

How Well Do You Know Your Club's Competition?

WHEN WAS YOUR CMA LAST UPDATED?



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“Poor firms ignore their competitors; average firms copy their competitors; winning firms lead their competitors.” Philip Kotler

So how important is having a current competitive market analysis (“CMA”)? It takes abundant time to compile and who reads it? Why?

To not only survive, but to thrive in today’s rapidly changing club marketplace, a “winning club” must take market share by leading its competition – and to lead the competition it must know itself and *it must know its competition*.

Sun Tzu’s ancient advice is applicable here: *“If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle.”*

The first step in effective membership marketing is to be certain your club has a valid brand position statement (see PCA’s article in *BoardRoom*, January/February 2012) – to know who its target member is, what they wants, and what distinct facilities, services, products and programs your club offers to attract that prospect. In other words, *the club knows itself*.

Here are three reasons a current CMA is mandatory. First, to adequately define where your club fits in the market place. Secondly, to be competitive in the membership marketing arena (membership products and pricing), *the club knows its competition*, and, thirdly, when planning to add facilities, you must know what your competition has or is planning, and at what quality and magnitude, in order to best utilize your precious capital dollars.

So who is your competition? In small markets it is easier to determine, especially if there are only

two or three clubs. In larger markets it is much more difficult because you have to factor in cultures, traditions and geography (locations).

Have you defined the other clubs – most likely as family, lifestyle, golf or value? And which one are you? Doing this will allow you, after you have inventoried all possible competition, to determine your true “competitive set” – *your true direct competition*. Once the ‘set’ is defined, you can design and complete your CMA.

The CMA document should be tailored to your club’s specific facilities and marketplace. Here is a list of categories for you to consider when building your CMA chart or file:

- Membership
- Banquets/private events
- Tournaments
- Food & beverage – a la carte
- Golf
- Tennis
- Fitness
- Other recreation facilities
- Reputation
- Traditions

Of course, each of the categories has multiple lines. Membership, for example, would include initiation fee or deposit, dues, capital, assessments, payment schedules, categories (membership products), number of members in each category, admission rates, attrition rates, and trends and more.

To obtain your CMA data, it may be possible to use a direct approach, but in many cases it entails secret shopping, interviewing members and using the Internet and social media...actually engaging in ‘industrial espionage.’ The results will be well worth the effort. Once initially completed, the CMA should be updated every six months.

Whether you are selling automobiles, cell-phones or club memberships, to be successful you must not only know yourself (your product) but you must know the competition as well or better than the competition knows itself. **BR**

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Distance from Your Club
Curb Appeal
Parking Facilities
Clubhouse Aesthetics
Location of Facility
Year Golf Course was Built
Course Type
Date of Last Facility Renovation
Date of Last Golf Course Renovation
Date of Planned Renovation
Tournament Access Policy
Food & Beverage Required?
If required - minimum amount?
Number of Holes
Driving Range/Clinics
Number of Banquet Rooms
Maximum Seating
Largest Available Room in Sq. Feet
Audio Visual Available
Collateral Presentation
Minimum Expenditure
Service Charge %

HERE IS A SMALL SEGMENT OF PCA'S "COMPETITIVE MARKET ANALYSIS" TO GIVE YOU A GENERAL IDEA OF WHERE TO START AND WHAT TO INCLUDE: