MEMBERSHIP ATTRACTION AND RETENTION STRATEGIES FOR THE PORT ELIZABETH CLUB

BY

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I, the undersigned, hereby declare that the work contained in this research paper is my own original work, all sources used or referred to have been documented and recognised and this treatise has not previously in its entirety or part been submitted at any recognised educational institution for a degree or higher qualification.

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ABSTRACT

Human beings have been gathering with other human beings for any and all reasons. These gatherings have occurred since biblical times. The Roman baths were the first gatherings that can be classified as clubs. In contemporary terms, humans gather in small numbers for a coffee with friends at a coffee restaurant, they gather in the thousands to show their dejection of wage offerings and they gather in the millions to support a sports jersey. The common factor in all of these gatherings is that they do it because of one shared goal, one shared vision.

The places where people with the same interests gather, called clubs and organisations, have been around for many years. They fulfil some of the very basic human needs as well as some of the most intricate human wants. Ensuring that clubs or organisations remain in our social fibre for many years to come is in the best interest of all of their stakeholders.

These clubs or organisations need to adjust to the times of present and adjust the offering they make to the members as the needs of the members change over time. It is this premise that led the researcher to The Port Elizabeth Club. This social club is struggling with dwindling membership numbers and the development of a membership strategy that will increase its membership numbers and the benefits that are offered to them.

The secondary literature study conducted revealed many benefits and strategies that clubs currently use or that they could use to improve their membership brand. It further showed the different approaches, of the different clubs, to attracting and retaining the members they wanted. These benefits and strategies formed the basis
of the primary study that was conducted by the researcher and were the main constructs in the study. The primary study was in the form of questionnaires and these were given to the target market of The Port Elizabeth Club as well as The Port Elizabeth Club members themselves.

The primary study revealed that many of the benefits and strategies found in the literature can be used by The Port Elizabeth Club to improve their membership offering. The literature also stated this type of study, a questionnaire or survey, should be done on a regular basis by The Port Elizabeth Club to ensure that it is on track with its members’ needs and wants.

The literature revealed that many club members feel that the value that is offered by clubs are diminishing and this results in the loss of members and disinterest from prospective members. It is for this reason that the research study conducted is important to The Port Elizabeth Club and shows that they should focus on the value they offer to their members and continue to improve this value offering.

The research study concludes with a detailed description of benefits that The Port Elizabeth Club could implement for its members as well as strategies that will assist it in attracting new members and retaining its current members.
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1.1. INTRODUCTION

The concept of a club or an organisation has been around for thousands of years. It is believed that people who share the same interests have been gathering since the Roman times. The Roman public baths exemplify this type of gathering of people as these individuals shared the same interests and enjoyed the myriad of social events at these facilities (Fagan, 2002).

Clubs grew over time to become ancient guilds for members who practiced the same craft or who were traders by nature like the merchants. These clubs or organisations are still found today with many similarities, but differ in many ways as well (Chaney, 1959). The trade organisations of today still lobby on behalf of an industry and its members in the same way as the merchant guilds did, but they do not try to establish a monopoly in a specific town like the craft guilds used to do (Middle-Ages, 2011b).

The concept of a club emerged into the social mainstream with the emergence of the English coffee clubs. These coffee clubs were the first clubs to put more concern into getting members that were of good social standing than putting effort into providing decent recreational facilities to its members (CMAA, 1999).

The importance of clubs to our social existence cannot be denied. Clubs help us humans in achieving some of the six human needs as described by Abraham Maslow (Daft, 2007). People have the need to feel that they belong to something and clubs help to fill that void by providing a place that comprises like-minded individuals
where every single member is a part of the whole and the club is bigger than each and every individual.

The bond that is built between these individual members over time is described as social capital and is a result of the specific and close relationships that people have with one another. A person might go out of his way to help another when society might not understand the reason why. The reason could be because the social capital that has been built between these two people is so great that they will assist each other when in need.

Clubs or organisations cannot directly create this social capital between people, but they have a definitive role to play in its existence (Fukuyama, 2001). Clubs can help to maintain the social capital between people by providing opportunities for its members to meet and discuss each other's lives and interests.

The contemporary concept of a club is that a member joins fellow members in an association that is dedicated to a particular activity. The club then provides its members with certain benefits relating to this activity in exchange for a monetary payment.

Recent research has shown that when people spend money on clubs or organisational membership, they evaluate all of the good memories as well as the not so good memories and decide whether they will continue with the club's membership or not (Brasser, 2011).

The member then determines whether the amount that is paid to the club is worth the benefits that are received from the club. The decision by the member thus now comes from an emotional perspective as well as a logical perspective (Brasser, 2011).
1.2. MAIN RESEARCH QUESTION

The researcher was asked by The Port Elizabeth Club (The PE Club) to investigate its benefit structure as it was uncertain what the future will hold for the club. The reason for this is that the club has struggled to retain its members and the overall membership numbers are declining.

The club requires this study to determine what benefits it should offer as it wishes to remain relevant in the lives of its current members as well as offer a benefit package that would entice prospective members to want to join the club. The discussions above regarding the concept of a club and the specific results required from The PE Club led the researcher to define the main research question:

**What club membership attraction and retention benefits and strategies will assist The PE Club to ensure continued membership from its current membership base as well as assist it in securing a continuous introduction of new members?**

1.3. SUB RESEARCH QUESTIONS

The main research question asks a very wide question that cannot be answered on its own. The researcher divided the main research question into sub research questions to facilitate an easier understanding of the main research question. Dividing the main research question like this assists the researcher to ensure a more focussed study and to deliver more specific conclusions. The sub research questions are identified as follows:

Sub research question one:
What does the history and the theory of clubs reveal?
The researcher needs to study and understand the origin of clubs and what the main reasons for clubs’ inception were. The theory of clubs will assist the researcher in understanding what it is that clubs provide to its members and describe from different perspectives how important clubs are in the modern world.

Sub research question two:
What benefits are offered by the different clubs?

The researcher needs to investigate and understand what benefits are offered by the different clubs. This step is very important as not all clubs offer the same benefits as they do not all have the same objective.

Sub research question three:
What strategies are employed by clubs to retain and attract members?

The researcher needs to determine what strategies are currently used by clubs to attract and retain their members as these strategies could assist The PE Club to do the same.

Sub research question four:
What benefits and strategies can the PE Club use to retain its members and attract new members?

The researcher needs to determine which of the strategies as revealed from the previous sub questions could definitely assist The PE Club to attract new members and retain its current members.

The researcher believes that once these sub questions are answered, a comprehensive answer could be built to answer the main research question.
1.4. SPECIFIC CONCEPTS DEFINED

The researcher believes that two main concepts within clubs exist that could be confused with one another and need to be clarified at the start of the research study as they are in fact two totally different concepts.

1.4.1. CLUB BENEFITS

Each and every club offers its members certain benefits of belonging to that club. These benefits range from discounts on club goods or services to the use of the club’s recreational facilities. The collection of benefits offered by the club are known as the club benefits.

1.4.2. CLUB STRATEGIES

A club can do many things to make its offering unique and special to prospective and current members. These actions taken by a club are known as club strategies and consist of many combined efforts by the club to engage its members in the activities of the club.

1.5. DELIMITATION OF THE RESEARCH STUDY

Delimiting the research study assists a researcher to define the scope of the study (Collis and Hussey, 2009). It is for this reason that the researcher will define within what scope the research is conducted.
1.5.1. TYPE OF CLUBS INVESTIGATED

All the types of clubs that the researcher defined were studied through the secondary literature study in terms of the club benefits offered and the club strategies used. Although the literature study was comprehensive in the determination of the different types of clubs, The PE Club is a social club in substance and the results that are obtained via the measuring instruments will be specifically aimed at a social club and more specifically at The PE Club itself.

1.5.2. SAMPLE GROUPS USED

A target market sample group was chosen to be evaluated by the first measuring instrument. This group consisted of respondents mainly located in the Eastern Cape of South Africa. This geographical location was chosen as it is close to The PE Club and within the boundaries of its intended reach.

The second measuring instrument was aimed at the members of The PE Club specifically and excluded any other social club as the aim of the study is to determine what strategies can be used by The PE Club and not social clubs in general.

1.6. METHODOLOGY OF THE RESEARCH STUDY

The data collected for this research study consists of primary and secondary data. The methodology followed by the researcher headed the research with a comprehensive review of the available literature on clubs as described in chapter two.
This secondary data obtained through the literature review provided valuable information to the researcher although many resources were online documents available on the internet. The data obtained in this literature review provided the foundation for the development of two questionnaires that aimed at obtaining specific information about club benefits and club strategies.

The researcher’s methodology continued with the collection of primary data via the aid of two questionnaires that were in the form of surveys. The researcher sent these two independent web-surveys to the two different sample groups as discussed above. The researcher’s measuring instrument thus is the survey questionnaires.

Once the researcher received the questionnaires back, an analysis of the results was conducted and is presented in chapter four. The results combined with the literature review assisted the researcher in recommending to The PE Club what benefits and strategies it should offer to its current and prospective members. These recommendations are presented in chapter five.

1.7. LIMITATION OF THE RESEARCH STUDY

During the study, the researcher found that there are not many credible sources of literature available on the topic of clubs and similar organisations. The absence of credible sources of literature limited the research study to a certain extent, but the researcher is of the opinion that the research study answers the research question satisfactorily.

1.8. STRUCTURE OF THE RESEARCH PAPER

The research paper is divided into five chapters as follows:

- **Chapter 1**: Background to the study
- **Chapter 2**: Literature review
1.9. SUMMARY OF THE CHAPTER

Clubs play an important role in society and fulfil many of the needs of people. Ignoring club theory and accepting that membership of these clubs will decline is not an acceptable scenario. It is of the utmost importance that clubs know they can change the benefits they offer and take different strategies into consideration to address the needs of its members. The following chapters will deal with such benefits and strategies and assist The PE Club in developing its own membership attraction and retention strategies to remain relevant in the lives of its members.

The following chapter, chapter two, summarises the literature study conducted by the researcher and contains all of the relevant information regarding the different benefits offered by clubs and the strategies that could be employed by any club.
CHAPTER 2
LITERATURE REVIEW

2.1. INTRODUCTION

A club is defined in The compact Oxford dictionary (2009) as an association dedicated to a particular interest or activity. A member is defined as a person, country or organisation that has joined a specific group, society or team.

From this definition it can be seen that a member joins a club that has a specific interest, one that shares the interest of the member and performs similar activities to those that the member wishes to perform. The underlying theme of a club is that the people who are members of that club wish to join and be part of the club to receive the benefits that the club has on offer to its members.

Chaney (1959) states that no organisation is formed without a purpose, since clubs are organisations it is important to know why they exist before it can be understood how they should function.

This chapter will define where the concept of a club originated and how they developed into the clubs known today. It is also imperative to note the theory behind clubs, the reasons that encourage people to join a club and what benefits are offered to members.

A combination of these aspects will determine whether new members are attracted to the club and whether current members will resume their membership on an annual basis.
2.2. TYPES OF CLUBS

There are various forms of clubs performing various functions which have very different goals and visions. From all of the literature collected, the researcher found that the conventional forms of clubs consist of sport clubs, social clubs, service clubs, trade organisations and loyalty clubs.

Sports clubs form to practice their favourite type of sport like golf and are open to people who enjoy the game of golf. Social clubs practice their favourite hobby like reading or offer their members the opportunity to interact with likeminded people and provide networking opportunities. Service clubs on the other hand fulfil voluntary functions like hosting charitable events in the aid of a specific cause.

Trade organisations are also seen as clubs and provide their members the opportunity to belong to a club where all of the members are in the same trade and are able to share information and experience. A club concept invented by the business world, the loyalty club or customer club, is a club where the member earns certain benefits upon purchases made with the specific organisation. Roos, Gustafsson and Edvardsson (2005) define a customer club as a club where the membership related to the specific company includes benefits that are mostly found in a company-customer relationship and consists of repayments initiated by the company.

2.3. THE HISTORY OF CLUBS

Chaney (1959) states that “the historical concept of a club is an association of a group of persons for good fellowship or the promotion of political and welfare aims.” The Club Managers Association of America (CMAA) (1999) states in its guide to membership marketing that historically a club has been referred to as a place of
camaraderie where like-minded spirits gather. These definitions indicate that a club’s main purpose is to create a place for people to gather who have the same needs and wants.

2.3.1. ANCIENT TIMES

Club organisations existed during the ancient Greek and Roman times. Chaney (1959) states that these ancient clubs were formed to practice religions, practice a specific trade, bathing, dining, speaking and for political purposes. Although these clubs did not own any property and as a result did not have the need for club management, they indeed shared some principles that are even used today in our modern clubs. These ancient clubs also had our equivalent of committees, a chairman and a secretary.

Perdue (2007) states that the Roman baths can be seen as clubs as they were establishments run by managers where a certain group of people met with their like-minded individuals for social and recreational purposes. These Roman baths are our modern day equivalent of public areas. Many of the bathers used these facilities to invite friends for dinner parties and politicians would use them to convince people to join their cause. These bath facilities contained libraries, rooms where poetry could be studied, masseuse areas and many places to buy food (Fagan, 2002). Perdue (2007) continues with stating that the craft and merchant guilds of medieval Europe also resembled clubs.

The Encyclopaedia Britannica (2011) states that these merchant guilds were European associations whose main interest was founded in international trade. These guilds were formed by merchants in present-day Netherlands. Merchant guilds restricted their membership to one town or city and protected the merchants of that town or city by imposing fines or bans on non-guild members and took care of
one another in stressful times (Middle-Ages, 2011a). The craft guilds resembled the structure of the merchant guilds as they were associations protecting their specific craft and its secrets. They assisted each other in their specific craft and ensured that the quality of production was high and competitors and outsiders were kept back, thus ensuring a monopoly (Middle-Ages, 2011b).

Our modern day clubs do however differ from these ancient clubs in terms of how they are operated and the reasons why they were opened (Chaney, 1959). One can see that the primary focus of these ancient clubs was on trade organisations, organisations consisting of groups of people who practice the same trade like masonry and not on individually focussed clubs, clubs that an individual joins as the club shares the same interests of the individual.

2.3.2. EIGHTEENTH CENTURY

London was the epicentre of the sudden rise in the growing number of clubs in the early eighteenth century. Clubs that offered literary and pure social benefits were the clubs that could mostly be found during these times. Many of these clubs began to influence and advance arts and culture during the latter half of the eighteenth century (Chaney, 1959).

Perdue (2007) states the origin of the English clubs is entrenched in the rise of the coffee houses. The first coffee houses were formed at three universities namely Oxford, All Souls and Cambridge. The Oxford coffee house was the first one to be called a club.

Cowan (2005) states the coffee houses, although also serving tea and chocolate, were places where people met to mainly drink coffee, learn of the towns news of the day and discuss matters of interest to both parties.
One of the most important concerns of members of these coffee clubs were whether prospective members came from similar economic backgrounds, what their class standing was and what interests they shared. The most important concern for prospective members was that they wanted to develop friendships with people they considered their peers in the social and business worlds. The club’s facilities or services were second to the quality of membership (CMAA, 1999).

The same principle, confirmed by Perdue (2007), applied in the United States of America where until the 1940’s, clubs were reserved for only the most affluent members of society. Tremendous effort had to be concerted to just get your application considered for membership. Chaney (1959) states that the premises on which the coffee houses were situated were used by the clubs without a charge. This meant that the coffee houses attracted more respectable and prominent people and exemplifies a situation where the clubs raised the level of its surroundings.

Many of the clubs formed during the eighteenth century still exist today and have many counterparts in other countries and many have ceased existence. These clubs have however developed over the years as the population has grown, changing their use. These clubs differ slightly in the sense that many have purchased their own properties or focused their efforts where the “good fellowship” clubs have focussed on activities like fishing, hunting and golfing (Chaney, 1959).

One can see that the main focus shifted away from the trade organisations to the individually focussed clubs where 54% of clubs were individual based and 28% were trade based in 2010 (Wasserman and Rossell, 2010).
2.4. THE THEORY OF CLUBS

Club theory can be analysed on many levels. The most basic relates back to the economic theory of clubs and the sociological theory of clubs. A relatively new concept called social capital is explored and then the reasons that induce people to join a club are analysed.

2.4.1. THE ECONOMIC THEORY OF CLUBS

In their analysis of clubs, Anderson, Shughart and Tollison (1999) state club theory dictates that all clubs are private organisations whose members collectively consume at least one good or service that no one person can finance unilaterally. Berglas (1976) quotes Buchanan and states that a club organisation will supply a club product or service more efficiently than the market whenever the efficacy derived from the use of a product or service by an individual depends on the size of the consumption group.

All goods and services can be divided into two categories namely public goods or private goods. Public goods are available to the whole public and private goods are only available to the individual who owns it (Mohr, Fourie and associates, 2008). These goods can further be broken down into pure and impure goods. A pure good cannot be excluded for use by any person whereas an impure good can be excluded for use by a person.

According to the economic theory of clubs, all club provided goods and services have three characteristics. Anderson et al. (1999) quotes Buchanan stating these characteristics are:
- Club goods are excludable: This means that people who do not contribute to the finances of the club can be excluded from using the benefits of membership;
- Club goods are congestible. Each member imposes a negative externality on his fellow members. This shows in the form of crowding which degrades the quality of the benefit to the member. Thus the more members there are the less the quality of the benefit will be;
- Club goods are divisible. As a club reaches its maximum number of members, the people who have been excluded from the club can form their own club that provides the same benefits.

These three characteristics of club goods thus limit club goods or services to an impure public good. It is on offer to the public, but can be excluded from being used by certain people. This analysis of a product is important when a club wishes to determine its optimal size and the fee that the club will charge for membership. There are however three conditions that must be satisfied for a club to operate optimally (Anderson et. al., 1999). These conditions are:

Firstly, there is the provision condition. This entails that larger club capacity means less crowding, but this capacity comes at a cost and could influence the price of the membership fee. Secondly there is the utilisation condition. If the membership fee is too low, the club’s capacity will be over utilised and if the membership fee is too high its capacity will be underutilised. Thirdly there is the membership condition. This condition states that new members should be added to the club until such time that the net benefit from membership fees is equal to the additional costs of congestion.

These three conditions help to explain why clubs employ a two-part pricing strategy. The two-part pricing strategy consists of an upfront payment upon joining the club and constant payments thereafter, be it monthly, yearly etcetera, to ensure
continuous membership. The upfront payment ensures that the club can settle its cost of providing sufficient capacity to its members while the constant payments ensure that the clubs facilities are utilised optimally by the members (Anderson et al., 1999).

The price of membership is governed by a “voting-with-the-feet” mechanism. Anderson et al. (1999) quote Tiebout (1956) and Hirschman (1970) saying that as clubs compete for membership, the more feet a club has the better its membership figures will be. The price of membership will also be kept in line with the costs of the club as long as members are free to leave as they please and as long as existing club concepts can be duplicated by another group of people.

The logic of collective action suggests that clubs will tend to be more successful when they have a smaller number of members. The success of the club is further enhanced in clubs whose members have relatively homogenous interests. The reasoning for this is that a smaller club raises the benefits that a member experiences, thus the club eliminates crowding and it reduces the costs of monitoring free riders (Anderson et al., 1999 quoting Olson, 1965 and Sandier, 1992).

2.4.2. THE SOCIOLOGICAL THEORY OF CLUBS

When considering the sociological reasons for joining a club, it is almost customary to start the research with Maslow’s hierarchy of needs. Daft (2007) shows that human beings have six levels of needs in terms of Maslow’s hierarchy of needs (figure 2.1).
Figure 2.1: Maslow’s hierarchy of needs

Source: Daft (2007)

According to the third level from the bottom of Maslow’s pyramid, people have the need for love and belonging. This includes giving and receiving love, appreciation and friendship. When this need is considered in terms of the reasons that induce people to join a club, it can be seen that people join clubs as they enjoy the friendly atmosphere provided by the club and the recognition provided by the staff and its management (Ninemeier and Perdue, 2008). This gives them a sense of belonging to something.

As can be seen, on the fourth level from the bottom of the pyramid (figure 2.1), people have the need for esteem. This is the need to be a unique individual with self-respect and to enjoy general esteem from others. When this need is considered in terms of the reasons that induce people to join a club, it can be seen that people join clubs as a statement of their social status because some clubs are very exclusive as
well as a result of family tradition (Ninemeier and Perdue, 2008). This further enhances their social esteem with others as their family is seen as being superior or “royalty” within the club and satisfies their need for being recognised by others.

2.4.3. SOCIAL CAPITAL

The concept of social capital has been used in many fields, especially in the social sciences, where it helps to answer many questions. Social capital is used to describe the different relationships a person has with others and states that the goodwill one person has towards another in terms of trust, sympathy, forgiveness etcetera is a valuable resource (Adler and Kwon, 2002).

A major stumbling block for clubs continues to be membership attrition and retention strategies. In his article on member retention, Brasser (2011) states that if a club wishes to retain more members, it needs to find means of helping members meet other members and help them to build relationships amongst themselves. These relationships between people are described by Fukuyama (2001) as informal norms that promote the co-operation between two or more individuals and range from a simple reciprocal relationship all the way to the intricate principles of religion.

Fukuyama (2001) further believes that these relationships cannot be developed through public policy and must also lead to co-operation within a group as it links with our values of honesty, commitment reliability and many more (Fukuyama, 2001). Adler and Kwon (2002) confirm the notion of co-operation in stating that social capital can be used to facilitate action and can be used for many different purposes like moral support, material support and work advice.

Social capital is described as capital in the economic sense and contains a few related characteristics to the field of economics:
- Social capital is an asset into which other resources can be invested. This investment by the individual creates the expectation of a future benefit from their network of contacts. These benefits range from superior access to information, the gaining of power, influence, control and realising solidarity. However, it may also create many negatives instead of benefits (Adler and Kwon, 2002);

- Social capital is appropriable as well as convertible. It is appropriable as the friendship link one has with another person can be used to gather information. It is convertible in the sense that one’s position in the social network can be converted into economic advantages (Adler and Kwon, 2002);

- Social capital can either substitute or compliment other resources. When a person lacks financial capital, his/her social network can be used to improve the situation. Social capital however compliments other sources of capital more than it substitutes other sources in that it can reduce the cost of transactions (Adler and Kwon, 2002). This confirms the notion of Fukuyama (2001) where he argues that social capital reduces the transaction costs of contracts. He states that it is difficult to specify every contingency and that social capital helps to reduce restricting contracts, hierarchies and bureaucratic rules. This could be helpful in club management as the social capital that is developed between the members and management could help to reduce the administration costs of the club or organisation;

- Social capital needs to be maintained if an individual wishes to retain its efficacy. The individual thus needs to strengthen and renew the social bonds built over time (Adler and Kwon, 2002).

Social capital links with the economic theory of clubs where Fukuyama (2001) argues that social capital is a private good. The reason for this is that co-operation between individuals is needed to achieve the individual’s self-centred needs. Adler and Kwon (2002) however believe that most of the forms of social capital are public
goods that are only excludable or impure goods. The club can thus adjust its goods or services to influence the co-operation between members. Fukuyama (2001) confirms this as he believes that social capital is a by-product of religion, tradition and other experiences.

Brasser (2011) quotes Summers and states that members join a club for the people in the club or the community that it forms and that the relationships that are formed amongst them should be fostered in such a way that fits in with the world of today. Fukuyama (2001) further states that social capital comprises both positive and negative externalities.

The positive externalities can be seen where an individual treats everybody morally and not only the members of their local community. The negative externality can be seen by viewing the workings of the Mafia. Although the Mafia achieves co-operation based on certain norms, they do not have a positive impact on the society they operate in and exert a negative externality on society (Fukuyama, 2001). It is thus very important for the future well-being of a club to measure its effect on society.

2.4.4. REASONS FOR JOINING A CLUB

There are many reasons that induce people to join a club. In a more macro sense, Ninemeier and Perdue (2008) describe a few reasons:

- Access to recreational facilities: People join golf or tennis clubs et cetera because they feel that the club offers better facilities than those on offer to the general public. This links back to Buchanan’s theory as quoted by Berglas (1976) that the efficacy derived from the use of a product will depend on the size of the consumption group. If the group is smaller, thus not the general public, the benefit that the member receives from the product is higher;
- Convenience: A dining room table or a game of golf is more readily available at a club than at a facility that is open to the general public;
- Business reasons: Entertaining prospective clients at a club facility that is more private and exclusive is a useful tactic compared to an open space that is available to the general public;
- Employment benefits: Some companies provide membership of a specific club to certain executives and management personnel;
- Family tradition: Being a member of a specific club has been a tradition in the family for many years and declining membership is not acceptable;
- Friendly atmosphere: People overall enjoy recognition, especially the recognition and service that are provided by the club management and staff through the personal relationship that has been built up;
- Social status: Belonging to a certain club that has high membership fees and long waiting lists add to a person’s social status.

In a recent study by Wasserman and Rossell (2010) they identified the eleven main reasons why people join clubs. The following reasons were the top in the 2010 study and reflect the results for the year up to February 2010:

- Networking with others in the field (2010: 24%, 2009: 22%);
- Continuing education (2010: 11%, 2009: 5%);
- Advocacy (2010: 11%, 2009: Not asked);
- Learn best practices in their profession (2010: 9%, 2009: 8%);
- Obtain discounts on products / meeting purchases (2010: 6%, 2009: 9%);
- Monthly publications (2010: 6%, 2009: 3%);
- Accreditation to a body (2010: 4%, 2009: 2%);
- Access to career resources (2010: 3%, 2009: 1%);
- Advancing their own position (2010: 2%, 2009: 4%);
This study shows that the main reason that induces people to still join trade organisations or clubs is for the networking opportunities that exist within the club and this keeps on increasing year on year. The networking aspect of the trade organisation / club is however under threat of the advocacy aspect of the trade organisation / club which is not far behind at 11%.

2.5. THE BENEFITS OF CLUB MEMBERSHIP

The benefits offered by the different clubs differ according to amongst other things the type of club it proposes to be, the type of member the club wishes to attract and the image the club wishes to create about itself.

In their research, Wasserman and Rossell (2010) found that one change that was visible from 2009 to 2010 was the renewed and increased focus on the value that is offered to the members of a club. In 2010 the number one reason given for non-renewal of membership was a perceived lack of value.

Wasserman and Rossell (2010) state that if the main reason for membership lapse is expensive membership fees, not much can be done to change this situation around. However if the problem is value based, the organisation can research what benefits their members want and adjust to deliver on this and enhance the perceived value. The following sections will describe the specific benefits that are offered to the members of the different types of clubs.

2.5.1. SOCIAL CLUBS

The Kimberley Club (The Kimberley Club, 2005) boasts with its heritage of colonial England. Its facilities are reminiscent of the times of old and the club offers accommodation and dining that are a reminder of the colonial era as well as
conference and function facilities that contain more modern equipment. With these facilities there is a focus on exclusivity and stature as the club has been granted a four star hotel status. However, the Kimberley Club holds that the main benefit of being a member is the feeling of “a big family living together”.

This feeling of belonging is what the Kimberley Club wishes to preserve as the main benefit of membership. Although it is not a direct benefit of club membership, the Kimberley Club also offers conferencing, wedding and function facilities and opens its dining and accommodation rooms to the public (The Kimberley Club, 2005).

The Royal Scots Club in Scotland (The Royal Scots Club, 2008) is a tribute to the soldiers that fell in the Great War. The club is built on its values of heritage, tradition, courtesy, personal service and warm hospitality. The club offers its members many benefits including reduced rates for accommodation; private meeting rooms for business purposes; seminars and training courses; preferential terms for lunches and dinners in the exclusive lounge; a library and snooker room and a regular program of social activities.

The Royal Scots Club focuses on catering for business needs and states that “Keeping pace with today’s fast moving business world is essential” (The Royal Scots Club, 2008). The club does not focus so much on exclusivity as they are open to all ladies and gentleman.

The St. James Club in England (The St. James Club, 2010) is a five star hotel and club. It is a club that offers the accommodation luxury of a five star hotel and one of the best culinary experiences available. It offers its members the benefits of reduced rates on hotel packages, reduced entertainment bills, reduced fees for meeting and event room hire and access to reciprocal clubs over the world.
The annual fee of St. James Club, at £ 400, is priced to enhance the exclusivity of the club with its rich aristocratic history and to avoid crowding. The exclusivity of St. James Club is enhanced by the fact that they have several function rooms and private dining rooms which are said to be “among the most elegant in London”. The facilities offered have the latest technology available, but offer the high service level combined with fine dining of earlier years.

The St. James Club further offers packages to the public that include a day spa, special birthday tea parties and beauty class presentations that include champagne. The St. James Club appeals to a person’s “statement of social status” reason for joining a club as well as providing access to facilities that are better than those available to the general public.

The English Clifton Club’s (Clifton Club, 2011) philosophy is to “appeal to the professional, the influential, the entrepreneurial and the interesting like-minded people who enjoy a relaxed but exclusive environment with excellent social and networking opportunities”. The club makes it very clear as to what kinds of members it wants and to what reason for membership it appeals to. They aim for the professional and entrepreneurial person who wishes to network.

The Clifton Club boasts with various rooms available for functions, weddings and formal dinners and shows off its exclusivity with its range of menus. The club has many activities happening during the year which include:

- Monthly Saturday dinners;
- Monthly Sunday lunches;
- New members evenings;
- Film and Supper nights;
- Annual snooker dinner and tournament;
- Annual cocktail party;
- Annual garden party;
- New year’s eve party;
- Christmas lunch.

The Clifton Club offers its members the benefits of joining in on these activities and more, as well as the following secondary benefits:

- Discounted rates at the bar;
- Preferential rates on private dinners and functions;
- Concessionary rates at the Clifton College Sports Club;
- Reduced fees at the Bristol and Clifton Golf Club;
- Access to reciprocal clubs over the world;
- Socialising and networking opportunities.

The club thus appeals to a wide variety of reasons to join a club, from access to recreational facilities right through to a statement of a person’s social status.

2.5.2. SPORTS AND FITNESS CLUBS

The Fitness First group (Fitness First, 2010) is an international fitness group that says it “helps thousands of people change their lives every day”. The club focuses on personalised attention to each member and the assurance that they will help members to achieve their required results. The Fitness First club offers individual membership as well as corporate membership. The United Kingdom club has a membership structure that includes eight different packages including student membership, over 55’s membership and off-peak membership. The club uses price discrimination to differentiate the eight packages from one another and offers various benefits. These include club specific benefits like:

- An encouraging, helpful and supportive team – helpful service;
- World leading fitness programmes;
- A timetable that suits everyone with different classes at different times;
- Complimentary soft drinks, tea and coffee;
- Individual lockers with hairdryers, free shampoo and shower gel;
- Access to fitness DVD’s that can be taken home.

The club also offers benefits that are not directly related to the Fitness First club, but are linked to its partner shop:

- Discounts and rewards on products of these partner shops;
- Discounts from lifestyle shops;
- Discounts from hotels and travel agents.

The Virgin Active Club (Virgin Active, 2011a) is a gym that offers a fitness experience focused on the health and well-being of its members. The benefits offered by Virgin Active Club include:

- Different membership options including:
  - Premier membership that entitles the member to use any club within South Africa as well as three weeks a year with any international club;
  - Single club membership that is cheaper than the premier membership, but is limited to one club only;
  - Off-peak membership that limits the usage to between 8am and 4pm.
- Various payment methods including cash, cheque, monthly debit order or credit card;
- World class facilities including junior care facilities;
- Fully qualified staff to help members with any assistance required;
- An archive of material showing the members how to use the equipment that is especially aimed at people who are too shy to ask for help;
- A website that provides help in food, nutrition, fitness, wellness and lifestyle;
- Offering other discount and exclusive access benefits such as healthy food dining from the health restaurant Kauai in the gym or at one of their other stores and joining the exclusive benefits club of Sanlam.

Virgin Active introduced a new club within their gyms called Club V-Max. This club is specifically aimed at children between the ages of six weeks to thirteen years old. Club V-Max is based upon the club-within-a-club concept designed specifically for children.

The aim of Club V-Max is to introduce exercise to children in a fun way while focussing on the premise that it feels good to exercise. The benefits of belonging to the club are (Virgin Active, 2011b):

- The reinforcement of healthy habits from a young age;
- Helping to reduce calorie intake and helping to reduce the problem of obesity;
- Reducing the risks of coronary heart diseases, osteoporosis and degenerative diseases;
- Strict security measures around the signing in and out of children with their own personalised cards;
- Supervision by qualified staff;
- An experience based upon strong learning and educational, fun activities.

The Whitecraigs Golf Club (Whitecraigs, 2009a) in Scotland is a dynamic golf club that focuses on the needs of its members. It states that it does everything it can do to make its new members feel welcome. The club hosts new member’s evenings and provides the first two golf lessons free to the new members.

Whitecraigs Golf Club offers a lot in terms of the golfing experience itself including:

- Extensive practicing facilities that are rarely matched by other clubs including an extra par three practice course;
- Weekly medal competitions for gents, ladies and junior players;
- Computer terminals inside the locker rooms to input scores and check for competitions;
- Ability to book tee times from home via their online booking system.

Whitecraigs Golf Club (2009a) commends itself on the fact that they are always responsive to new ideas from members and that they offer other activities that their members want including:

- TV channels were all of the major sporting tournaments can be viewed;
- Full catering available most of the day;
- A full social calendar that comprises of dinners, dances, wine evenings and theme nights.

Whitecraigs Golf Club (2009b) state that while a person pays more to belong to a golf club, the member enjoys a lot more benefits as a result of the membership. These benefits link with a lot of the fundamental reasons for joining a club and include:

- Unlimited access to your home course, play when you want to, how much you want to and as often as you want to;
- Playing competitive golf and bringing your handicap down;
- Playing against other clubs in official matches;
- Offering a great clubhouse environment offering a great place to socialise;
- Offering a sense of belonging to a community and meeting new people;
- Paying preferential green fees at other affiliated clubs;
- Receiving a Scottish Golf Card which gives the member 50% discount on green fees at all other clubs.
2.5.3. TRADE ORGANISATIONS

Chaney (1959) states that the original reason for club formation in ancient Greek and Roman times was for the creation of a trade organisation. This club concept is still visible today with almost all of the trades today having their own organisation that helps to protect, improve and promote the specific industry.

Trade organisations mostly allow their members the opportunity to perform duties that are linked to an applicable law and accredit its members to perform certain duties in terms of that law. These trade organisations are exemplified by the South African Institute of Professional Accountants (SAIPA) (South African Institute of Professional Accountants, 2011).

SAIPA provides its members with the opportunity to be accredited in terms of the applicable law’s governing companies and close corporations, the Companies Act 71 of 2008 and the Close Corporations Act 69 of 1984, and perform accounting and other services.

The same holds true for the legal sector although it is two-fold. Attorneys need to register themselves in terms of the Attorney’s Act of 1979 with the respective provincial law societies i.e. the Law Society of the Cape. These provincial societies afford the legal sector with its regulatory and disciplinary environment and accredited the members to perform legal services in terms of the Attorney’s Act of 1979.

These provincial associations are all overseen by the Law Society of South Africa (LSSA). The LSSA is the accepted representative of the different provincial law societies in South Africa and speaks on behalf of the profession, provides continuous learning opportunities to its members and safeguards the independence of the industry amongst others (The Law Society, 2011).
Other trade organisations like The South African Institute of Tax Practitioners (The South African Institute of Tax Practitioners, 2011) and the South Africa Medical Association (The South African Medical Association, 2011) do not provide its members with specific accreditation in terms of any law, but do provide them with a regulatory environment and the necessary support they might require. They also lobby on behalf of the members to stakeholder parties and help to enhance the credibility of the industry. This thus provides them with the advocacy element of membership.

2.5.4. LOYALTY CLUBS

A club model that emerged fairly recently in the business world is the loyalty club. These clubs wish to reward their members on the basis of repeat purchases of its goods or repeat usage of its services and do not charge the member any fees for belonging to the club.

An example of this model is the Clicks Clubcard where members are rewarded with points for any purchase it makes from a Clicks store (Clicks, 2010a). Certain loyalty clubs charge their customers a nominal fee for membership and an entitlement to receive certain benefits (Edcon: 2008). With the payment model, the benefits are not linked to the amount of purchases made with the organisation, but is determined by the monthly fee that is paid by the customer.

Roos et. al. (2005) quote Bolton and Drew (1991) and Bolton, Kannan and Bramlett (2000) stating that club membership of an organisation has been found to be influential in terms of value perception, thus increasing the value proposition of the organisation and increasing the satisfaction in customer relationships. Roos et. al. (2005) further quote Reichheld and Sasser (1990) stating that customer clubs are assumed to create loyalty as seen from the company’s perspective.
In South Africa, one of the first and most successful loyalty clubs is the Clicks Club (Clicks, 2010b). The Clicks Club, a loyalty program and club, is free of charge and offers its members a variety of benefits. Clubcard points are earned every time the member makes a purchase at one of its stores with the Clicks Clubcard. These points are then converted to a cash-back reward that can be redeemed with the next purchase, thus in effect giving a discount on the following purchase.

Clicks use the loyalty card effectively by offering the members certain benefits and enticing the customer to do more purchases. Comparing the benefits that Clicks offers its members to Wasserman and Rossell’s 2010 study, it can be seen that Clicks aims to identify with the customer based upon the customer’s need to gain access to specialised information, receiving monthly publications as well as receiving discounts on products / services.

The benefits of belonging to the Clicks Club are (non-exhaustive):

- Earning points with each purchase to redeem quarterly cash-back rewards;
- Earning extra points on certain days or on specific purchases;
- Free family cards;
- Buying three items during certain promotions and only paying for two;
- Earning points when buying at Musica Stores or NuMetro Cinemas;
- Special offers arranged only to Clubcard members;
- Entry to competitions not available to the general public;
- The chance of winning your monthly purchase for free;
- Discount on Clicks purchases if you are a Discovery Vitality member as well;
- A credit card that is only available to club members and that earns many extra clubcard points when using the credit card.

The South African Airways (SAA) has its own loyalty program called the Voyager Programme (South African Airways, 2011). With this programme two types of “miles”
are earned. The first is the flyer miles which are earned every time the member uses the SAA, one of its Star Alliance Flight partners or one of its non-flight partners such as a hotel, lifestyle, financial or car hire companies. The second is a tier mile which determines the membership status of the member. For every eligible flight, the member earns tier miles which grant the member higher status within the club and the member is then entitled to receive higher rewards.

Upon enrolment into the Voyager club, the member is given bonus miles which start the process. Extra bonus miles are also earned for certain flight options on SAA and more miles could be earned depending on the member’s status in the club. Special promotions allow for the receipt of extra miles and an appreciation bonus is given to those members who earn miles above a specific level.

The Voyager Club offers the following automatic benefits upon joining:

- Receiving a monthly newsletter;
- Opportunity to enter promotions of the club;
- Receiving updates on what is happening in the club.

The miles earned by the member can be used at his/her discretion for the following benefits (non-exhaustive):

- Paying for certain flights;
- Paying for car rentals;
- Paying for leisure and lifestyle benefits such as paying for a health spa visit.

The Voyager Club also offers its members the opportunity to subscribe to certain media publications and receive discounts of up to 50% off on these specific publications. The SAA brought in a credit card as part of its offering. This credit card gives the holder the opportunity to earn extra flyer miles when making purchases.
with the SAA credit card. Bonus miles are also given to members upon receiving the credit card (Nedbank Ltd, 2011).

The American Express (AMEX) Membership Rewards Programme is an international loyalty programme that rewards its members based on the simple premise that they use their AMEX credit card for purchases. The model of the AMEX membership rewards programme is similar to the Voyager Club.

The more you buy with your AMEX card the more points you earn. These points can be used to pay for purchases with the business partners of AMEX (American Express Company, 2005a). The business partners include amongst others, publications from Car magazine and Golfer, shopping mall vouchers from Greenacres Shopping Centre and Sandton City, game lodge getaways to Sabi Sabi, using your points as a donation to the GreaterGood SA and Topsy Foundations as well as using the points to buy Voyager miles (American Express Company, 2005b).

The Edgars Club, which forms part of the Edcon Group of Companies, is a loyalty club, but the club charges its members a monthly fee. The fee ranges from R 23 per month to R 34.50 per month. Access to the club is granted with the payment of this amount and ensuring that your Edcon account is active and paid up to date (Edcon, 2008). The club offers many benefits that include:
- Vouchers to be used for Edcon purchases;
- Cash benefits for funeral expenses;
- Discounted movie ticket prices;
- A monthly magazine with fashion and lifestyle updates;
- Emergency, home, legal and roadside assistance;
- Internet deals;
- Discounts at restaurants and fast food outlets.
2.6. STRATEGIES TO ATTRACT AND RETAIN MEMBERS

The compact Oxford Dictionary (2009) defines a strategy as a plan of action that is designed to achieve a long-term goal. There are various ways in which a club can attract new members and various strategies a club can follow to retain members.

The CMAA (1999) states that clubs need to find out from its members whether they are truly satisfied with the club’s facilities, services and events. Seeing members participate in activities and socialising does not mean that the members are satisfied with their club or organisation.

The CMAA (1999) also states that the club management should enquire from the new member’s sponsor what their nominee’s interest are as well as asking them directly. This will help to ensure that there is a link between what the club offers and what the prospective member wishes to receive in terms of benefits. They list the following ideas to help with ensuring delivery upon members’ needs:

- Include questions on the application form that enquire from the applicant what their interest and hobbies are;
- Give the new member an orientation folder that contains everything about the club and once again enquire their interests;
- Conduct one-on-one interviews with members to determine their feelings towards the club;
- Conduct focus groups with members;
- Launching an annual survey to stay abreast of members’ changing needs and wants and ensure the club is receiving valuable feedback from its members.

Wasserman and Rossell (2010) report in their 2010 marketing survey that clubs had problems with acquiring new members as well as renewing the existing memberships in that year. The report also found that clubs were more likely to
experience growth in membership where they placed a priority on membership acquisition and not on a retention strategy or a balanced strategy. Brasser (2011) confirms that, according to an article by the publication, USA Today, private clubs in America lost one in ten members during 2010. He also states that more than sixty-five per cent of members leave their clubs within the first eighteen months.

According to the report of Wasserman and Rossell (2010), the top five reasons why people do not renew their club membership are:

- A perceived lack of value (36%);
- Their employer does not pay for membership fees (25%);
- Membership is too expensive (11%);
- The person has forgotten to renew (6%);
- The person has retired (4%).

Wasserman and Rossell (2010) asked clubs to rank their strategic goals for the year. Unfortunately, no conclusive answer was reached and it was deduced that clubs have little or no consensus on what their strategic goals should be. The three goals that were however at the top of the list were:

- Growth in member counts (22%);
- Growth in revenue (21%);
- Growth in net revenue (21%).

This report further shows the following trends with regard to the marketing strategies that clubs use to entertain membership:

- Only 8% of organisations surveyed did not use any social media tools for marketing. The usages of the top five different social media were:
  - Facebook (75%);
  - Twitter (66%);
  - LinkedIn (59%);
- The top three incentives used by organisations to recruit new members were:
  o Conference or convention discount (32%);
  o Product discount, coupons or vouchers (12%);
  o Member referral incentives (14%);
  o Membership dues discount for the first year (8%). It was however noted that using this incentive too frequently diminished the perceived value of the organisation.

- The top three initiatives used by organisations to renew their current memberships were:
  o E-mail marketing (88%);
  o Direct mail (85%);
  o Staff phone calls (49%).

- The most effective marketing channels were:
  o Word-of-mouth recommendation (Ranking of 1 - 27%);
  o Direct mail (Ranking of 1 - 27%).

- The most effective methods of engaging new members into the association and making them feel part of something were:
  o Sending out e-mail welcomes (72%);
  o A mailed welcome kit (68%);
  o A membership card / certificate (59%).

- The associations with membership up to 1000 members are more likely to offer renewal payments to be paid off in instalments.

Brasser (2011) argues that new members discontinue their membership because they have not been integrated into the club community or its social fabric. He states that members are activity focussed more than they are social. It is thus of critical
importance to enhance their relationships with other members as it is one of the best methods to create long-term value and safety for the club.

Brasser (2011) provides the following thoughts on enhancing membership retention:
- Creating a club community on the internet and utilising in such a way so that members can interact online instead of just exchanging email addresses;
- Determine the real value that is given to the member when he/she has to spend money at the club or at any function that involves the club;
- Understand from a club perspective that a member thinks about all that he/she did at the club when considering the renewal payment. These would include the use of the facilities, dinner events, discounts received from partner stores and many more.

The CMAA (1999) state there are many actions a club can take to build the fellowship and confidence amongst its members and that the fellow members are the kind of people they wish to be associated with. These actions include, but are not limited to:
- Maintaining a club admissions policy of membership by invitation only;
- Using the Board / Executive committee’s influence status to attract new members;
- Display the names of the Board / Executive committee members on plaques in high traffic areas for all to see;
- Take prospective members on a tour of the club, let them meet new members to the club as wells as meeting some of the existing members;
- Host a quarterly reception for all new members;
- Welcome new members in the newsletter and do a profile of the person;
- Report on the notable events in the newsletter and state who organised them;
- Plan events to ensure that members are put amongst members they do not know, this will help in familiarising themselves with everyone;
- Coordinating after-hours networking events;
- Form “clubs-within-a-club” i.e. bridge or chess club;
- Print a membership register and distribute it to the members only.

2.7. THE PORT ELIZABETH CLUB

Social clubs were defined previously as places where members practice their favourite hobbies like reading, offer their members the opportunity to interact with likeminded people and offer networking opportunities.

The Port Elizabeth Club (The PE Club), situated in Bird Street, Central, Port Elizabeth is an example of a social club and dates back to 1866. At its inception it was the third oldest club in South Africa and it still boasts with its rich Colonial history (The PE Club, 2011). The focus of this study is on the PE Club and its membership model where the aim is to develop strategies around retaining the current members as well as attracting new members.

2.7.1. THE HISTORY OF THE PORT ELIZABETH CLUB

The PE Club was originally formed to offer an affluent gentleman of the 1800’s the opportunity to relax after a strenuous day while offering some amusement and entertainment. These gentlemen found that upon their return home after the day’s work, they had nothing to do, no amusement to pass the time by nor any respectable place to visit and enjoy themselves. Their answer to this dilemma was to form a club.

