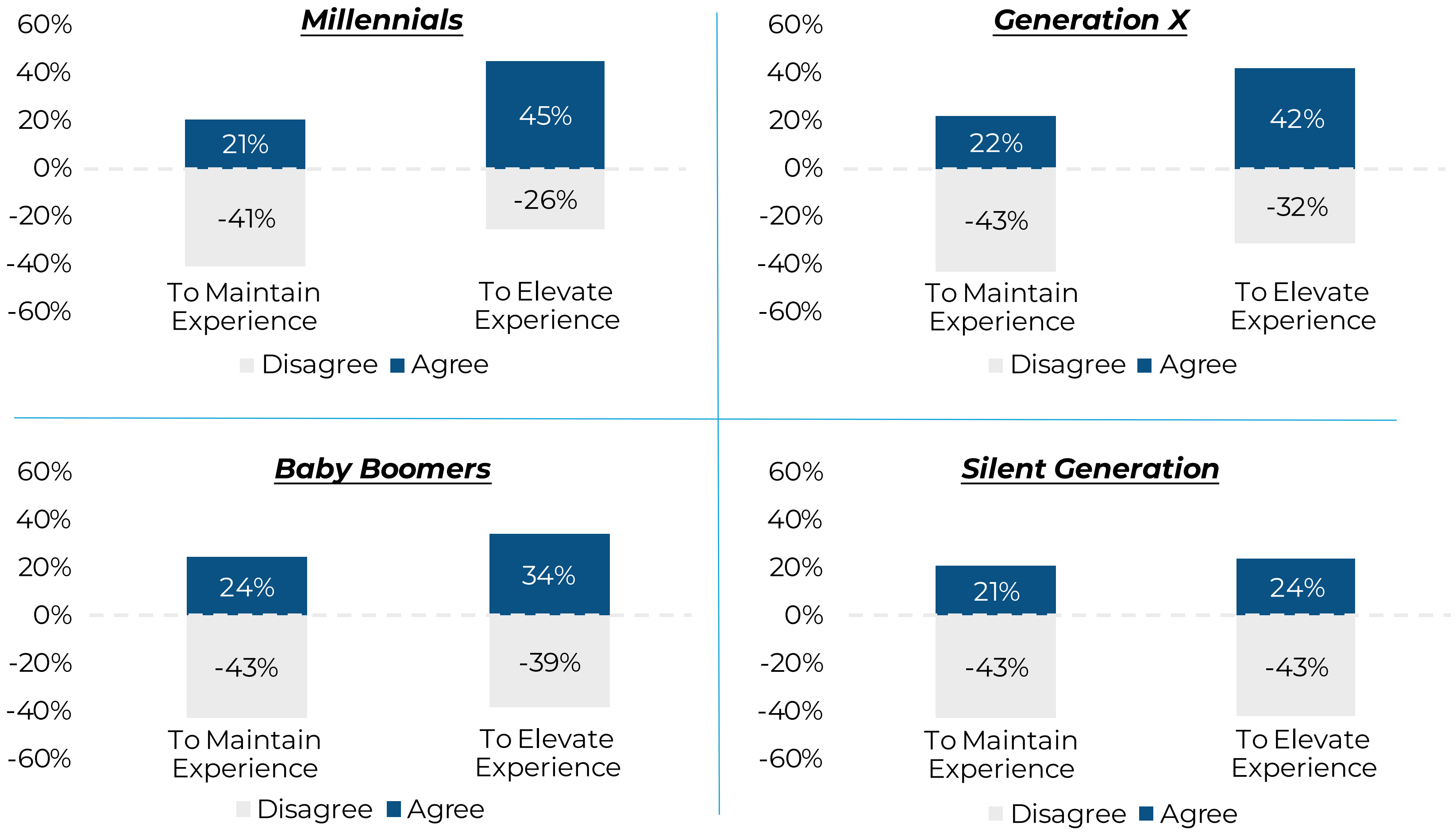
Agreement Score For Statements Regarding Club Value



Note: Rating scale for agreement score: 1 = Strongly Disagree; 5 = Strongly Agree.
Source: GGA Partners *Club Members Perspective Report 2024*

Value Proposition

Agreement Regarding Willingness to Pay More to Maintain and Elevate Experiences



Note: Percentages do not total 100 percent as "Neutral" has been removed. "Disagree" includes "Strongly Disagree" and "Disagree" responses. "Agree" includes "Strongly Agree" and "Agree" responses.
Source: GGA Partners *Club Members Perspective Report 2024*.

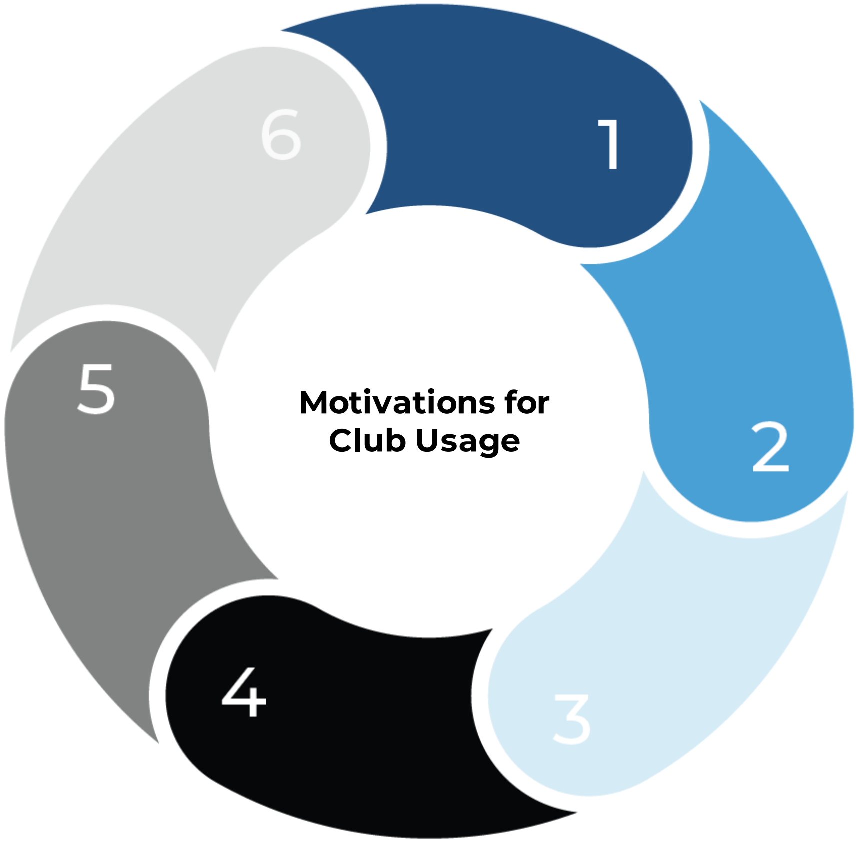
Even as costs have increased, members are consistent in their interest in paying more for maintaining their experience.

From a value perspective, clubs must continually search for creative ways to elevate the experience for younger members while maintaining the current experience and cost levels for more tenured members.

Special emphasis is needed to understand where opportunities exist for clubs to offset price increases or find innovative ways to package elevated experiences while matching revenues to cover increased operational costs.

Member Desires

Members' motivations for club usage are as varied as the clubs in our industry. From a desire to socialize with like-minded members to finding activities that fit their individual needs, every member has their own set of expectations from their membership. What we do know is that there are six types of motivations, and we wanted to understand the potential impacts differences between members have on the industry. These six categories of member motivations for club usage include:



1. **Club & Amenity Accessibility**
   Ability to access and use the club and amenities
2. **Club Culture**
   Overall culture and feeling of the club environment
3. **Personal Comfort / Service**
   Overall sense of personal comfort and service experience
4. **Social Environment**
   Social networks and the interaction with other members
5. **Club Activities**
   Activities, events, and entertainment that are provided
6. **Personal Fulfillment**
   Level of personal fulfillment or professional development

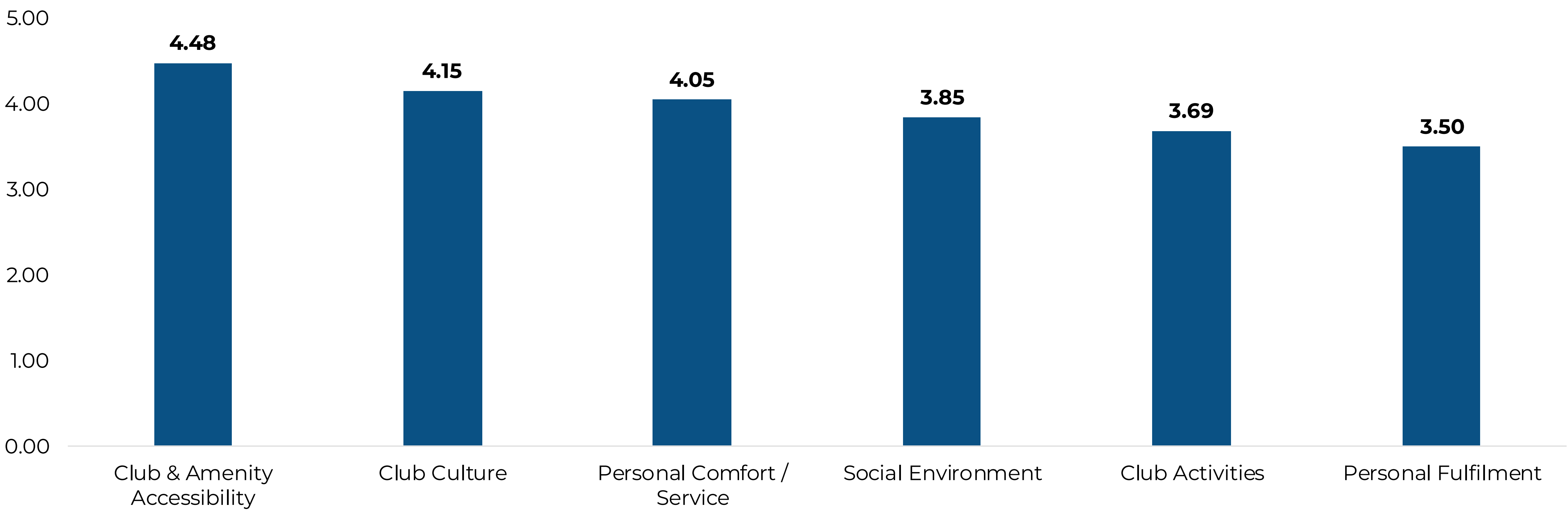
Source: GGA Partners *Club Members Perspective Report 2024.*

Member Desires

Of the reasons why members use their club, being able to access the club and its amenities easily is the most important, followed by being a member where the culture is aligned with their expectations.

While a club needs to provide the right social environment and activities, it is clear these must be accessible when members want to access them. Clubs should also focus on nurturing a positive culture for members to be part of given the importance assigned to this desire.

Importance Score for Club Attributes



Note: Rating scale for importance score: 1 = Not at all Important; 5 = Extremely Important.
Source: GGA Partners *Club Members Perspective Report 2024*

Generational Differences

Results indicate that while differences exist between the generations of members, there is one common desire where minimal differences exist – to have a strong social network to connect and interact with their friends. With personal fulfillment also being similarly rated across a large segment of the respondents, there are common desires that clubs can build on moving forward.

Millennials	Generation X	Baby Boomers	Silent Generation
Club & Amenity Accessibility	Club & Amenity Accessibility	Club & Amenity Accessibility	Club & Amenity Accessibility
Club Culture	Club Culture	Club Culture	Club Culture
Personal Comfort / Service	Personal Comfort / Service	Personal Comfort / Service	Personal Comfort / Service
Social Environment	Social Environment	Social Environment	Social Environment
Club Activities	Club Activities	Club Activities	Club Activities
Personal Fulfillment	Personal Fulfillment	Personal Fulfillment	Personal Fulfillment

Increase in importance (from overall) Decrease in importance About the same importance

Source: GGA Partners *Club Members Perspective Report 2024*

Generational Overview

	Millennials	Generation X	Baby Boomers	Silent Generation
Member Desires	Millennials place elevated importance on most areas, except personal fulfillment and social environment, as they share a similar perspective in these areas to other cohorts.	Generation X places the highest importance on club activities compared to other generations, but they share greater similarities with Baby Boomers than Millennials.	Baby Boomers show similar importance for personal fulfillment to younger generations and have elevated importance for most other areas compared to the silent generation.	The Silent Generation places lower emphasis across most areas of the club. However, the social environment is as important to them as to all other member cohorts.
Value Proposition	Like other generations, Millennials see their emotional value in membership as the highest while being most supportive of paying more to elevate the member experience.	Generation X shares a similar perspective to Millennials in their assessment of value while showing a slightly lower willingness to pay more than their younger contemporaries.	Baby Boomers are more willing to pay to elevate the experience than to maintain it and see a price value that is similar to other respondents.	The Silent Generation is the most resistant to paying more annually. They also rate social value, or the ability of the club to elevate their social standing, as the lowest value proposition.

Source: GGA Partners *Club Members Perspective Report 2024*

Club Experience

Club Experience Insights

Millennials, members of Generation X, and females almost universally see all amenities and services as increasingly important compared to other respondents.

When asked which amenities would be of importance moving forward, younger generations see significantly greater importance in all aspects except casual and fine dining. Dining was equally important across all generations and gender segments.

The Silent Generation looks at most amenities at a lower-than-average importance rating. Interestingly, female respondents rated the importance of most amenities and services higher than average, meaning that as gender continues to equalize in the club industry, there may be different expectations based on the member's gender.

A social environment and members feeling welcome are important considerations for clubs, and respondents agree their clubs are doing a good job at it.

Overall, 88% of members felt welcome at their club, suggesting a strong social atmosphere. Even with these positive feelings, it still means that 1 in 10 members don't feel welcome in their own club.

Further, 4 in 5 members say it is easy to interact with fellow members, while almost 75% say their club is family-friendly. While some differences exist between the different types of clubs, 2 in 3 respondents agreed that there are quality social opportunities.

Technology might not always be wanted, as respondents indicate lagging adoption and implementation interest.

Only 28% of members indicated they would like to see their club embrace technology to improve member convenience. Emphasis towards the future was focused more on providing a memorable guest dining experience, ensuring service quality, and maintaining equitable access to amenities based on gender (with males rating this future-looking statement higher!).

Importance of Amenities and Services

Given the extended lifecycle younger members will use the club's amenities, Millennials and Gen X place higher value in almost all areas of amenity usage. Similarly, leaders must recognize that as female membership grows, their perceived importance will be higher in most areas.

While younger members and females place a greater emphasis on many club amenities moving forward, a key takeaway is that dining (both casual and fine) received relatively consistent ratings across demographics.

	Overall	Millennials	Generation X	Baby Boomers	Silent Generation	Male	Female
Golf	**3.83**	4.14	4.08	3.75	3.02	3.92	3.63
Casual dining	**3.73**	3.74	3.85	3.68	3.64	3.69	3.79
Golf practice facilities	**3.63**	4.00	3.94	3.51	2.83	3.73	3.42
Fitness / Wellness	**3.42**	3.76	3.66	3.30	3.04	3.31	3.65
Social events	**3.36**	3.75	3.56	3.24	3.04	3.25	3.57
Fine dining	**3.13**	3.06	3.17	3.11	3.29	3.12	3.17
Member golf events	**3.07**	3.58	3.38	2.93	2.30	3.08	3.08
Swimming pool	**3.03**	3.72	3.24	2.84	2.53	2.83	3.39
Spa amenities	**2.86**	3.44	3.23	2.60	2.37	2.71	3.14
Racquet amenities	**2.64**	3.14	3.14	2.30	2.01	2.47	2.99
Paddle amenities	**2.58**	2.95	3.05	2.30	1.91	2.46	2.85
Overnight rooms / On-site lodging	**2.21**	2.52	2.53	2.01	2.05	2.14	2.38
Marina / Yachting	**2.11**	2.38	2.39	1.97	1.60	2.00	2.38

Increase in importance (from overall) — Decrease in importance — About the same importance

Note: "Not Applicable" responses were removed from the analysis. Rating Scale for Importance Score: 1 = Significantly Less Important; 5 = Significantly More Important.
Source: GGA Partners *Club Members Perspective Report 2024*

Non-Traditional Uses of the Club

	% Agree	Agreement Score
Off-season Programming: I would like to use my club more frequently in the off-season if my club improved off-season programming	48%	3.45
Children Programs: I would like to see my club improve activities and programs for children	29%	2.96
Youth Activities: I would like to see my club offer a dedicated club space for children/youth activities or day care	21%	2.61
Business-Related Functions: I would like to use my club more for simple business-type activities such as returning calls and emails	19%	2.54

Note: "% Agree" includes "Agree" and "Strongly Agree" responses. "Not Applicable" responses were removed from the analysis. Rating Scale for Agreement Score: 1 = Strongly Disagree; 5 = Strongly Agree.
Source: GGA Partners *Club Members Perspective Report 2024*

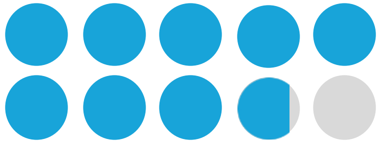
Members want to use their club more – even in traditional off-seasons when there are often limited amenities and services.

Family-oriented amenities were also an area of interest. While the overall value is lower than interest in the off-season programming, these two areas were of significant interest for those respondents who were younger and currently raising families.

Similarly, to the importance of amenities and services, more seasoned members showed a lower interest in the non-traditional use of the club.

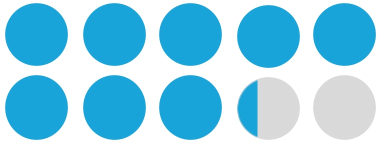
Social Atmosphere of the Club

Level of Agreement with Statements Regarding the Social Atmosphere of the Club



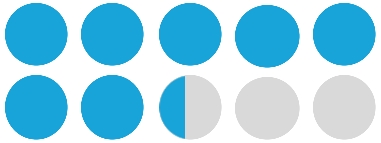
88% Agree

I feel welcome at the club.



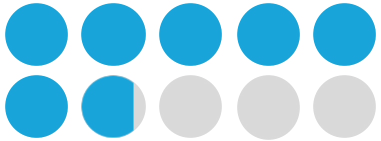
82% Agree

It is easy to interact with other members.



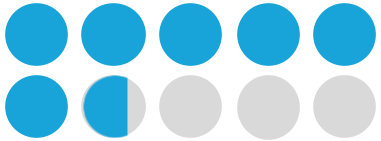
73% Agree

The club is family friendly.



68% Agree

I can develop new social networks / make friends at the club.



67% Agree

There are quality social opportunities and entertainment.

Note: “Agree” includes “Strongly Agree” and “Agree” responses.
Source: GGA Partners *Club Members Perspective Report 2024*.

Members agree that they feel welcome in their own club and that it is easy to interact with other members.

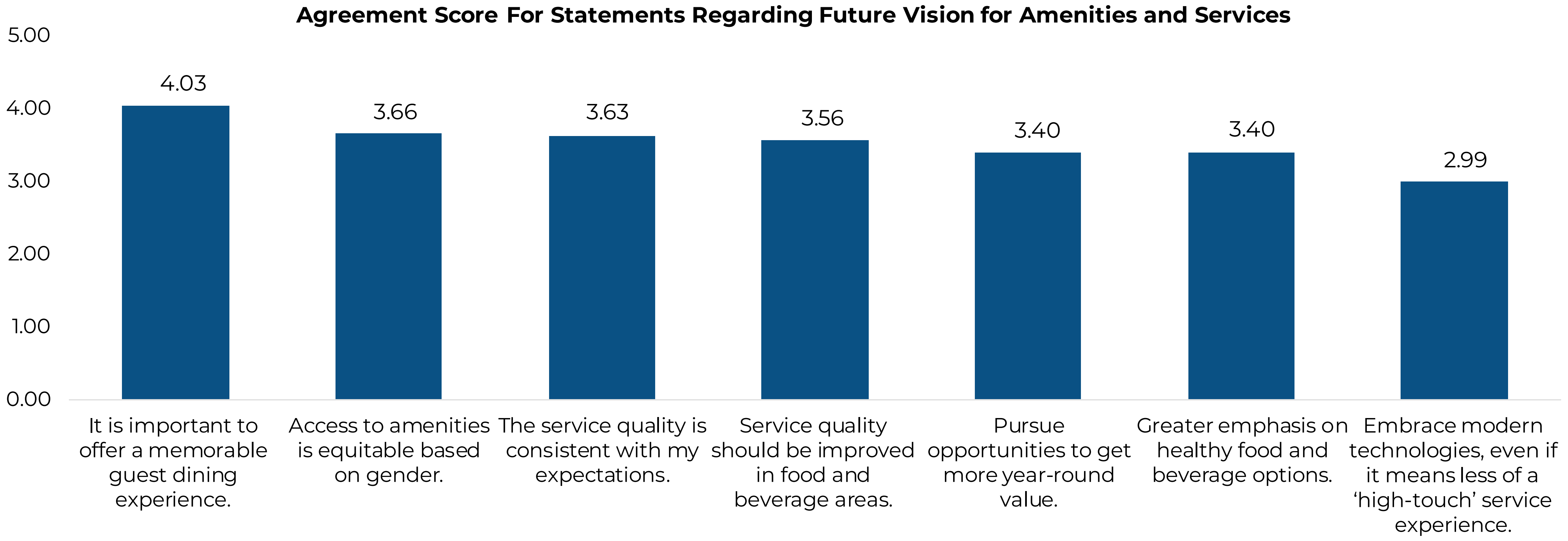
However, not all social aspects are as positively rated, as respondents had the lowest agreement with their club offering quality social opportunities and entertainment. Less than 70% also agreed that they could effectively develop social networks at their club.

While clubs are social environments that create rich social opportunities, there is an opportunity to elevate the social aspects and increase the overall value and feeling of welcomeness.

Future Vision for Amenities and Services

Even as technology adoption continues to grow, the club industry is one where there remains some lack of interest in adoption as members want a high-touch service experience. In their view, technology needs to exist “behind the scenes."

Of the options provided, it is clear that dining experiences are the most important to the future of the club experience. This result, in combination with other future-looking statements, demonstrates that club dining is integral moving forward. Of surprise was the equitable access to amenities and that female respondents (3.47) rated this lower than their male contemporaries (3.76).



Note: Rating Scale for Agreement Score: 1 = Strongly Disagree; 5 = Strongly Agree.
Source: GGA Partners *Club Members Perspective Report 2024*

Wish List Enhancements

While traditionally important areas of the club life were noted, such as dining, golf and club facilities, nuanced recommendations surrounding the overall experience emerged. From increased communication effectiveness to the use of systems to increase ease of access, members want more, but they also want increased efficiency and a focus on initiatives that simultaneously enhance the world around them.

1. **Dining Experiences**: Improve the quality, consistency and variety of food, create more casual dining options, enhance outdoor dining spaces, consider themed dinner and special events, and address inconsistent service.
2. **Golf Course and Practice Facilities**: Continual emphasis on maintaining and improving the golf course, enhance the practice facilities, including driving range, short game areas, and golf simulators.
3. **Clubhouse and Facilities**: Renovate and upgrade locker rooms, bathrooms, and lounge areas, consider indoor amenities like a fitness center or spa, focus on maintaining a high standard of cleanliness and décor and consider a more sustainable approach.
4. **Member Experience**: Increase communication to members, offer more member events and activities, cater to a wider range of age groups.
5. **Social and Recreational Facilities**: Consider adding recreational amenities that provide more opportunities for social interaction. Consider family-friendly amenities like playgrounds, kid's areas, or other activities to create greater interaction.
6. **Service and Staff**: Requests for improved booking systems and better communication with members, maintain a high level of professionalism among staff, provide ongoing training in customer service, and improve transparency in club management.
7. **Environmental Sustainability and Initiatives**: Calls for environmental initiatives, such as adopting electric vehicles and reducing plastic waste.

Source: GGA Partners *Club Members Perspective Report 2024*
Results are not listed in priority but demonstrate the scope of member wish list enhancements.

Membership

Membership Insights

Even in times of economic uncertainty, disposable income and club spending are expected to stay constant.

The club experience is an important component of members' lives as almost 3 in 4 members indicate their spending will stay about the same in the next twelve months. There is an almost equal number of respondents who said their disposable income would go up.

Members like the changes they see at their clubs, and the lack of interest in leaving their club supports it.

When looking at differences between the last Club Members Perspective study in 2020, there is a 14% decrease in members who indicated an expectation to leave. While this shows that changes are being positively received, it also means that challenges could confront clubs as capital funding for projects could be limited due to low turnover (entrance fee proceeds) in the near-term.

Respondents showed increased concerns related to services levels, services offered, and a deterioration of facilities when asked about their impact on potential resignations. Even as inflation and increased costs impact the industry, there is less concern about increased dues than in the past.

Members agree with club leaders[1] – that staffing is an important concern for club sustainability.

From finding to keeping staff, members are concerned the need for more qualified staff will impact their experience and potentially the financial viability of their club as costs continue to increase.

Fortunately, members are not nearly as concerned with spending and member resignations, as these two areas dropped significantly from 2020. Similarly, there was a precipitous drop in concerns relating to new member sales and the overall use of the club.

While most members will continue to use the club at the same rate, use by younger members will continue to grow.

Club leaders should anticipate sustained or increased usage, especially from younger members. Millennials and Gen X'ers have seen a larger share of growth in the past and will continue to see this in future usage compared to other generations.

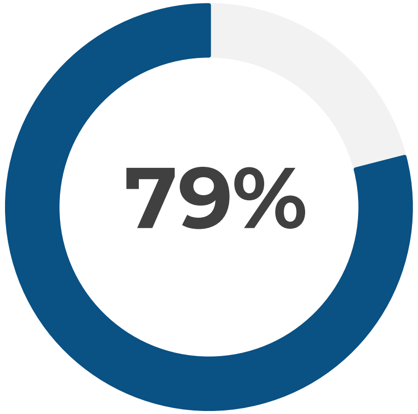
Only 8% of respondents indicated that they expected their club usage to decrease in the next two years, while 67% said it would remain similar, and 25% suggested an increase in usage over that time.

[1] GGA Partners, *A Club Leader's Perspective: Emerging Trends and Challenges*, February 2023.

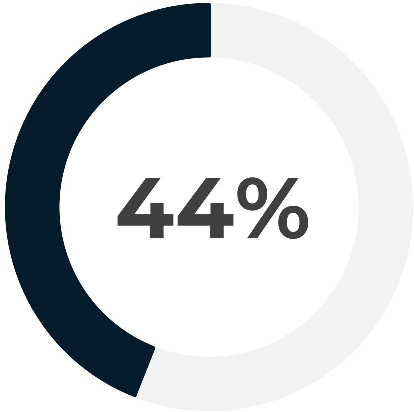
Importance of Amenities and Services

Despite an uncertain economic climate, most members expect their disposable income and club spending to remain about the same.

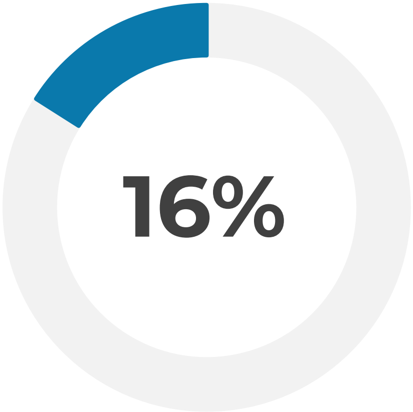
While there is a perceived limited impact that any change in disposable income will negatively impact a member's spending at their club, almost half of respondents see the economic climate as a key risk to the future sustainability of their club.



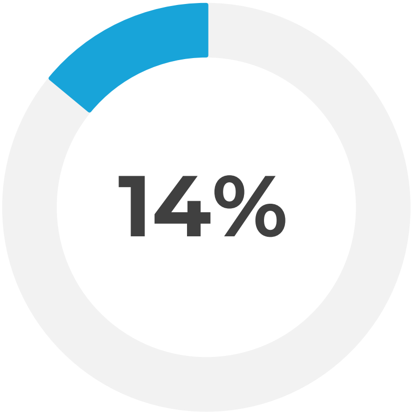
expect their spending at the club to remain the same despite any change in disposable income



believe the economic climate is a key risk to the club's financial sustainability



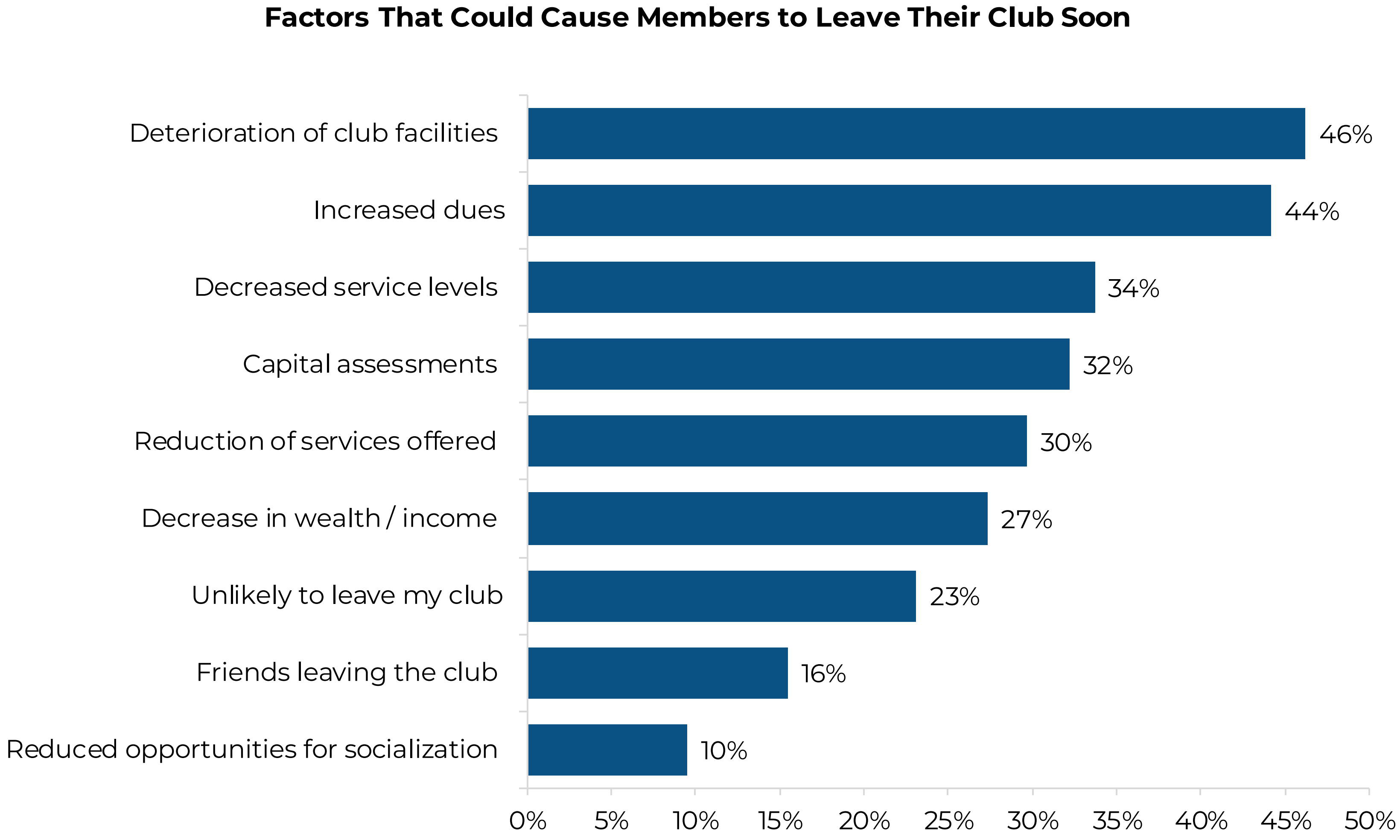
think their change in disposable income will cause a decrease in club spending



expect their disposable income to decrease in the next twelve months

Source: GGA Partners *Club Members Perspective Report 2024*

Factors Leading to Resignation



Source: GGA Partners *Club Members Perspective Report 2024*

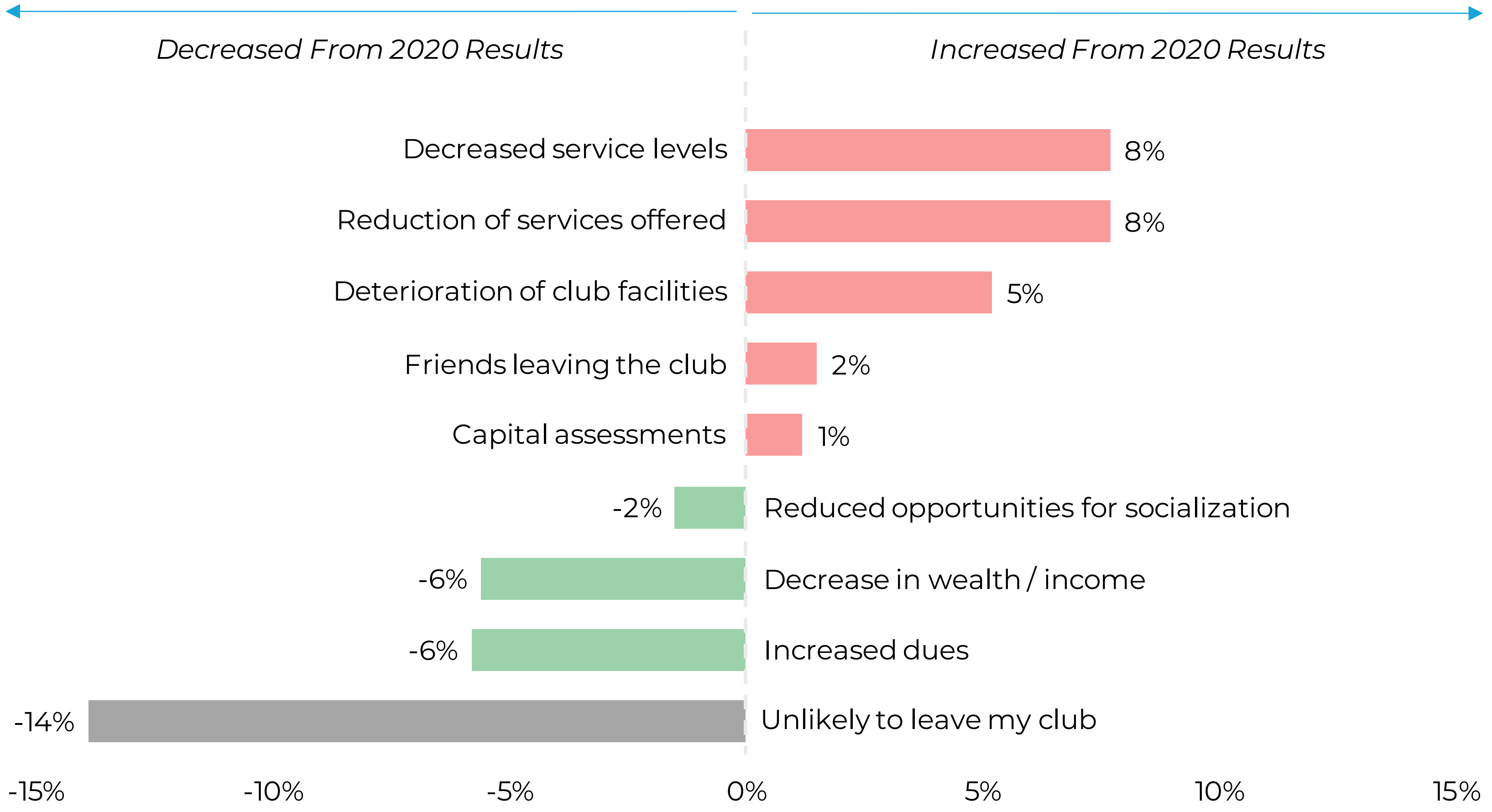
Deterioration of facilities and increased dues are the greatest potential drivers of Club resignation for members.

These two factors were the highest rated in 2020 as well, solidifying their importance.

