

## The Power of E<sup>3</sup>

(Experience + Engagement + Emotion) = Retention



The COVID pandemic has been devastating on numerous levels from the loss of life to social impact to many businesses suffering immeasurable and, in many cases, unrecoverable loss. The silver lining for many in the private country club world has been the unprecedented increase in rounds played and number of new members joining clubs.

What lies ahead as we slowly emerge from COVID restrictions and a new normal unfolds represents both opportunity as well as potential peril. I think we can all agree we are heading into some uncharted waters.

- Will the increase in golf participation rates continue?
- Have the new members (*many being new entrants to private club membership*) assimilated into the club given COVID restrictions? Are their expectations consistent with tenured members?
- Have member's bond to the club strengthened or weakened during the past year?

In discussions with numerous GM's over the past several months regarding what lies ahead, member retention is at or near the top of everyone's list. Retention has long been an elusive and difficult to define area. It is a relatively easy thing to spot when it is present (brand ambassadors, strong bonds, active engagement by the member, spouse/significant other, high levels of satisfaction) and fairly easy to Monday morning quarterback when those fateful words are delivered "we just don't use the club". Wouldn't it be nice if there was a playbook or guide for retention as we all traverse the uncharted waters that we are entering? Based on my 35-year career working in the satisfaction, loyalty and retention space across several industries, retention is a function of "E" to the power of three: **Engagement, Experience and Emotion.**

While I cannot think of anything in my lifetime that compares to the personal, business, and social impact of COVID, perhaps history can be our teacher or guide if you will. Analyzing how other major events impacted and transformed industries and the associated aftermath may shed some meaningful light on not only what may lie ahead but also potential opportunities and risks.

- Oil embargo/gas shortage (Automotive)
  - ⇒ Intense competition – demand for more fuel-efficient cars, emergence of Asian manufacturers
  - ⇒ Focus on the customer experience & satisfaction (voice of the customer surveys, customer assistance centers, brand standards)
  - ⇒ Free maintenance & service programs, sales rebates/incentives to drive customer engagement, retention, and loyalty

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- 9/11 tragedy– (Hospitality & Travel)
  - ⇒ Intense competition, brand proliferation (Staybridge, Courtyard, HI Express, etc.), price wars
  - ⇒ Focus on customer experience & satisfaction (guest satisfaction surveys, closed loop systems, standards)
  - ⇒ Rewards programs to drive customer loyalty
- Sub-Prime Housing market collapse (Financial)
  - ⇒ Intense competition – blurring of the lines between financial institutions -banks, investment companies, credit unions, online banks
  - ⇒ Rigid regulations and guidelines, focus on customer satisfaction (surveys, closed loop systems, customer relationship management)
  - ⇒ Brand loyalty efforts - fee restructuring -- free checking, brand extension (credit cards, business account linking, investment counseling, personal bankers).

While the impact and aftermath of each of those major events is a bit unique there some resounding similarities: intensifying competition, focus on the customer experience through listening to customers and new/ fresh approaches to increase customer retention and loyalty.

The first reaction by many club leadership teams may be to explore adding new amenities and/or renovating/ remodeling amenities. In the hopes of build it and they will stay. Instead, perhaps start from a perspective of investing in the members - What do they want, how can we improve their experience, how can we increase their usage, how can we nurture deeper bonds? How can the lessons of the past outlined above be translated into your unique situations? It may be helpful to utilize the power of E<sup>3</sup> to categorize a playbook of sorts:

**Engagement** – the degree and depth of interactions a member has with the club.

**Programming effectiveness** – while challenging over the past year due to restrictions, as those restrictions are lifted, what are member/new member expectations? are your events life-style matched? what are the usage patterns? are the same members attending every event?

**Onboarding** – are you assimilating new members into the club in a professional and purposeful manner consistent with your club’s culture and brand? Are some of your new members first time private club members? If so, are their expectations consistent with other members?

**Amenities** – should your master plan be revisited? (adding amenities, renovating existing amenities). Are there new priorities? What is the relationship between amenity, experience, and retention?

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**Experience** - the holistic perception of every interaction a **member** has with the club.

**Satisfaction** - are you creating an exciting atmosphere delivering enthusiastic member engagement through personalized experiences they can't get anywhere else?

**Member Support** - Do you have real-time feedback keeping staff informed and enabling positive action before issues become the talk of the foursome or locker room?

**Alignment** - Are you aligning your board, staff, committees, and members so everyone is on the same page with the same priorities?

**Emotion** – a collection of subjective feelings that come together to create a bond between the member and the club.

**Sentiment** – what is the attitudinal connectivity and judgements of the members, spouse/significant other?

**Confidence** – what is the level of trust in leadership? decision-making? transparency?

**Perceived Value** - is the club delivering value for price paid?

While many of these questions may seem complex and daunting and require time you just don't have today, keep in mind there is a plethora of best practices generated from lessons of the past that can be easily adopted and implemented.

Just as the oil embargo created treacherous times in the automotive world creating new products and a customer-centric environment, or how 9/11 fundamentally changed the hospitality and travel industry, will the aftermath of COVID be a sustained renaissance of the private club industry? The future is yours to mold.