The PE Club was originally formed in the billiards room of the Algoa House Hotel in 1866. The premises very quickly became too small for the club with the growth in membership and even after numerous enlargements to the building the club decided
to move to larger premises where the club could be established as a more formal club.

The first meeting of the “formal” club was held in the leased home, Hillside House, of J.S. Kirkwood in the same street where the current club is situated. The members elected their first committee; decided that the club would be called the PE Club House and fixed the entrance fee at five Pounds. The club members employed a system called the Black Ball system to choose the people that were allowed to join. This was done to keep the club exclusive.

In June of 1866, the house that stood in front of Hillside House was acquired by the club with the help of some of the wealthiest gentlemen. The club now had its own building. In December of 1866, the club opened its doors to “approved” guests for visits. In 1876 the membership of the PE Club House reached 160 and plans were drawn up to improve and modernise the club’s building.

During the 1870’s there was a sudden and big increase in the number of military and naval officers visiting the club as well as government officials, visitors and travellers. This was as a result of the war that broke out in Zululand and the number of steam ships that now entered Algoa Bay. This increase in traffic for the club caused them to purchase the property behind the club and use this as an annex to resident members.

The present residence of the PE Club was erected in 1904. It was constructed directly behind the original club on land that once was stable sheds and the coach house. Construction was completed in 1905.

Many of the younger generation at the time in 1886 felt that there was a need for them to have their own club that was distant from their elders and more suited to
their years. Six years later, after the influence of several prominent citizens, a “junior” club was formed and was called the St George’s Club. Although the St George’s Club was well supported in its 106 year history, it was decided in 1997 that Port Elizabeth was not big enough to house two clubs. This resulted in a merger between these two clubs. The premises of the St George’s Club were sold and the building of the PE Club House was chosen as the club house of the newly formed club (The PE Club, 2011).

2.7.2. BENEFITS OFFERED BY THE PORT ELIZABETH CLUB

During the PE Club’s history it has always been known throughout South Africa for its hospitality, cuisine, amenities and being the most suitable venue for entertaining dignitaries. Membership to the club is only gained by invitation from the club after one has been proposed and seconded by current members and then referred to the committee for approval. This adds to the clubs exclusivity as only more affluent people can join the club. The membership fees for the 2011 calendar year amount to R 1 100 and is paid in two instalments (McLaggan, 2011).

The PE Club offers benefits to its members that consist mainly of discounts on all dining charges at the club, reduced rates at the bar of the club and reciprocal agreements with other clubs across the world where members may for instance stay over when travelling. Lunches and dinners are held by the club on special days like Valentine’s Day, Christmas day and Sundays. Certain members have formed luncheon groups and poker groups to entertain themselves with members who have the same interests while the club organises twice monthly draws where members could win some cash prizes (McLaggan, 2011).

The PE Club does not offer any specific benefits to new members like discounts on joining fees or first year membership fees nor does it issue any kind of newsletter to
its members. A process is underway to improve the benefits one receives while being a member of the club. The management of the club is also in the process of structuring benefits with other clubs and planning games evenings (McLaggan, 2011).

2.8. SUMMARY OF THE CHAPTER

This chapter describes the concept of a club showing its origins, its development and its current uses in the modern era of businesses. There are many different types of clubs and an analyses and comparison in terms of what their purposes are and what benefits they offer to their members or prospective members is shown.

This study will focus on the PE Club, a social club situated in Port Elizabeth South Africa. The PE Club believes that an improved club model will help the club to attract and secure new members as well as retain its existing members. The following chapter will discuss the research methodology that was used in the empirical study and describe the procedures that were followed to obtain information via the two independent web-surveys.
The previous chapter focuses on the literature regarding the various types of clubs that exist, how these clubs operate and the different benefits these clubs offer to their members. There are various strategies that a club can employ to ensure continuous membership of the club and some of these strategies were highlighted. The literature study conducted in the previous chapter provides a foundation for answering the main research question of the study:

**What club membership attraction and retention benefits and strategies will assist The PE Club to ensure continued membership from its current membership base as well as assist it in securing a continuous introduction of new members?**

In answering the main research question, the researcher identified 4 sub-questions that will assist in answering the main research question:

- What does the history and the theory of clubs reveal?
- What benefits are offered by the different clubs?
- What strategies are employed by clubs to retain and attract members?
- What benefits and strategies can the PE Club use to retain its members and attract new members?

The secondary literature study in the previous chapter answers the first three sub-questions of the research. The literature study also assists in answering sub-question four. Further research was however necessary to fully understand what the
current members of The PE Club require as well as what the prospective members of the PE Club require from a club upon joining.

This chapter describes the secondary literature study that was conducted and defines the research design and research process that was followed for the further primary research that was conducted by the researcher.

3.2 THE CONCEPT OF RESEARCH


Babbie (2010) states that social research is done for the purpose of describing the current state of social affairs. Neuman (2006) earlier stated that social research consists of a collection of methods and methodologies that researchers apply to learn something new about the social world of people.

Collis and Hussey (2009) state that although research is central to business and academic undertakings, there is no universally accepted definition. However, the definition Collis and Hussey (2009) offer runs parallel with Neuman’s definition in that it is a process of investigation and enquiry that is systematic and methodical with a purpose of increasing knowledge.

The researcher used applied research for this study. Applied research focuses on addressing a specific problem or understanding a specific situation (Neuman, 2006; Collis and Hussey, 2009) and using the information gained to make a difference in our social world (Babbie, 2010).
3.3 METHODOLOGICAL APPROACHES

When conducting the research, the researcher should decide on an approach to the study. The researcher needs to decide what approach or paradigm will be used in the study as each one has its specific assumptions, research techniques, important questions to be answered and examples of what good scientific research looks like (Neuman, 2006). Babbie (2010) states that a paradigm is a fundamental model or frame of reference that a researcher uses to organise his / her observations and reasoning. There are two main paradigms or approaches:

- The Positivist approach;
- The Interpretivist approach.

3.3.1 THE POSITIVIST APPROACH

The positivist approach is based on facts obtained through empirical research like observations and experiments and supported by the belief that reality is independent of us. Social research under a positivist approach involves a deductive process whereby social phenomena are observed and explained with theories establishing causal relationships as the research moves from the general to the specific (Collis and Hussey, 2009; Babbie, 2010). Neuman (2006) states his definition of the positivist approach as:

\[ A \]n organised method for combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity.

This confirms that the positivist social approach is based upon quantitative techniques (Collis and Hussey, 2009).
3.3.2 THE INTERPRETIVE APPROACH

Research conducted from an interpretive approach is inductive as the researcher interacts with what he is observing and attempts to interpret, understand and explain the observations as the research moves from the specific to the general (Collis and Hussey, 2009). Here the researcher is looking for patterns in the research conducted (Babbie, 2010). Neuman (2006) states that the interpretive social approach helps us:

[T]o arrive at understandings and interpretations of how people create and maintain their social worlds.

It is thus clear that an interpretive approach will be based upon qualitative data collection.

Research may be conducted not on exactly the one side or the other, but on a midpoint between these two paradigms (Collis and Hussey, 2009). For the purposes of this research study, the researcher used a midpoint between these two approaches as both quantitative and qualitative data were gathered.

3.4 SECONDARY DATA COLLECTION

Neuman (2006) states that an essential step early in any research process is to review the current available knowledge on the subject matter without having a regard to the approach the researcher will be taking. He continues to argue that it is important to start off with what is already known about the subject matter before trying to answer it yourself.

Collis and Hussey (2009) confirm that following this approach will ensure focus on the research problem. Hart (2006) states that without a literature review the
researcher will not acquire an understanding of the topic they are researching and what the key issues on the topic are.

There are various goals of compiling the literature study as stated by Neuman (2006) and Hart (2006). These include:

- Demonstrating a familiarity with a body of knowledge;
- Showing the path of prior research and how it links with the current research;
- Integrating and summarising what is known in a specific area;
- Learning from others and stimulating new ideas;
- Justifying decision based on the choice of ideas that are relevant to the research study.

The researcher commenced the literature study with a thorough analysis of the available books written about the history of clubs, the various concepts of clubs as well as the benefits offered by different clubs. The researcher made extensive use of internet sources for this research study as not many original sources of information, in terms of books and journals, were found about club concepts and strategies. Some of the literature found on clubs was out-dated, but the researcher however felt that the basis it formed was adequate for the study. The researcher believes that these shortcomings open the field for future studies in club structures.

Internet sources are regarded as a form of secondary data by both Collis and Hussey (2009) and Neuman (2006). Internet sources that were used in this research study include on-line documents and the World Wide Web.

Struwig and Stead (2001) state that a researcher should consider the following when collecting data from an internet source before using it in the literature review:

- The validity and reliability of the online documents. It is important to ensure that the data is not out dated and comes from a reliable source;
- The response rate of email could be low as respondents might not have access to the internet;
- It is important to keep ethical considerations in mind as the researcher might not have the necessary access to view certain information and confidentiality should not be breached.

The reliability of the internet sources that were used in the literature study were tested by checking the author and originator of the information and tracing the relevant websites back to the organisations they represent.

3.5 PRIMARY DATA COLLECTION

The collection of primary data entails the use of many methods that can assist the researcher in proving or disproving the research questions (Wilson, 2010). The approach adopted by a researcher to answer the research questions can be either a quantitative research approach or a qualitative research approach. The approach adopted by the researcher depends on the format of the data that the researcher wishes to analyse.

3.5.1 QUANTITATIVE RESEARCH VERSUS QUALITATIVE RESEARCH

Collis and Hussey (2009) state that Quantitative research is based upon collecting data that is in a numerical format which is then analysed using statistical methods whereas Qualitative research is based upon collecting data that is in a nominal (non-numerical) format which is then analysed using interpretive methods.

The data collected by the researcher will not always be exactly one or the other, but could contain a mix between these two ends. It is however important to be able to distinguish clearly what main approach was adopted in the research (Collis &
The main differences between quantitative and qualitative research are indicated in Table 3.1.

Table 3.1   Main differences between quantitative and qualitative research

<table>
<thead>
<tr>
<th></th>
<th>Quantitative Research</th>
<th>Qualitative Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data is in a numerical format that is precise and objective</td>
<td>Data is in a nominal (non-numerical) format that is subjective and ‘rich’</td>
<td></td>
</tr>
<tr>
<td>Analysed using statistical data analysis techniques</td>
<td>Analysed using interpretive techniques</td>
<td></td>
</tr>
<tr>
<td>Normally associated with a Positivist approach</td>
<td>Normally associated with an Interpretive approach</td>
<td></td>
</tr>
<tr>
<td>Deductive process to test previously specified theory</td>
<td>Inductive process to formulate theory</td>
<td></td>
</tr>
<tr>
<td>Choose from a standardised set of data analysis techniques</td>
<td>Wide variety of data analysis techniques according to approach</td>
<td></td>
</tr>
<tr>
<td>Data analysis does not begin until all of the data has been collected</td>
<td>Data analysis starts as soon as research has begun thus it guides data collection</td>
<td></td>
</tr>
<tr>
<td>Manipulate numbers that represent empirical facts to test an abstract hypothesis</td>
<td>Create new concepts and theory by combining empirical evidence and abstract hypothesis’</td>
<td></td>
</tr>
<tr>
<td>High reliability and low validity</td>
<td>Low reliability and high validity</td>
<td></td>
</tr>
<tr>
<td>Results can be generalised from the sample to the population</td>
<td>Findings can be generalised from one setting to another similar setting</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Neuman (2006); Collis and Hussey (2009)

3.5.2   QUANTITATIVE DATA COLLECTION TECHNIQUES

Neuman (2006) and Wilson (2010) state that quantitative data can be collected using the following techniques:

- Experiments: The researcher manipulates certain conditions for participants in one group, but not for another group and then compares the results with one another to identify differences;
- Surveys or Questionnaires: The researcher asks a sample of people the same questions and records their answers;
Nonreactive research: The researcher studies the participants without their prior knowledge to eliminate reaction changes due to the awareness of the being studied.

3.5.3 QUALITATIVE DATA COLLECTION TECHNIQUES

Neuman (2006), Collis and Hussey (2009) and Wilson (2010) state that qualitative data can be collected using the following techniques:

- Field research: The researcher observes people for a period of time and records notes;
- Historical-comparative research: The researcher examines the available data on historical events.
- Interviews: The researcher asks the participants certain questions to establish their feelings (typically open ended questions);
- Protocol analysis: The researcher attempts to determine the mental processes a person follow to solve a particular problem;
- Observations: The researcher observes people’s actions, reactions and behaviour to certain situations;
- Focus groups: The researcher collects data from a group of people who discuss their actions and behaviour with the guidance of a group leader.

3.5.4 THE TWO WEB-SURVEYS

The researcher gathered primary data using two surveys that included both quantitative and qualitative questions. Both these surveys were in the form of web-surveys and were sent to the respondents to assist the researcher in answering the sub-problems.
The first web-survey was conducted on the target market or potential member pool of the PE Club to determine what they would require from a club and what issues they would consider before applying for membership at a club. This survey will hereafter be called the Target Market survey (Annexure A).

The second web-survey was conducted on the existing members of the PE Club to determine what their feelings toward the club are and where the possible areas of improvement can be found. This survey will hereafter be called the Member survey (Annexure B).

The closed ended questions were analysed statistically with the help of a computer programme called *Statistica* version 10. A statistician from the Nelson Mandela Bay University assisted the researcher with this analysis. The open ended questions were analysed by the researcher firstly by assessing whether the question was answered and then judging the relevancy thereof.

### 3.6 QUESTIONNAIRE DESIGN

The researcher employed a descriptive survey, in the form of two web-surveys. Dillman was quoted by Neuman (2006) stating that a web survey has certain advantages:

- Web based surveys are very fast and relatively inexpensive;
- They allow for a flexible design of the actual survey by employing visual and audio aids;
- Nearly complete elimination of paper, postage, mail out and data entry;
- A potential for overcoming international boundaries;
- Survey implementation can be reduced from weeks to hours.
Although web-surveys have many advantages, Dillman as quoted by Neuman (2006) state that some areas of concern do exist:

- **Coverage:** The coverage of the survey might be exclusive as not all classes of people have access to the internet including lower income workers, older people, less educated people and people from rural areas;
- **Privacy:** It is of the utmost importance to protect respondent privacy and ensure verification of the respondent;
- **Complexity of design:** The researcher needs to keep in consideration that there are various different types of software packages and not everyone uses the same packages (Neuman, 2006).

The researcher needs to consider the following when designing the questionnaire:

- **Question design:** The questions need to be clear and easily understandable. The researcher needs to clarify the type of questions to be asked, the wording of the questions, the order in which they are presented and the reliability and validity of the responses;
- **Locate respondents:** The researcher needs to determine who the respondents will be to determine the sample size;
- **Distribution channels:** There are a number of different distribution channels and each one has its own strengths and weaknesses;
- **Running a pilot study:** It is essential to run a pilot study to test before final distribution (Neuman, 2006; Collis and Hussey, 2009).

Neuman (2006) states that a good questionnaire forms an integrated whole. He gives a few pointers to what should be avoided when designing a questionnaire:

- Jargon, slang talk and abbreviations;
- Ambiguity, confusion and vagueness;
- Emotional language and prestige bias, associating a statement with a prestigious person;
- Double barrelled questions;
- Leading questions;
- Questions that are beyond the respondents' capabilities;
- False premises;
- Asking about distant future intentions;
- Double negatives in a sentence;
- Overlapping categories.