Clubs must be vigilant of capital maintenance to ensure facilities are kept to the expected standards. Socialization opportunities and friends leaving the Club were not highly rated, indicating that clubs are providing a breadth of opportunities to support these important member benefits.

Factors Leading to Resignation

Factors That Could Cause Members to Leave Their Club Soon
(Percent Change From 2020)



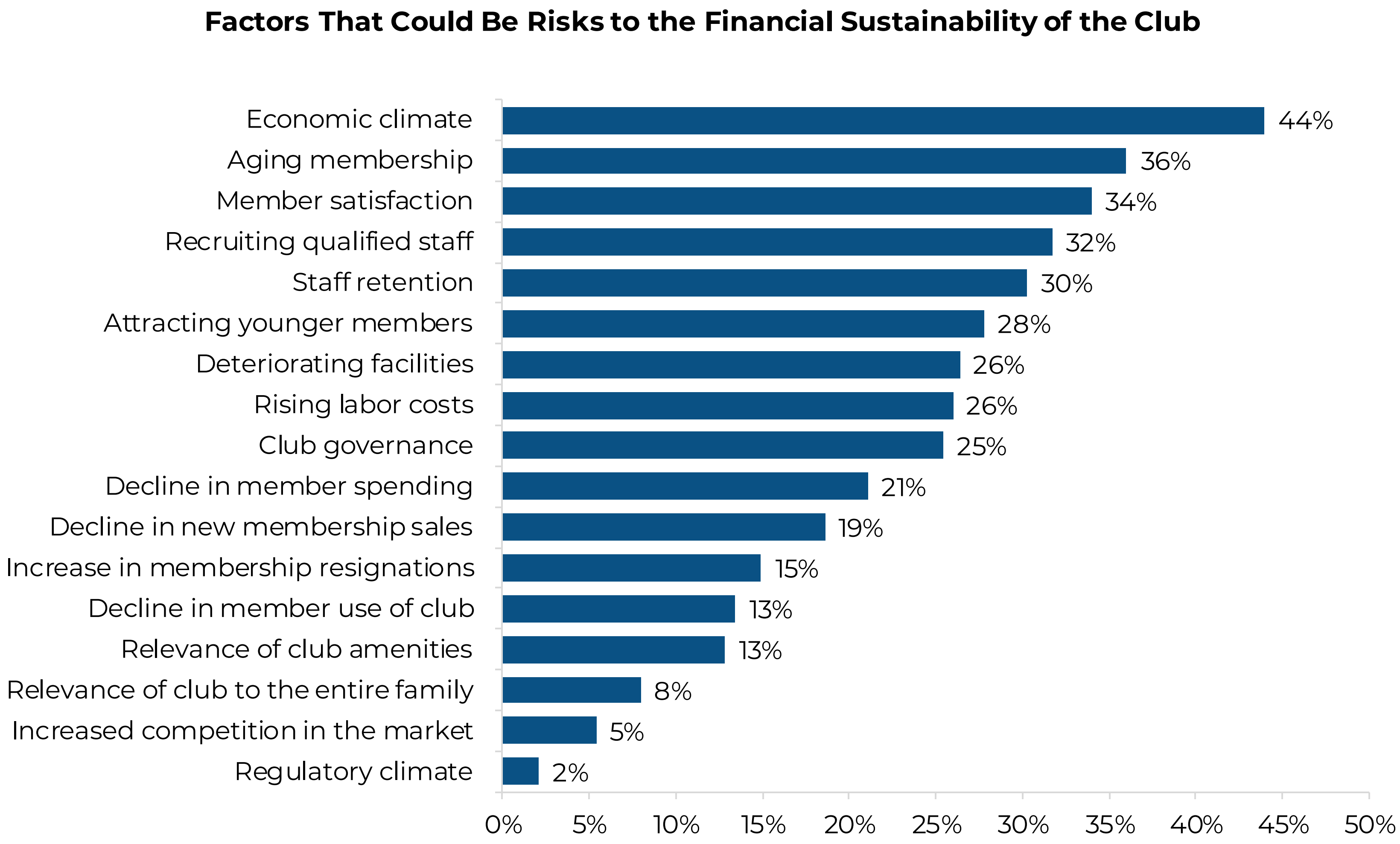
Source: GGA Partners *Club Members Perspective Report* 2024

Poor service, reduced services, and a deterioration of facilities are increasing as potential resignation risks.

With increased member stickiness, clubs are seeing lower levels of turnover. The results of this study indicate this will continue as a trend in the next two years.

While it is positive news that members are maintaining their membership, this represents a potential future challenge as new member fees represent an important source of capital funding.

Financial Sustainability



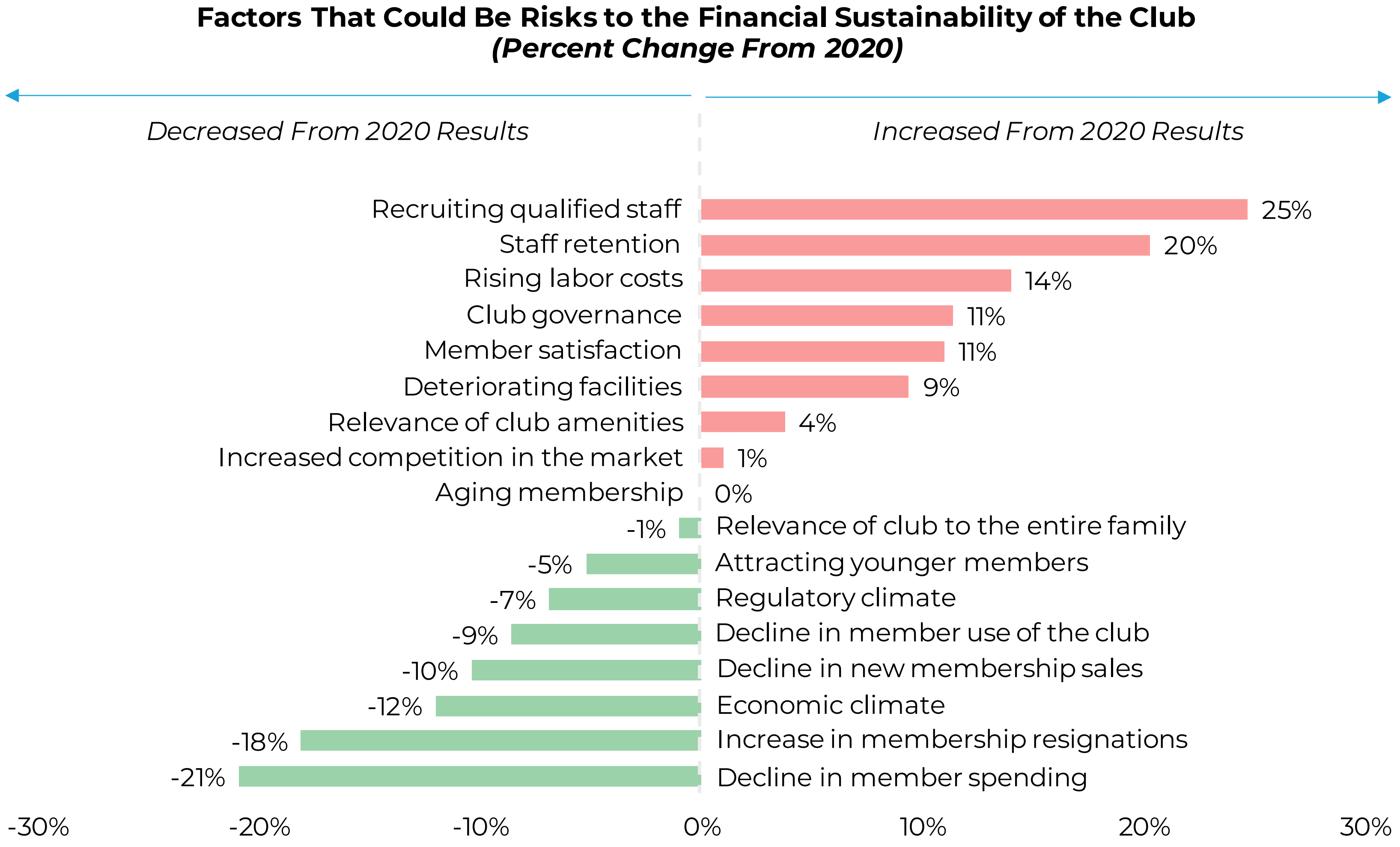
Source: GGA Partners *Club Members Perspective Report 2024*

For the second consecutive survey, member's fear of the economic climate was the largest perceived risk to the sustainability of their club.

Given the volatility and importance of the economic landscape, it is no surprise that members continue to identify this as a key financial sustainability risk of their club.

Even with the economic climate being front and center, labor costs and membership strength were not seen as top concerns even with their relationship to the economic environment.

Financial Sustainability



[1] GGA Partners, *A Club Leader's Perspective: Emerging Trends and Challenges,* February 2023.
Source: GGA Partners *Club Members Perspective Report 2024*

Members' concerns about the financial sustainability of their club mirror the concerns and challenges that club leaders have about industry[1].

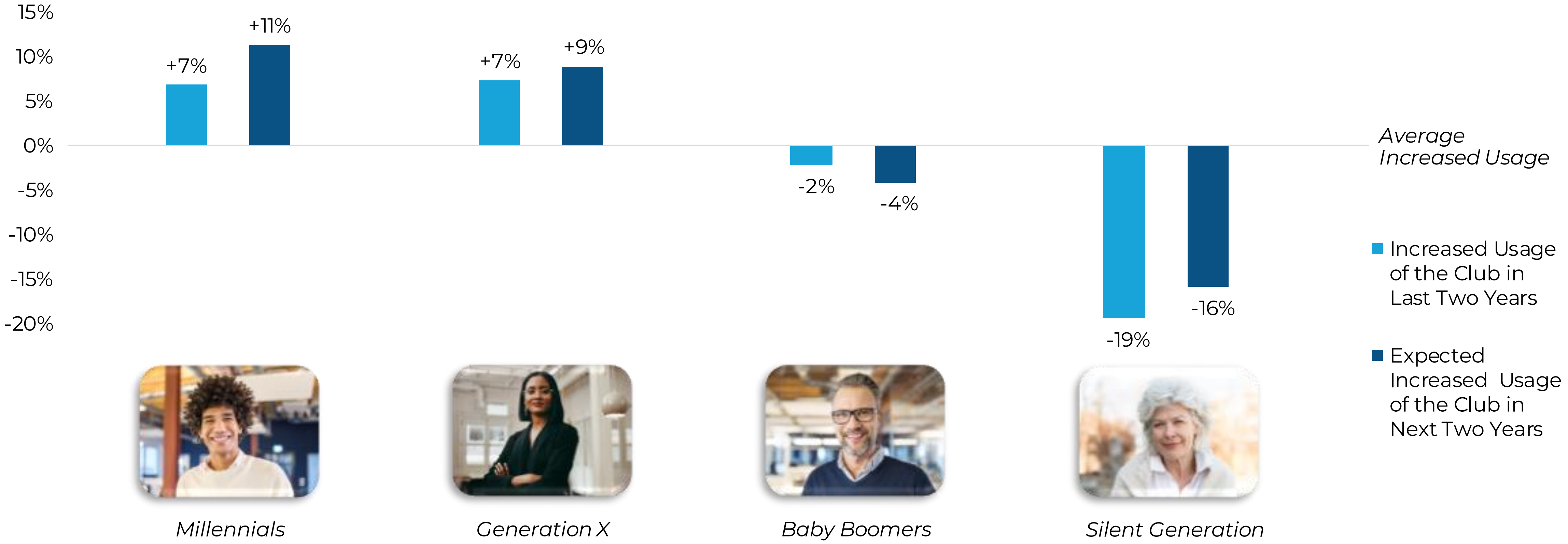
With labor shortages and inflationary pressures, members are more concerned with recruiting qualified staff and staff retention than in 2020.

Members recognize the challenges our industry is seeing, and this acknowledgment creates a unique opportunity to engage with members about how the club addresses these moving forward.

Club Usage

For most members, club usage remained similar over the past two years and they anticipate usage remaining similar over the next two years. However, 32% of members say their club usage increased in the past two years and 25% expect increased club usage in the next two years.

When comparing generational differences, a higher percentage of Millennials and Gen X'ers have, and will continue, to increase their usage. While fewer Baby Boomers and members of the Silent Generation anticipate growth in the next two years, this doesn't mean their usage will diminish – they don't plan on increasing their overall club usage as much as the younger generations.



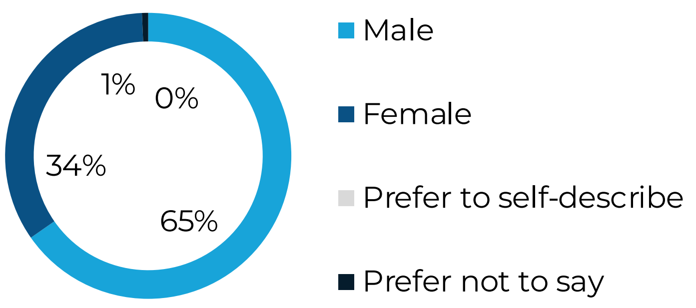
Source: GGA Partners *Club Members Perspective Report 2024*