The web-surveys that were designed for this research study (Annexure A and B) were developed from the literature review and took into consideration the various reasons for membership of a club and the various aspects of a club that attracts members to that club.

Both of the surveys included open ended and closed ended questions. The open ended questions elicited answers from the respondents as to why they do not belong to a club. These open ended questions were also used where the predetermined answers given on the survey do not apply.

The closed ended questions consist of multiple choice questions provided with predetermined answers that are included to facilitate the easy answer of “standardised” questions. Multiple choice questions with a yes/no/don’t know answer are also included for questions where the respondent needs to identify his preference towards a certain situation.

A separate section on the questionnaire was designed with a Likert-scale whereby the respondent’s had to answer each question and give a rating for agreement or disagreement. Neuman (2006) states that a Likert-scale needs a minimum of two categories, but four to eight categories is the norm. The Likert-scale used in this research contains five categories:
Strongly disagree (1);
Disagree (2);
Neutral (3);
Agree (4);
Strongly agree (5).

The discussion of the results from this section is condensed for the ease of analysing the answers in the following chapter. The first two sections namely strongly disagree and disagree were condensed into one section and the two sections namely agree and strongly agree were condensed into one section.

Due to time constraints with sending the surveys out to the sample groups, a pilot study was not conducted. The questionnaires were vetted by the research supervisor before it was sent to the respondent groups. All the corrections suggested by the research supervisor were implemented as it was judged to be relevant and would assist in improving the quality of the data collected.

3.7 SAMPLING

It is not always feasible to study an entire population nor is it always possible (Wilson, 2010). It is to this end that a sample is chosen from the entire population which will be subjected to the study. Neuman (2006) quotes Becker in saying that “We cannot study every case of whatever we are interested in, nor should we want to”.

A sample is defined as an unbiased subset that is a representation of the entire population under study (Collis and Hussey, 2009). The goal of obtaining a sample is to ensure that the sample is a true representation of the population so that the
researcher can generalise the findings from the sample to the population (Neuman, 2006).

It was stated in the previous section that the researcher used two web-surveys to conduct the research. The sample for the Target Market Survey consisted of:

- The total number of students studying towards a Magister in Business Administration (MBA) who were registered for their first, second and third year at the Nelson Mandela Metropolitan University (NMMU) on 06 April 2011;
- The total number of Professional Accountants registered with the South African Institute of Professional Accountants on 02 June 2011 geographically located in the Eastern Cape;
- The total number of Attorneys practicing in the Port Elizabeth area registered on the Cape Law Society’s website on 22 June 2011.

These samples were chosen as The PE Club wishes to target members of society with a higher business standing or affluence to join the club (McLaggan, 2011). The researcher received 111 responses to this survey. This equates to a response rate of 8.69%. The breakdown of the sample groups is divided up in Table 3.2.

<table>
<thead>
<tr>
<th>Sample group of survey to target market</th>
<th>Number of requests</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBA Students at the NMMU</td>
<td>328</td>
<td>25.7%</td>
</tr>
<tr>
<td>Professional Accountants</td>
<td>507</td>
<td>39.7%</td>
</tr>
<tr>
<td>Attorneys</td>
<td>442</td>
<td>34.6%</td>
</tr>
<tr>
<td>Total</td>
<td>1 277</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The Member Survey was sent to the members of The PE club. The web-survey for the member survey was only sent out to members in the club who have an existing email address. In total 284 requests were sent out. At the time of the study the exact
amount of members of The PE Club could not be determined due to out-dated internal records of The PE Club. The estimated membership of the club was judged by the management of the club to be more or less 380 members. The sample of The PE Club members to whom the survey was sent to represents 74.7% of the total estimated membership. The researcher received 40 responses in return for this questionnaire which equates to a response rate of 14.08%.

3.8 TRIANGULATION AND DATA INTEGRITY

Triangulation is the idea of looking at something from multiple points of view to improve accuracy. If a researcher thus wishes to improve the accuracy of the information, the data has to be collected from various sources (Neuman, 2006). Collis and Hussey (2009) quote Denzin and confirm that the use of one of three techniques should increase validity and reliability given that all of the researchers are researching the same conclusion.

Collis and Hussey (2009) describe triangulation as one or all of the following methods:
- The use of multiple sources of data;
- The use of different types of research methods;
- The use of more than one researcher to investigate.

In this research study the researcher used various sources of information by gathering primary data via an empirical study using web-surveys and conducting a literature study to gather secondary data. These different methods of collecting data assist the researcher to achieve the triangulation approach.

Collis and Hussey (2009) quote Bonoma (1985) confirming that researchers need to ensure that their data have high levels of data integrity. Data integrity, consisting of
validity and reliability, refers to the level of error and bias included in the research. Neuman (2006) states that validity and reliability are at the centre of all measurements and these two concepts help to improve the truthfulness and credibility of your research.

Validity according to Thomas, Nelson and Silverman (2010) is the degree to which the instruments used actually measure what it is supposed to measure. The assessment of validity can be measured in different ways:

- Logical validity: ensuring that the measures as employed by the researcher actually measures what it is supposed to measure;
- Construct validity: this relates to the hypothetical constructs that cannot be directly observed, but only through its expressions, thus ensuring that the researcher’s observations can be explained by the hypothetical construct;
- Content validity: this addresses the issue of whether the full content of a definition is being measured or only a portion of the definition;
- Criterion validity: this measure uses a standard or pre-existing criterion, that the researcher has confidence in, to measure the validity of the definition.

Logical validity in the measuring instrument was achieved by requesting the research supervisor to scrutinise the surveys for accuracy and measurement and to provide suggested improvements to the questions. This assisted to ensure that the measuring instruments measured what it is supposed to measure.

The second leg of data integrity is reliability. Reliability is concerned with the extent to which the study can be replicated by another researcher. Here the question is asked whether the same results will be achieved if another researcher conducts a similar study. An absence of differences in the comparison of the results between the original and repeat researches is important (Collis and Hussey, 2009).
Neuman (2006) states there are three types of reliability:

- Stability reliability: this refers to the reliability over time and measures whether the same result is observed over different time periods;
- Representative reliability: this refers to the reliability across subgroups of people and measures whether the same result is observed when measured within different groups;
- Equivalence reliability: this reliability is present when a researcher employs “multiple indicators” for one construct, thus the same construct is measured more than once by the researcher.

The researcher achieves a form of representative reliability as most of the survey questions are asked in both surveys. The respondents’ answers, as discussed in chapter four, yielded similar results for certain questions and thus assist the research in attaining representative reliability.

Thomas, Nelson and Silverman (2010) state that a 5-point Likert scale can help to increase reliability in the research. The Likert type question section for the Target Market survey achieved a Cronbach’s alpha of 0.70 and the same section in The PE Club Member survey achieved a Cronbach’s alpha of 0.75. Cronbach’s alpha is a statistical measure that determines the correlation between each item on a questionnaire with each other item and assists a researcher to ensure reliability in the research study. The values obtained indicate that the questions achieved the acceptable measure for internal reliability of 0.70 as described by Lehman (2005) quoting Nunnally (1978).

3.9 SUMMARY OF THE CHAPTER

This chapter outlines the various options available to a researcher when deciding on the research design. All of the various classification methods are outlined. These
methods help the researcher to gain a clear picture of where the research fits in. The different methods of data collection are outlined to assist the researcher in acquiring proper end relevant source data, whether it is primary or secondary.

This chapter also outlines the aspects of questionnaire design as the questionnaire that was distributed helped to gain an understanding of the sub-problems of the research. The following chapter gives an analysis of the empirical research completed by the researcher and explains what significance the answers have for this research.
4.1 INTRODUCTION

The previous chapter clarifies the process the researcher followed in designing the research study. The researcher explains the paradigm within which the research was conducted and describes what types of data were collected, how it were collected and how it is used.

The researcher shows that the first step taken in this research study was to conduct a comprehensive literature study. The researcher shows further that the second step was to gather primary data by conducting an empirical study. The empirical study was completed in the form of two web-surveys and the data that was collected was mostly of a quantitative nature, but the surveys also contained qualitative data.

This chapter will analyse and explain the results that were received from these two independent web-surveys. The significance of the responses will be analysed, in separate sections, to further help the researcher in understanding and answering the fourth sub-question of the research study.

Firstly the biographical data of the respondents will be compared, secondly the closed-ended questions will be compared and lastly the Likert scale questions, depicting the respondents’ reasons for belonging to a club, will be compared.

This chapter will comprise of a comparative analysis between the two web-surveys conducted. The researcher chose this method to assist in gaining a better
understanding of what it is the target market of The PE Club wants and what The PE Club has to offer to its prospective members.

4.2 ANALYSIS OF THE BIOGRAPHICAL AND OTHER INFORMATION

Table 4.1
RESPONSES ACCORDING TO GENDER

<table>
<thead>
<tr>
<th>Gender</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Male</td>
<td>69</td>
<td>62.2%</td>
</tr>
<tr>
<td>Female</td>
<td>42</td>
<td>37.8%</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From Table 4.1 it can be seen that the male respondents represent 62.2 per cent and the female respondents represent 37.8 per cent of the Target Market survey. This represents a relatively good split between the two genders. However the split between The PE Club members is more skewed towards the male side with only 15 per cent of respondents being female. The reason for this could be the fact that only male members were allowed to join the club and female members only recently. This might give a skewed representation of the club’s population and no further significant inference can be drawn from this table.

Table 4.2
RESPONSES ACCORDING TO MARITAL STATUS

<table>
<thead>
<tr>
<th>Marital status</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Single</td>
<td>28</td>
<td>25.2%</td>
</tr>
<tr>
<td>Married</td>
<td>77</td>
<td>69.4%</td>
</tr>
<tr>
<td>Divorced</td>
<td>6</td>
<td>5.4%</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From Table 4.2 it can be seen that the majority of the Target Market survey respondents, 69.4 per cent, are married. The minority are either single or divorced.
The same table shows that the respondents from The PE Club are mostly married as well, at 77.5 per cent. The results show the same trend across the two samples, with the single respondents representing the second biggest group and the divorced respondents the third. No further significant inference can be drawn from this table.

<table>
<thead>
<tr>
<th>Racial demographic</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>African</td>
<td>26</td>
<td>23.4%</td>
</tr>
<tr>
<td>Asian</td>
<td>4</td>
<td>3.6%</td>
</tr>
<tr>
<td>Coloured</td>
<td>12</td>
<td>10.8%</td>
</tr>
<tr>
<td>Indian</td>
<td>4</td>
<td>3.6%</td>
</tr>
<tr>
<td>White</td>
<td>65</td>
<td>58.6%</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From Table 4.3 it can be seen that the Target Market survey has a 58.6 per cent representation of white respondents, a 23.4 per cent representation of African respondents and 18 per cent being represented by three minorities. The racial demographics of The PE Club member survey comprise 100 per cent of white respondents and indicate the first point of concern for The PE Club as it is not representative of the overall population of the nation.

<table>
<thead>
<tr>
<th>Age</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Less than 21</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>21 to 30</td>
<td>26</td>
<td>23.4%</td>
</tr>
<tr>
<td>31 to 40</td>
<td>52</td>
<td>46.9%</td>
</tr>
<tr>
<td>41 to 50</td>
<td>16</td>
<td>14.4%</td>
</tr>
<tr>
<td>51 to 60</td>
<td>14</td>
<td>12.6%</td>
</tr>
<tr>
<td>60 and over</td>
<td>3</td>
<td>2.7%</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
From Table 4.4 it can be seen that the respondents of the Target Market survey, at 84.7% were mostly at the age of 50 or below. The opposite is true for the respondents of The PE Club member survey where 85 per cent of respondents were above the age of 50 years. This shows that there is a big age disparity between the current members of The PE Club and its prospective members and raises the second point of concern for The PE Club.

<table>
<thead>
<tr>
<th>Educational qualification</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Matric</td>
<td>2</td>
<td>1.8%</td>
</tr>
<tr>
<td>Degree / Diploma</td>
<td>67</td>
<td>60.4%</td>
</tr>
<tr>
<td>Post graduate</td>
<td>42</td>
<td>37.8%</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From Table 4.5 it can be seen that 98.2 per cent of the Target Market survey respondents received formal tertiary education and 82.5 per cent of The PE Club member respondents received formal tertiary education. This is to be expected when one considers the affluence of the members of The PE Club as well as its intended future members. The educational level of the future members thus corresponds with the current member status.

<table>
<thead>
<tr>
<th>Employment status</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Unemployed</td>
<td>2</td>
<td>1.9%</td>
</tr>
<tr>
<td>Employed</td>
<td>88</td>
<td>81.5%</td>
</tr>
<tr>
<td>Self-employed</td>
<td>18</td>
<td>16.6%</td>
</tr>
<tr>
<td>Retired</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total</td>
<td>108</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
From Table 4.6 it can be seen that 98.1 per cent of respondents to the Target Market survey are either employed or self-employed and 71.5% per cent of The PE Club member survey respondents fall in the same group. The retired respondents from The PE Club member survey amounted to 28.6 per cent.

This figure was only observed after closer inspection of the survey answers once it was established that respondents marked their employment status as “unemployed” because no answer of “retired” was provided for this question.

The employment status of the current members is thus in accordance with the intended member status, as The PE Club wishes to attract and retain members of a higher business standing (McLaggan, 2011).

<table>
<thead>
<tr>
<th>Sector of industry</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Automotive</td>
<td>10</td>
<td>9.0%</td>
</tr>
<tr>
<td>Construction</td>
<td>1</td>
<td>0.9%</td>
</tr>
<tr>
<td>Consulting</td>
<td>1</td>
<td>0.9%</td>
</tr>
<tr>
<td>Education</td>
<td>1</td>
<td>0.9%</td>
</tr>
<tr>
<td>Engineering</td>
<td>2</td>
<td>1.8%</td>
</tr>
<tr>
<td>Finance</td>
<td>25</td>
<td>22.5%</td>
</tr>
<tr>
<td>Government</td>
<td>13</td>
<td>11.8%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>3</td>
<td>2.7%</td>
</tr>
<tr>
<td>Legal</td>
<td>24</td>
<td>21.6%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>11</td>
<td>9.9%</td>
</tr>
<tr>
<td>Medical</td>
<td>5</td>
<td>4.5%</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>2.7%</td>
</tr>
<tr>
<td>Retail</td>
<td>1</td>
<td>0.9%</td>
</tr>
<tr>
<td>Retired</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Services</td>
<td>11</td>
<td>9.9%</td>
</tr>
<tr>
<td>Total</td>
<td>111</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From Table 4.7 it can be seen that many industry sectors are represented in the Target Market survey although some of the percentages are very low, less than one
per cent. In this survey six sectors represent 84.7 per cent of the sample. The two biggest groups are the Finance sector and Legal sector. This is consistent with the three sample groups the survey was sent to as these two groups are the majority of the sample.

The PE Club member survey also has a fair representation of the industry sectors. The retired members represent 31.7 per cent of the respondents which is in line with the employment status as discussed in Table 4.6. This figure was only observed after closer inspection of the survey answers once it was established that respondents marked their industry sector as “other” or left this question open because no answer of “retired” was provided for this question.

<table>
<thead>
<tr>
<th>Annual income</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Less than R 120 000</td>
<td>7</td>
<td>6.7%</td>
</tr>
<tr>
<td>R 120 001 - R 240 000</td>
<td>22</td>
<td>21.2%</td>
</tr>
<tr>
<td>R 240 001 - R 360 000</td>
<td>22</td>
<td>21.2%</td>
</tr>
<tr>
<td>R 360 001 - R 480 000</td>
<td>17</td>
<td>16.3%</td>
</tr>
<tr>
<td>More than R 480 000</td>
<td>36</td>
<td>34.6%</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From Table 4.8 it can be seen that the percentage of respondents to the Target Market Survey that are in the middle to high income group in South Africa is 72.1 per cent. The same grouping for The PE Club member survey is 70.6 per cent.

According to Van Aardt and Coetzee (2010) the white population of South Africa still constitutes the majority of the higher income groups, those with an income above R 300 000 per annum. The findings of the PE Club Member survey are consistent with this report as the racial demographics and the annual income of respondents are within this grouping.
4.3 ANALYSIS OF CLUB MEMBERSHIP AND BENEFIT INFORMATION

<table>
<thead>
<tr>
<th>Member of a club</th>
<th>Target Market Survey</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
<td>99</td>
<td>89.2%</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>12</td>
<td>10.8%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>111</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The number of respondents of the Target Market survey who at the time of the study belonged to a club is 89.2 per cent, as per Table 4.9. This indicates a good majority of the total respondents.

The 10.8 per cent of respondents who did not belong to a club gave, amongst other, the following reasons for not belonging to a club:

- They have no time to spend on club activities;
- They have no interest in belonging to a club;
- Not enough marketing is being done to be attracted to a club.

The answers given by the respondents above are in line with Brasser’s (2011) value equation of membership as well as Wasserman and Rossell’s (2010) report on membership marketing.

Brasser (2011) states that two of the reasons people do not value club membership anymore is the shortage of their time and their inability to make friends at clubs. These members thus do not place a high value on club membership anymore. It is also clear from Wasserman and Rossell’s (2010) report that marketing a club should be one of the highest priorities for the club itself.
From Table 4.10 it can be seen that 24 per cent and 37.5 per cent of respondents respectively, are not satisfied with their current club/s. The discontented respondents to the Target Market survey and The PE Club Member survey amounted to 24 per cent and 37.5 per cent respectively. However, it is more important to determine why members are unsatisfied with their clubs than just analysing the amount of unsatisfied members.

From Table 4.11 it can be seen that the respondents who were discontented could choose between four given answers or elaborate further on their answer. From the Target Market survey results it can be seen that 59.1 per cent of respondents felt that the clubs were not exclusive enough or they no more offered anything that the respondent valued.

The discontented respondents to The PE Club Member survey indicated that their biggest problem was that nothing of value was offered to them anymore. This is in
line with the report by Wasserman and Rossell (2010) where 36 per cent of respondents answered that a lack of value caused them to not renew their club membership.

Respondents to the Target Market survey elaborated on other reason they are dissatisfied with their clubs. These reasons are:

- Not receiving gift vouchers on time;
- Not receiving enough support from their trade organisation;
- Not being able to see where funds are being distributed to;
- Not having enough time to use the facilities of the club.

The respondents to The PE Club Member survey indicated that they are discontented with The PE Club for the following reasons:

- There is a lack of communication from the management to the members;
- Not receiving timeous notice of meetings;
- The cancellation of dinner events;
- Expensive and uncompetitive restaurant offerings.

<table>
<thead>
<tr>
<th>Current membership fees</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Less than R 1 000</td>
<td>56</td>
<td>56.6%</td>
</tr>
<tr>
<td>R 1 000 – R 3 000</td>
<td>27</td>
<td>27.3%</td>
</tr>
<tr>
<td>R 3 001 – R 5 000</td>
<td>9</td>
<td>9.1%</td>
</tr>
<tr>
<td>R 5 001 – R 7 000</td>
<td>3</td>
<td>3.0%</td>
</tr>
<tr>
<td>R 7 001 – R 9 000</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>More than R 9 000</td>
<td>4</td>
<td>4.0%</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

From Table 4.12 it can be seen that 83.9 per cent of respondents to the Target Market survey spend less than R 3 000 per annum on club membership fees. The
Table also shows that 95 per cent of respondents to The PE Club member survey tend to spend less than R 3 000 per annum on membership fees. This indicates that club fees tend to be very low in comparison to the annual income of members.

<table>
<thead>
<tr>
<th>Preferred payment frequency</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Equal monthly instalments</td>
<td>40</td>
<td>41.2%</td>
</tr>
<tr>
<td>One annual payment</td>
<td>57</td>
<td>58.8%</td>
</tr>
<tr>
<td>Total</td>
<td>97</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Respondents were asked to indicate how often they would prefer to pay their membership fees. Two options were given and as per Table 4.13, the majority of both survey respondents indicated that one annual payment would be their preferred payment frequency.

<table>
<thead>
<tr>
<th>Preferred method of payment</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Debit order</td>
<td>31</td>
<td>32.0%</td>
</tr>
<tr>
<td>EFT</td>
<td>54</td>
<td>55.7%</td>
</tr>
<tr>
<td>Cash</td>
<td>12</td>
<td>12.3%</td>
</tr>
<tr>
<td>Total</td>
<td>97</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Respondents were asked to indicate what their preferred method of payment was. This question contained three predetermined answers as per Table 4.14. The majority of both survey respondents indicated that their preferred method of payment would be an electronic funds transfer.

It must however be noted that the minority in both surveys is not negligible as it amounts to more than 20 per cent of the total respondents.
Table 4.15
RESPONSES ACCORDING TO KNOWLEDGE OF AN INITIATION FEE BEING CHARGED BY CLUBS

<table>
<thead>
<tr>
<th>Knowledge of initiation fee charged</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>41</td>
<td>40.6%</td>
</tr>
<tr>
<td>No</td>
<td>51</td>
<td>50.5%</td>
</tr>
<tr>
<td>Do not know</td>
<td>9</td>
<td>8.9%</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The PE Club does not require an initiation fee upon approval from the committee (McLaggan, 2011). The respondents to the Target Market survey were asked whether they are aware of such a fee being charged by their clubs.

As seen in Table 4.15, only 40.6 per cent of respondents indicated that they are aware of an initiation fee being charged by their club/s and 59.4% per cent of respondents indicated that their clubs did not charge such a fee or they were unaware of such a fee being charged.

Table 4.16
RESPONSES ACCORDING TO NECESSITY OF THE INITIATION FEE BEING CHARGED BY CLUBS

<table>
<thead>
<tr>
<th>Necessity of initiation fee</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>28</td>
<td>28.6%</td>
</tr>
<tr>
<td>No</td>
<td>51</td>
<td>52.0%</td>
</tr>
<tr>
<td>Do not know</td>
<td>19</td>
<td>19.4%</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

When asked whether this initiation fee is a necessary charge by a club, 52 per cent of the respondents to the Target Market survey indicated that it is not necessary to charge this fee and 42.5 per cent of The PE Club member survey respondents felt the same.
Anderson et al. (1999) indicated that the initiation fee helps to cover the costs of the club to take on the member. It can be assumed that members do not fully understand why the club/s charge this fee.

Table 4.17
RESPONSES ACCORDING TO REGULAR MEET AND GREET EVENTS

<table>
<thead>
<tr>
<th>Meet-and-Greet events for prospects</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>59</td>
<td>57.8%</td>
</tr>
<tr>
<td>No</td>
<td>43</td>
<td>42.2%</td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Respondents were asked to indicate whether they would like their clubs to have meet and greet events for prospective members. As can be seen from Table 4.17, both survey respondents answered with a majority that they would like to have these events to be held to introduce their clubs to prospective members.

This is a possible member attraction strategy as indicated by the Club Managers Association of America (CMAA) (1999) and the empirical study confirms that this strategy could work.

Table 4.18
RESPONSES ACCORDING TO CLUB-WITHIN-A-CLUB CONCEPT

<table>
<thead>
<tr>
<th>Joining a group within the club</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>50</td>
<td>48.1%</td>
</tr>
<tr>
<td>No</td>
<td>54</td>
<td>51.9%</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Joining a club or group within the club itself is a member benefit increasing strategy as described by the Club Managers Association of America (CMAA) (1999). As per Table 4.18, the majority of respondents in both surveys indicated that they would not
like to join such a group. The empirical results thus do not strongly indicate that this strategy could be effective in a club.

Brasser (2011) states that people do not spend a lot of time at their club, but more time with their families and at work due to time pressures and busy personal calendars.

The respondents to the surveys were asked to indicate whether they would want to integrate their families into their club’s activities. As per Table 4.19, both surveys had an exact 50-50 split between respondents who wish to integrate their families into their club activities and those who wish to exclude their families from the club activities.

<table>
<thead>
<tr>
<th>Family integration</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>52</td>
<td>50.0%</td>
</tr>
<tr>
<td>No</td>
<td>52</td>
<td>50.0%</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Respondents were asked to indicate whether they think that their club membership should be by an invitation only. As per Table 4.20, 60.8 per cent of the Target Market Survey respondents indicated that they do not feel that membership should be by invitation only.

<table>
<thead>
<tr>
<th>Membership by invitation only</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>40</td>
<td>39.2%</td>
</tr>
<tr>
<td>No</td>
<td>62</td>
<td>60.8%</td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
This result is in conflict with the strategies as presented by the Club Managers Association of America (CMAA) (1999). The respondents to The PE Club Member survey indicated, in a separate question, that they would like to contribute to the choice of members to keep up the exclusivity of the club (10.7 per cent of total respondents).

Table 4.21
RESPONSES ACCORDING TO REGULAR NEWSLETTER

<table>
<thead>
<tr>
<th>Regular newsletter</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>81</td>
<td>79.4%</td>
</tr>
<tr>
<td>No</td>
<td>21</td>
<td>20.6%</td>
</tr>
<tr>
<td>Total</td>
<td>102</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Respondents were asked to indicate whether they feel their club should be sending out a regular newsletter. As per Table 4.21, the respondents of the Target Market survey who wanted to receive a newsletter amounted to 79.4 per cent. The respondents of The PE Club Member survey all wanted to receive a regular newsletter from their club.

Table 4.22
RESPONSES ACCORDING TO NEW MEMBER INTRODUCTORY EVENINGS

<table>
<thead>
<tr>
<th>New member introductory evenings</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>52</td>
<td>50.5%</td>
</tr>
<tr>
<td>No</td>
<td>51</td>
<td>49.5%</td>
</tr>
<tr>
<td>Total</td>
<td>103</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Respondents were asked to indicate whether they wanted their club to hold an evening where the new members are introduced to the rest of the club members. As can be seen in Table 4.22, the majority of both survey respondents indicated that such an evening would be a great benefit. This is in line with the Club Managers
Association of America’s (CMAA) (1999) recommendation for increasing member benefits.

<table>
<thead>
<tr>
<th>Potential membership fees</th>
<th>Target Market Survey</th>
<th>PE Club Member Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Less than R 1 000</td>
<td>45</td>
<td>45.5%</td>
</tr>
<tr>
<td>R 1 000 – R 3 000</td>
<td>30</td>
<td>30.3%</td>
</tr>
<tr>
<td>R 3 001 – R 5 000</td>
<td>11</td>
<td>11.1%</td>
</tr>
<tr>
<td>R 5 001 – R 7 000</td>
<td>5</td>
<td>5.1%</td>
</tr>
<tr>
<td>R 7 001 – R 9 000</td>
<td>4</td>
<td>4.0%</td>
</tr>
<tr>
<td>More than R 9 000</td>
<td>4</td>
<td>4.0%</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The researcher enquired from the respondents how much they would consider paying for their membership fees once all of their needs have been met. When comparing Table 4.23 and Table 4.12, it can be seen that there is a slight increase in the potential membership fees compared to the current membership fees.

In terms of the Target Market survey, 30.3 per cent of respondents indicated that they would be willing to pay between R 1 000 and R 3 000 compared to 27.3 per cent previously. In the R 3 000 to R 5 000 range there is an increase from 9.1 per cent to 11.1 per cent.

In terms of The PE Club Membership survey, 29.1 per cent of respondents indicated that would be willing to pay between R 1 000 and R 3 000. This constitutes a drop in this range, but in the R 3 000 to R 5 000 range there is an increase from 2.5 per cent to 31.3 per cent. This is a noticeable increase and is of significant value to the management of The PE Club.
Table 4.24
RESPONSES ACCORDING TO THE METHODS BEING USED TO REACH MEMBERS

<table>
<thead>
<tr>
<th>Marketing methods</th>
<th>Target Market Survey</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Email marketing</td>
<td>29</td>
<td>14.3%</td>
</tr>
<tr>
<td>Direct mail</td>
<td>15</td>
<td>7.4%</td>
</tr>
<tr>
<td>Phone call from the club</td>
<td>9</td>
<td>4.4%</td>
</tr>
<tr>
<td>Word-of-mouth</td>
<td>60</td>
<td>29.6%</td>
</tr>
<tr>
<td>Advertisements</td>
<td>40</td>
<td>19.7%</td>
</tr>
<tr>
<td>Internet searches</td>
<td>10</td>
<td>4.9%</td>
</tr>
<tr>
<td>Professional bodies</td>
<td>34</td>
<td>16.7%</td>
</tr>
<tr>
<td>Other methods</td>
<td>6</td>
<td>3.0%</td>
</tr>
<tr>
<td>Total</td>
<td>203</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The researcher enquired from the Target Market respondents how do they normally hear of a club and how these clubs are marketed to them. Respondents could choose any combination of answers.

Word-of-mouth advertising was the biggest contributor at 29.6 per cent followed by normal advertisements at 19.7 per cent. The best method of marketing a club according Wasserman and Rossell (2010) is word-of-mouth advertising. The empirical results concur with this report.

Respondents also indicated that they hear of different clubs via the following channels:
- Business speaker events where a club organises the event;
- In store promotions of the loyalty club;
- Receiving a short message (SMS).
4.4 ANALYSIS OF THE REASONS FOR BELONGING TO A CLUB

The following section will graphically depict the results from the eleven questions that were asked in both surveys regarding the reasons for belonging to a club. The results from both question sets of the surveys are measured against each other to determine where the PE Club differs from its target market. Respondents were asked to rate the statement in terms of their reason for joining or belonging to a club on a scale of 1 to 5.

Apart from the discussion of reasons for joining below, respondents indicated that they join clubs based on the following principles:

- Making friendships and a feeling of camaraderie;
- Wishing to have a package that includes business benefits as well as social benefits;
- Improving their work profiles;
- Enjoying activities with like-minded individuals.

CHART 4.1
RESPONSES ACCORDING TO EXCLUSIVITY OF THE CLUB AND / OR ITS BENEFITS

Target Market Survey

PE Club Member survey

From Chart 4.1 it can be seen that the majority of respondents from both surveys agreed with this statement. The exclusivity of a club and / or its benefits is important
to most respondents. As stated in Table 4.11, 36.4 per cent of respondents were not satisfied with their clubs as it was not exclusive enough.

The focus of many clubs including the Kimberley Club, the St James Club and the English Clifton Club is on the exclusivity of its membership offering. These clubs use many strategies to maintain its exclusivity including high entrance fees and membership fees.

**CHART 4.2**
**RESPONSES ACCORDING TO RECREATIONAL FACILITIES**

<table>
<thead>
<tr>
<th>Target Market Survey</th>
<th>PE Club Member survey</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>61.7%</strong> Disagree</td>
<td><strong>42.1%</strong> Disagree</td>
</tr>
<tr>
<td><strong>21.6%</strong> Neutral</td>
<td><strong>26.3%</strong> Neutral</td>
</tr>
<tr>
<td><strong>16.7%</strong> Agree</td>
<td><strong>31.6%</strong> Agree</td>
</tr>
</tbody>
</table>

From Chart 4.2 it can be seen that 61.7 per cent of the Target Market respondents agree with the statement that they choose membership of a club on the available recreational facilities. The opposite is true for The PE Club member respondents where they disagree with the statement at 42.1 per cent.