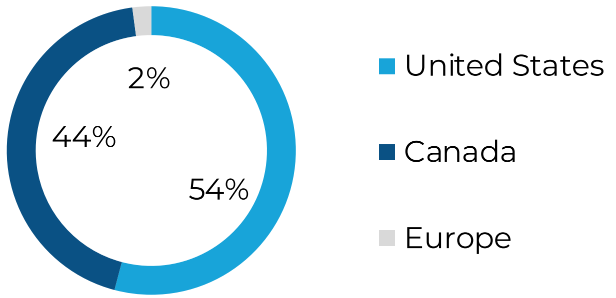
Our Respondents

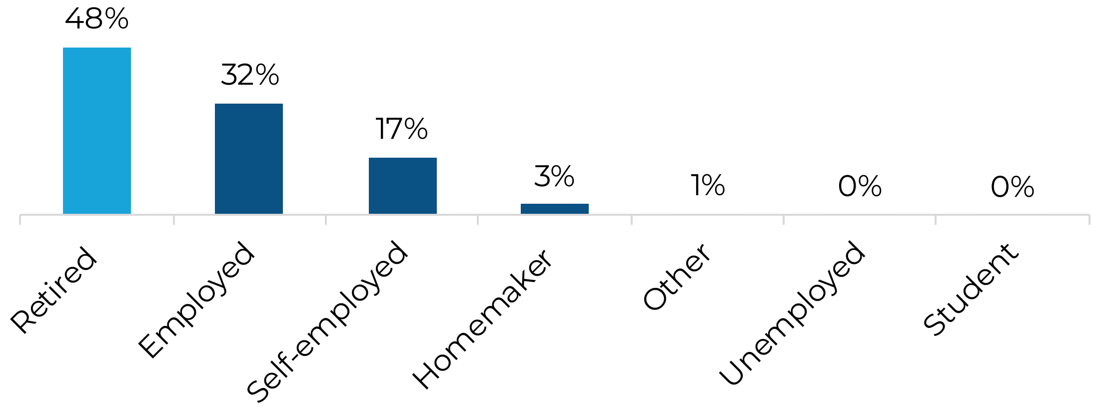
Respondent Profile

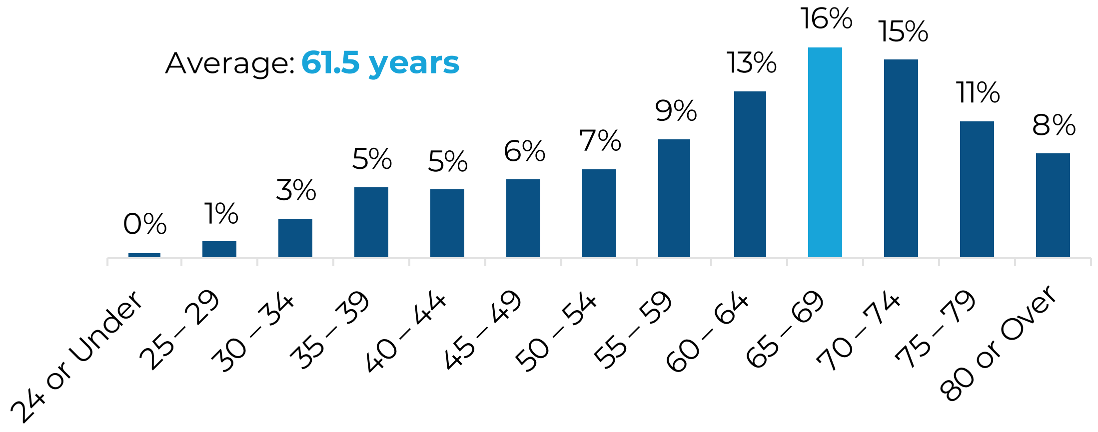
The 2023 Member Perspectives study presents results from 3,750 global club members representing a range of club types, geographic locations and demographic profiles.

Respondent demographics are relatively representative of the club industry, representing various ages and household types from a diverse geographic sample





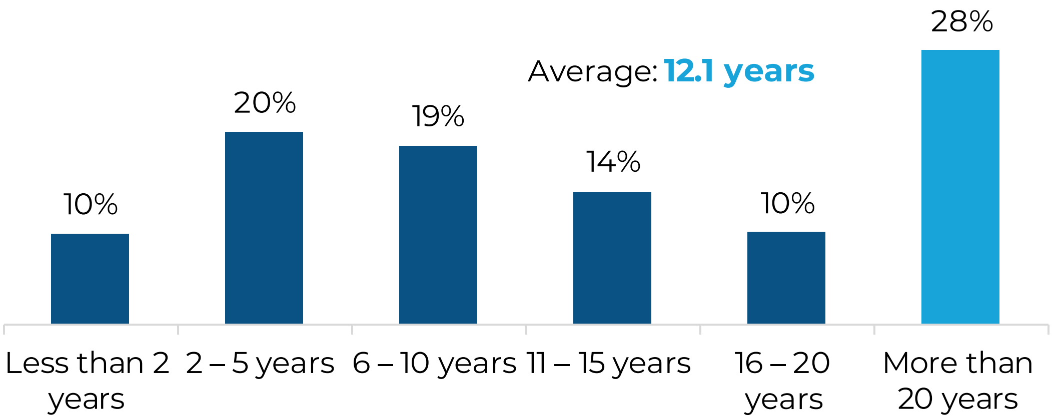




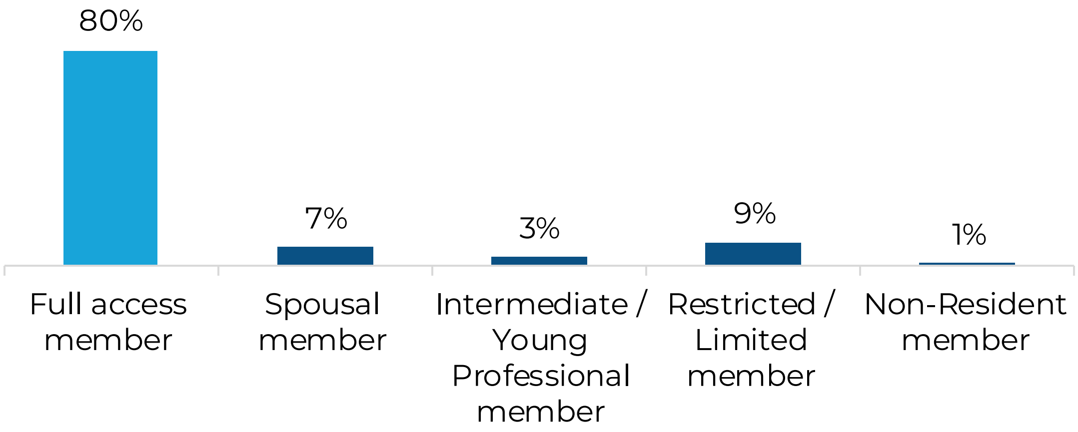
Note: Percentages may not total 100 percent due to rounding.
Source: GGA Partners *Club Members Perspective Report 2024*

Respondent Profile

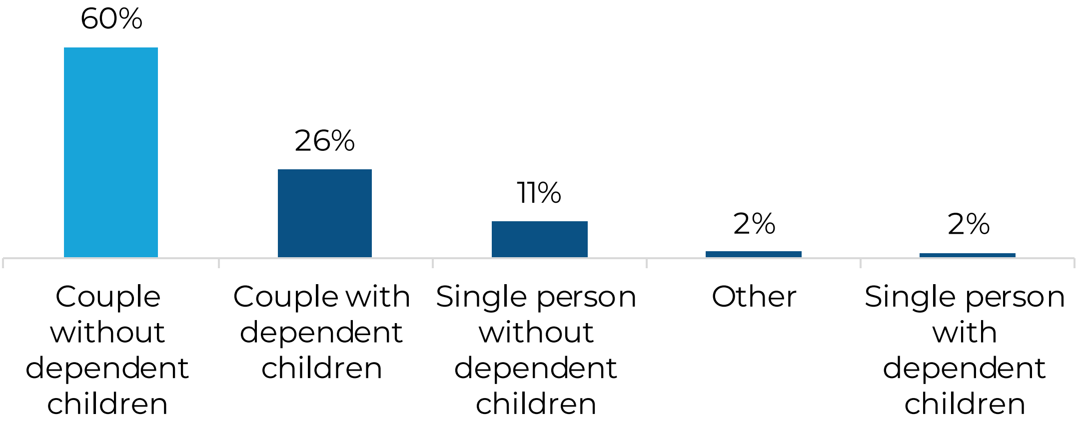
Tenure



Membership Category



Household Composition



Club Type

Note: Percentages may not total 100 percent due to rounding.
Source: GGA Partners *Club Members Perspective Report 2024*

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