The statement by Ninemeier and Perdue (2008) that people join a club for recreation is thus proven to an extent as the Target Market considers this benefit before joining. It is however disproven by The PE Club member respondents. Considering the age grouping of The PE Club respondents it can be assumed that Ninemeier and Perdue’s statement is accepted.
Chart 4.3 indicates that 45.1 per cent of the Target Market respondents agree with the statement that they join a club for networking opportunities. This is consistent with Wasserman and Rossell (2010) report where 24 per cent of respondents indicated that they join clubs for networking opportunities. The majority of The PE Club respondents however do not agree with this statement.

Considering the employment status of The PE Club Member respondents it can be seen that their networking opportunities would not be a priority as some are retired. If the age groups of these respondents are taken into account, it can safely be assumed that they are do not need further networking opportunities in their professional / business life.

Chart 4.4 indicates a different trend for the factor of family tradition.
As per Chart 4.4 it can be seen that Ninemeier and Perdue’s (2008) statement, that people join clubs because of family tradition, is disproven. Both the surveys conducted show that the majority of respondents disagree with the statement that they join clubs because of family traditions.

CHART 4.5
RESPONSES ACCORDING TO RECEIVING BENEFITS FROM OTHER CLUBS

<table>
<thead>
<tr>
<th></th>
<th>Target Market Survey</th>
<th>PE Club Member survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Disagree</td>
<td>Neutral</td>
</tr>
<tr>
<td>46.7%</td>
<td>31.4%</td>
<td>21.9%</td>
</tr>
<tr>
<td>34.2%</td>
<td>39.5%</td>
<td>26.3%</td>
</tr>
</tbody>
</table>

As can be seen in Chart 4.5, respondents of the Target Market survey indicated that they would like to receive benefits that are linked to other clubs. The majority of The PE Club member survey indicated that they would not like to receive benefits that are linked to other clubs.

The split between the respondents who agree, at 34.2 per cent, and those that disagree, at 39.5 per cent, is however narrow. The respondents who are neutral towards this statement are also significant at 26.3 per cent and a careful judgement regarding this statement should be made.

Offering benefits that are linked to other clubs has however been used by many clubs as described in chapter 2. These clubs use the benefits of other clubs to the full benefit of its own members’ needs and wants and so diversify the memberships offering with benefits that it cannot offer.
CHART 4.6
RESPONSES ACCORDING TO ADVOCACY (SUPPORT FROM AN ORGANISATION)

Target Market Survey
- 42.2% Agree
- 32.4% Neutral
- 25.4% Disagree

PE Club Member survey
- 18.4% Agree
- 23.7% Neutral
- 57.9% Disagree

Chart 4.6 indicates that 42.2 per cent of the Target Market respondents agree with the statement that they join a club for advocacy purposes. However, 57.9 per cent of The PE Club respondents indicated that they disagree with this statement. Wasserman and Rossell (2010) indicated that 11 per cent of their respondents joined clubs for the advocacy element.

CHART 4.7
RESPONSES ACCORDING TO ACCREDITATION TO A PROFESSIONAL BODY

Target Market Survey
- 53.9% Agree
- 31.7% Neutral
- 14.4% Disagree

PE Club Member survey
- 13.2% Agree
- 18.4% Neutral
- 68.4% Disagree

Wasserman and Rossell (2010) indicated in their report that only 4 per cent of respondents joined clubs for accreditation to a professional body. As can be seen from Chart 4.7, 53.9 per cent of the Target Market survey respondents agreed with this statement. This is in contrast to the 68.4 per cent of The PE Club member respondents who disagreed with this statement.
Wasserman and Rossell (2010) indicated in their report that 6 per cent of respondents joined clubs to obtain discounts. This is in line with the responses received from The PE Club Member survey where the majority, 51.4 per cent, disagreed with this statement.

The opposite was observed with the responses from the Target Market survey where 54.9 per cent of respondents indicated that they agreed with this statement and would like to receive discounts that are linked to other clubs. When one considers the benefits offered by the various clubs as discussed in chapter 2, it can be seen that many clubs link up with other clubs and offer reciprocal benefits to all of the members.
Maslow indicated that one of the needs of people is to belong to something (Daft, 2007). Respondents were asked to indicate if they join clubs wanting to feel that they belong to something bigger. The PE Club Member respondents indicated with a 50 per cent majority that they agree with this statement as per Chart 4.9.

The majority of respondents to the Target Market survey, at 41.6 per cent, did not agree with this statement as per Chart 4.9. It should however be noted for this survey that the three answers are relatively even spread and no significant inference should be drawn from this survey question.

Ninemeier and Perdue (2008) state that people join clubs for business purposes to entertain clients amongst other reasons. The Royal Scots Club (2008) focuses on offering and exploiting this benefit to its members. As per Chart 4.10 it can be seen that 43.7 per cent of the Target Market survey respondents, the majority, agree with this statement and 39.8 per cent of respondents disagree with this statement. This represents a very narrow split between the two opposite sides.

In the results of The PE Club Member survey, the opposite is seen where 42.1 per cent of respondents disagree with this statement and 36.8 per cent of respondents
agree. This also represents a narrow split and could indicate that the business needs of the respondents vary considerably.

CHART 4.11
RESPONSES ACCORDING TO REGULAR MEMBER EVENTS (DANCING, COCKTAIL PARTIES ETC.)

Respondents to both surveys were asked to indicate if they join clubs for the member events like dance evenings or cocktail parties. As per Chart 4.11 it can be seen that both survey respondents disagree with this statement and do not join clubs for this benefit specifically. No literature could be found where this statement was either proven or disproven as a reason for joining a club.

4.5 FURTHER ANALYSIS

4.5.1 TARGET MARKET SURVEY

The statistical measure of Cohen’s D as described by Gravetter and Forzano (2011) indicates the practical significance of differences between groups when answering the same question. The answers provided by different groups to a specific question are thus analysed. In this survey, there was a significant difference between the answers given by the male respondents and the female respondents when
answering the question whether they join clubs to receive discounts on club goods or services.

The male respondents indicated, with a mean of 2.95 that they are more or less neutral to this type of benefit whereas the female respondents indicated, with a mean of 4.31, that they agree to strongly agree that this is a benefit that would entice them strongly to join a club. This provides the researcher with a Cohen D coefficient of 0.96. This indicates that the difference between the answers provided by these two groups is of practical significance to the researcher and must be taken into serious consideration when providing recommendations.

The outcome of an Anova test only leads to the rejection or acceptance of the null hypothesis that all means are equal. If the null hypothesis is rejected, it does not indicate between which means the differences exist. The Tukey HSD tests assists to indicate between which means the difference exists since it consists of pairwise comparisons that compare all different combinations of the group means and therefore will detect any difference that may exist between any pair of means (Toothaker, 1993).

An analysis of the Tukey HSD statistical measure on the mean of the age group 21 to 50 years indicated that it differs significantly from the mean of the age group 51 and over when answering the question whether they join clubs to receive discounts on club goods or services. This measure indicated that the lower age group were more inclined to join a club because of this benefit being offered than the higher age group.
4.5.2 THE PE CLUB MEMBER SURVEY

As discussed above the question whether respondents join clubs to receive discounts on club goods or services was also analysed between the male and female respondents. The Cohen D statistical measure for this was only 0.65 and thus indicates a difference, but not one of practical significance. The reason for this is that the female population in this survey was too small.

An analysis was done between two age groups namely less than 60 years of age and over 60 years of age. The answers given by respondents to the question of whether they join a club based on experiencing a feeling of belonging was analysed in terms of these two age groups.

This analysis yielded a Cohen D statistical measure of 1.03. This value is of practical significance as the analysis indicated that the age group below 60 years rated this question with a mean of 2.55 and the age group above 60 years rated this question with a mean of 3.78. This indicates that the current members who are over 60 years of age have the need to enjoy a feeling of belonging to something great from the club.

4.6 SUMMARY OF THE CHAPTER

This chapter outlined the results that were gained from the empirical study in the form of the two web-surveys. The results from these two surveys were compared against each other to gain a better understanding of the benefits that members want from their clubs and the strategies that could be employed by a club. The following chapter will give the recommendations to the management of The PE Club regarding the strategies they could employ to obtain more members and retain their current members.
5.1 INTRODUCTION

As stated in the previous chapter, the researcher conducted an empirical study to test certain criteria that members use when deciding to join a club and what benefits they wish to receive as a member. This chapter discusses the results that were obtained from this empirical study and compares the two web-surveys against one another to facilitate a better understanding of what it is that members want from their club and what entices them to belong to a club.

This chapter will condense all of the research that was conducted into a comprehensive conclusion and recommend certain actions The PE Club could take to improve their membership offering. The literature study conducted on club structures and strategies, as discussed in chapter two, as well as the empirical study results, as discussed in chapter four, to answer the sub-questions of the research study will be used to make recommendations in answering the main research question.

5.2 THE NEED FOR A COMPREHENSIVE STRATEGY

The researcher is of the opinion that it is essential for a club to be run as a business to ensure its sustainability into the future. The club firstly needs to develop a comprehensive strategy of where it wishes to be in the lives of its members. As discussed in chapter two, a strategy is a plan of action that is designed to achieve long-term goals or objectives (The Oxford Dictionary, 2009).
The development of such a strategy begins with the club deciding what it is that it wants to do for its members. The club needs to define what the product or service is that it wishes to deliver to its members. Once the club has decided what the product or service is, it can decide on the methods of delivering these products or services.

The long-term objective of The PE Club is to retain all of its current members as far as possible and attract new members to the club to ensure continuous growth for the club. This long-term objective is however not clear and the role that The PE Club wishes to fulfil in the lives of its members needs to be discussed first.

The PE Club is a social club, as discussed in chapter two. It provides a place for people with affluence to enjoy each other’s company and enjoy the luxurious lifestyle of previous years while dining or enjoying a drink at the bar. As a social club, it needs to provide opportunities for people to meet each other and build long standing relationships, thus allowing like-minded individuals to meet. The club plays a pivotal role in helping to develop the social capital between members as it cannot create the capital itself and members need opportunities to build their social capital.

This reason for the existence of The PE Club needs to be clearly understood by the club members and management alike. It is suggested that The PE Club firstly defines its vision and mission statement, showing club members what it wishes to achieve as a club and also what values it wishes members to live by. It further needs to ensure that it is administered according to rules of good governance.

Only once this is understood, can the long-term objectives be achieved by understanding what it is that draws people to belong to clubs and what entices them to remain a member.
5.3 THE RESEARCH QUESTION AND SUB-QUESTIONS

In the attempt to solve the membership attraction and retention problems of The PE Club the researcher defined the main research question in chapter one as follows:

What club membership attraction and retention benefits and strategies will assist The PE Club to ensure continued membership from its current membership base as well as assist it in securing a continuous introduction of new members?

The researcher then defines four sub research questions to answer this main research question and defined them as:

- What does the history and the theory of clubs reveal?
- What benefits are offered by the different clubs?
- What strategies are employed by clubs to retain and attract members?
- What benefits and strategies can the PE Club use to retain its members and attract new members?

5.3.1 SUB-QUESTION ONE: WHAT DOES THE HISTORY AND THE THEORY OF CLUBS REVEAL?

Chapter two contains the comprehensive literature study the researcher conducted to assist in answering this question. The theory on club structure revealed that there are various types of clubs available of which a social club is one. Social clubs provide opportunities to its members to socialise and meet new people as well as improve their business opportunities by providing networking opportunities.

The literature study further revealed that the economic theory of clubs state a club provides a product or service that no one person can finance alone, but is then
collectively consumed by all of its members. The club should thus provide a product
or service to all of its members and all of the members should have access to this
product or service and not only a select few.

The economic theory of clubs further states that club goods are congestible. This
means that the benefit one member receives from the use of the club facilities
reduces the benefit another member receives. The practical significance for The PE
Club in this is that it needs to determine how many members it wishes to have at any
point in time as its facilities can only accommodate a certain number of members.
The membership fee charged to its members needs to be fine-tuned to entice new
members to join, but also to keep the number of members within its target range.

The sociological theory of clubs revealed that The PE Club should keep in mind the
sociological needs of its members. People have the need to feel that they belong to
something. If The PE Club cannot create a club where its members feel that they are
belonging to something greater than themselves they will not renew their
membership fees. The PE Club also professes to be a social club of excellent social
standing and thus need to show their members through great benefits that belonging
to The PE Club will give a sense of self-esteem.

Social capital theory dictates that people build up a capital resource in the
friendships they make with other people. Here The PE Club can play a pivotal role in
helping to develop this capital for its members by providing an atmosphere where
members want to meet with other members and socialise with friends and business
colleagues.
5.3.2 SUB-QUESTION TWO: WHAT BENEFITS ARE OFFERED BY THE DIFFERENT CLUBS?

The literature study in chapter two investigated the exclusive benefits that clubs offer to its members. The social clubs that were investigated revealed many different benefit offerings as their aim or vision differed from each other.

These social clubs revealed that some of the benefits they offer are:
- Exclusive dining that reminds one of the colonial era;
- Modern facilities to host various types of functions and business conferences;
- Reduced rates to members for accommodation, lunches and bar facilities;
- Reduced rates to members for the use of the conferencing facilities;
- Access to reciprocal clubs all over the world;
- Dinners and lunches for special occasions;
- Special events like an annual cocktail party or garden party;
- Special rates at partner clubs like golf clubs and other sports clubs.

The literature study revealed that The PE Club currently only offers discounts on restaurant and bar facilities as well as reciprocal agreements with other clubs across South Africa as well as the world.

The sport and fitness clubs mainly offered benefits that are related to their specific sport, but the offering around it is personalised for the members to offer a unique experience. Sport and fitness clubs also offer reduced rates and other benefits with what is called partner stores. This entails that a certain product can be bought from a specific shop because of a person’s membership of a club. These sport clubs offer different payment methods and frequencies and tailor a person’s package to their specific needs, thus personalising the offering even more.
Chapter two further discussed the loyalty club concept of the business world. This type of club rewards the member for spending money with the organisation with the following benefits:

- Discounts on future purchases with the organisation;
- Entry into member only exclusive competitions;
- Receiving a monthly newsletter that contains club specific information and giving entry to certain promotional material;
- Various type of assistance that include legal and roadside assistance.

5.3.3 SUB-QUESTION THREE: WHAT STRATEGIES ARE EMPLOYED BY CLUBS TO RETAIN AND ATTRACT MEMBERS?

The literature study covers many strategies that club currently use to attract new members and retain its current members. The main strategy employed by social clubs consists of offering an elite experience that is aimed at affluent people. The literature study however provided an interesting statement that stated clubs should either focus on retaining members or focus on attracting new members. It was further stated that clubs who focus on attracting more members were more successful than clubs whose focus was on retention.

Clubs use various strategies to attract new members, but the main strategies include giving conference discounts as the number one benefit followed by product or service discounts from the club. It was also shown that clubs use various different marketing channels to promote themselves to new members as well as entice current members to renew their membership. The most effective forms of marketing were word-of-mouth recommendations and sending out a direct mail.

Strategies to engage members were given by The Club Managers Association of America. They stated that prospective members should be taken on a tour of the
facilities and be given the chance to meet current members and discuss the club with them. Clubs should also host events where members are able to network with each other after hours.

5.3.4 SUB-QUESTION FOUR: WHAT BENEFITS AND STRATEGIES CAN THE PE CLUB USE TO RETAIN ITS MEMBERS AND ATTRACT NEW MEMBERS?

Many of the strategies as listed in the literature study, chapter two, as well as the questions asked to respondents, as per chapter four, could be used by The PE Club. It is however important to start with the reasons why people join clubs as this will give the researcher a guideline to determine which strategies could work.

As discussed in chapter four, the researcher asked the respondents to indicate what their reasons for joining a club would be. The specific strategies that The PE Club could use to attract new members and retain its current members are discussed in terms of these reasons. Seeing as The PE Club does not sell goods or provide a specific service like the Rotary Club, it needs to focus on the ancillary services it can provide.

The empirical study revealed that the current members of The PE Club and the target market respondents feel that the exclusivity of a club and / or its benefit offering is extremely important. The PE Club must thus ensure that it maintains its current exclusivity by not allowing any person who wishes to join to become a member.

The PE Club should assist to improve the social capital investment of its members by ensuring that only members of good social and business standing gain membership to the club. It would also be wise to enquire from all members whether
an applicant would be a worthy member by asking if they have any professional objection to an applicant’s entrance. This strategy will help to improve the social capital that can be built between members and thus members will have a stronger connection with the club.

The PE Club should have different classes of membership. These classes could be divided into a full membership option, a retired membership option, a business membership option and honorary membership. Except for being divided into different monetary contribution ranges, these memberships will each offer its own unique benefits to the member. Differentiating the benefits with a membership class adds to the personalisation effect a member experiences. This study did however not focus on the monetary ranges that the membership differentiation should be based upon.

The full membership option could grant a member all rights to all benefits of the club. The retired membership option could exclude the recreational benefits that are linked to sports or fitness clubs or even the use of the business lounges for business meeting purposes. The business membership will only grant a member access to use the business lounges and the facilities to host conferences or entertain business partners and the like. An honorary membership option could be granted to member that has been a member of the club for 30 years.

The empirical study revealed that the availability of recreational facilities would be a big deciding factor for the Target Market respondents. The majority of The PE Club members however do not join a club for these facilities. The PE Club currently only have the bar and restaurant facility. It would be a benefit for the club to obtain another room or two that can be converted into a meeting space with the latest magazines or newspapers available to the members where they can sit and relax.
The PE Club should enter into agreements with available squash clubs or local gyms to allow its members access to these facilities with a reduced fee being charged as a result of their PE Club membership. Further negotiations could also be made with the local golf clubs whereby members of The PE Club gain access to the golf club during certain times at reduced green fee rates. This allows the members access to recreational facilities as well as receiving benefits from other clubs.

Although both survey respondents answered in majority that they do not wish to receive benefits from other clubs, the division between those who do want these types of benefits and those who do not is very narrow. The researcher thus feels that this strategy could have a positive effect on the benefit offering of The PE Club.

The PE Club should start a “PE Club Loyalty card” that grants its members discounts from partner stores throughout Port Elizabeth. Pre negotiations should be made with stores to determine what types of benefits The PE Club members would receive. These partner stores could include golf shops, other sports related shops, well established restaurants and health and wellness institutions.

The majority of the Target Market respondents and the literature study show that people join clubs for the networking opportunities that become available. The majority of the current PE Club members however indicated that this aspect is not important to them. Considering the current age demographic of The PE Club it makes sense that they would not be interested in this benefit.

The only way that any club can stay alive is by getting in new members, without new members no club would stay relevant into the future. The PE Club desperately needs younger members to be admitted into the club. The majority of these younger members, the Target Market respondents, indicated that they join clubs for networking opportunities. This was also confirmed in the literature study. It is thus
very important that these members be granted the opportunity to network with other members and improve their business and professional profiles.

The PE club can improve these networking opportunities together with its business offerings. The club should have lounges where members can sit and finalise business partnerships and discuss business deals with prospective clients. The grandeur atmosphere helps to enhance the business standing of the member.

The PE Club could further its business offering by hosting conferences and giving its members discounts to these events. With such an event the club is also exposed to potential members and introduced as a place of splendour and liveliness. After work networking events could be organised whereby a member could introduce his / her business to the other members and then hosting a social get-together after the introduction. This should be done for existing members and especially new members.

The empirical study revealed that the majority of the existing members join clubs for an advocacy element. The PE Club should investigate this further and determine what it is exactly that members want support for. It is suggested that the club delivers on these elements to the extent that is to the benefit of all of the members of The PE Club.

The empirical results highlighted the fact that the majority of both survey respondents do not join clubs for the available member events. The researcher is however of the opinion that these events are crucial to the existence of The PE Club as it is for any other club. All of the social clubs investigated in chapter two had a member event in one form or another. These would include Sunday lunches, evening dinners, Christmas lunches, Valentine's lunches, annual grandeur ball and many more.
The research study did however not enquire from members which types of events they would wish to attend and The PE Club should thus enquire from its members what events should be held. Respondents did however indicate that they would like a regular member meet and greet event to be held. It was further shown through the empirical study that exactly 50 per cent of respondents would like to have their family integrated into a club. The PE Club could thus hold a monthly family event or family supper for all of the members and their families.

The researcher asked respondents to indicate what their preferences to certain other factors were. Respondents from both surveys indicated that they prefer an annual payment of membership fees that is paid via an electronic funds transfer. The researcher feels that this should be the method for the payment of the membership fees. An option could however be given to members whereby they could choose the frequency of payment, but not too much leeway should be granted.

The respondents from both surveys felt that an initiation fee charges upon approval of membership is not necessary. The club could recoup its take on costs via a slight increase in annual membership fees.

All the respondents from The PE Club indicated that they would like to receive a regular newsletter. The majority of the Target Market respondents indicated the same. The researcher is of the opinion that this should be implemented as a matter of urgency as the club could gain major support from its members by just doing this one thing.

The PE Club should also implement the following smaller strategies and benefits that would immediately increase the engagement of its members.
When interviewing a new member, enquire from the applicant what benefits they envisage will be received from the membership of the club and convey what benefits are offered by the club to ensure that there is some harmony between that what is expected and that what is delivered.

The PE Club should give all of its new members an orientation file with all of the benefits listed as well as a list of members and their contact details. A small paragraph about that person could be given to indicate what type of industry they are in to facilitate future business partnerships and give the members a starting point to socialise.

The PE Club should immediately put itself on the internet as it was shown that it is one of the most effective marketing and communication channels available to clubs. Creating a specific site for the members will also allow them to interact on a constant basis instead of sending out an email every now and then and provide them with up to date information on events at the club.

The PE Club should host “open nights” whereby current members could invite prospective members to introduce them to the club and its facilities. This would also allow for the prospective members to engage with current members and get a feeling of the club and the feelings of members towards the club.

The researcher is of the opinion that once all of these strategies have been implemented, a sense of belonging should be installed within members as they belong to a club that is bigger than them and that makes everyone feel like a family of friends. A better sense of camaraderie should be experienced amongst members and improved interaction between members, both within the club and outside of the club atmosphere, should be observed.
5.4 RECOMMENDATIONS FOR FUTURE STUDIES

The research study explored the many facets of clubs and club structures in the secondary literature study. The main focus was however on The PE Club as the primary data collected focussed the research on The PE Club. This creates a limitation for the research study as the knowledge gained through this research study cannot be used by any other club.

The literature at the disposal of the researcher was in many cases out-dated information, but was still considered to be acceptable. Considering this out-dated information and the discussions the researcher had with the Club Managers Association of Southern Africa Management, it became apparent that not much research has been conducted in recent years to properly investigate the strategies that clubs should implement to improve their membership offering.

It is for these reasons that the researcher feels that opportunities for research open up to investigate the following in terms of all types of clubs:

- The impact that social capital has on membership retention;
- Contemporary membership strategies applied by clubs;
- An in-depth analysis of the minimum required benefits of the different types of clubs;
- Marketing strategies a club can employ to attract new members;
- Designing a benefit analysis questionnaire for completion by the members of a club on an annual basis.

5.5 SUMMARY OF THE CHAPTER

This chapter outlined the strategies that can be implemented by The PE Club to attract more members and retain its current members. The club just needs to decide
whether it is focussed on member attraction or retention. Deciding on one of these global strategies will help better define its membership offering.

Many of the strategies that were found during the literature study and the empirical study could work for the club, but it needs to decide what the members will value and how it wants to be perceived by its members and more importantly, the public or prospective members.


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Please complete all of the questions below. All information will be handled as highly confidential.

### 1. BIOGRAPHICAL INFORMATION

Please answer the following questions.

1.1 * Gender
   - (please select)

1.2 * Marital status
   - (please select)

1.3 * Race
   - (please select)

1.4 * Age (in years)
   - (please select)

1.5 * Highest level of education completed
   - (please select)

1.6 If Other education qualification, please specify

### 2. WORK-RELATED INFORMATION

Please answer the following questions.

2.1 What is your current employment status?
   - (please select)

2.2 What sector of industry are you working in?
   - Automotive
   - Construction
   - Consulting
   - Education
   - Engineering
   - Finance
   - Government
   - IT
   - Legal
   - Manufacturing
   - Medical
   - Retail
   - Services
   - Other (please specify)
2.3 If Other sector, please specify:

2.4 Please state your annual income bracket:

3. CLUB MEMBERSHIP INFORMATION

Please answer the following questions regarding your club membership of 1 club only.

3.1 * Do you currently belong to a club?
- [ ] Yes
- [ ] No

3.2 If you answered NO to question 3.1, please state the reason why not:

3.3 If you answered YES to question 3.1, please state which club you belong to:

3.4 If you answered YES to question 3.1, please specify what type of club it is:
- [ ] Trade organisation (i.e. Lawyers Association)
- [ ] Social club (i.e. Book club)
- [ ] Loyalty club (i.e. Clicks Clubcard)
- [ ] Sports club (i.e. Golf club)

3.5 How much do you currently spend on annual membership fees?

3.6 How do you prefer to pay for your membership fees?
- [ ] Equal monthly instalments
- [ ] One annual payment

3.7 How do you prefer to pay?
- [ ] Debit order
- [ ] EFT
- [ ] Cash

3.8 Does your club charge an initiation fee upon membership approval?
- [ ] Yes
- [ ] No
- [ ] Don't know

3.9 Do you think this initiation fee in a necessary charge?
- [ ] Yes
- [ ] No
- [ ] Don't know

3.10 How do you hear of the different clubs?
- [ ] Email marketing
- [ ] Direct mail
- [ ] A phone call from the club
- [ ] Word-of-mouth recommendation
- [ ] Advertisements (magazines, tv etc.)
- [ ] Internet searches by yourself
- [ ] Professional bodies
- [ ] Other notices (please specify)
### 3.11 If Other notices, please specify.

![Blank space for other notices]

### 4. REASONS FOR BELONGING TO A CLUB

I decide which club I belong to based upon the following reasons / statements:

<table>
<thead>
<tr>
<th>Number</th>
<th>Reason</th>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Exclusivity of the club and / or exclusivity of the benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>The availability and use of recreational facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>Networking opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4</td>
<td>Family tradition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5</td>
<td>Receiving benefits from my club that are linked to other clubs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.6</td>
<td>Advocacy (Support from an organisation)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.7</td>
<td>Accreditation to a professional body</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.8</td>
<td>Obtaining discounts on goods / services provided by the club</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.9</td>
<td>Experiencing a feeling of belonging</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.10</td>
<td>Business purposes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.11</td>
<td>Regular member’s events i.e. dancing, cocktail parties etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.12</td>
<td>Other benefits (please specify)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 5. CLUB BENEFIT INFORMATION

Please answer the following questions regarding the benefits your club offers.

<table>
<thead>
<tr>
<th>Number</th>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Does your current club fulfil all of your needs?</td>
<td>Yes, No</td>
</tr>
<tr>
<td>5.2</td>
<td>If you answered NO to question 5.1, please state one of the following reasons:</td>
<td>(please select)</td>
</tr>
</tbody>
</table>
5.3 If Other reasons, please specify: [Blank Space]

5.4 How much are you willing to spend on annual membership fees if all of your needs are met or exceeded by your club? (please select)

5.5 Should a club hold regular `meet and greet` events for prospective members? [Yes] [No]

5.6 Would you consider joining a group within your club i.e. a poker group or a chess group? [Yes] [No]

5.7 Is it important that your family is integrated into your clubs events? [Yes] [No]

5.8 Is it important to you that membership should be `by invitation only`? [Yes] [No]

5.9 Would you like to receive a regular newsletter or info letter? [Yes] [No]

5.10 Would you like your club to have regular meetings where new members are introduced to the club? [Yes] [No]

6. OTHER COMMENTS

Any other comments please.

6.1 Any other comments: [Blank Space]

Thank you for your participation.

Submit Questionnaire
ANNEXURE B
THE PE CLUB MEMBER SURVEY

Please complete all of the questions below. All information will be handled as highly confidential.

### 1. Biographical information

Please answer the following questions.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 * Gender</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.2 * Marital status</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.3 * Race</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.4 * Age (in years)</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.5 * Highest level of education completed</td>
<td>(please select)</td>
</tr>
<tr>
<td>1.6 If Other education qualification, please specify</td>
<td></td>
</tr>
</tbody>
</table>

### 2. Work-related information

Please answer the following questions.

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 What is your current employment status?</td>
<td>(please select)</td>
</tr>
<tr>
<td>2.2 What sector of industry are you working in?</td>
<td>Automotive, Construction, Consulting, Education, Engineering, Finance, Government, IT, Legal, Manufacturing, Medical, Retail, Services, Other (please specify)</td>
</tr>
</tbody>
</table>
2.3 If Other sector, please specify: 

2.4 Please state your annual income bracket: 

### 3. The PE Club Membership information

I belong to The PE Club for the following reasons:

<table>
<thead>
<tr>
<th>3.1 Exclusivity of the club and / or exclusivity of the benefits</th>
<th>strongly disagree 1 2 3 4 5 strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2 The availability and use of recreational facilities</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.3 Networking opportunities</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.4 Family tradition</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.5 Receiving benefits from The PE Club that are linked to other clubs</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.6 Advocacy (Support from the organisation)</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.7 Accreditation to a professional body</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.8 Obtaining discounts on goods / services provided by the club</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.9 Experiencing a feeling of belonging</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.10 Business purposes</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.11 Regular member’s events i.e. dancing, cocktail parties etc.</td>
<td>strongly disagree 1 2 3 4 5 strongly agree</td>
</tr>
<tr>
<td>3.12 Other benefits (please specify)</td>
<td></td>
</tr>
</tbody>
</table>

### 4. Benefit information

Please answer the following questions.

<table>
<thead>
<tr>
<th>4.1 How much do you currently spend on annual membership fees with The PE Club?</th>
<th>(please select)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2 Does The PE Club fulfil all of your needs?</td>
<td>Yes No</td>
</tr>
<tr>
<td>4.3 If you answered NO to question 4.2, choose one of the following reasons:</td>
<td>(please select)</td>
</tr>
</tbody>
</table>
4.4 If Other reasons, please specify: 

4.5 How much are you willing to spend on annual membership fees if all of your needs are met or exceeded by The PE Club?  
(please select) 

4.6 How do you prefer to pay for your membership fees?  
☐ Equal monthly instalments  ☐ One annual payment 

4.7 How do you prefer to pay?  
☐ Debit order  ☐ EFT  ☐ Cash 

4.8 Do you think that the initiation fee charged for membership is necessary?  
☐ Yes  ☐ No  ☐ Don’t know 

4.9 Would you consider joining a group within your club i.e. a poker group or a chess group?  
☐ Yes  ☐ No 

4.10 Is it important that your family is integrated into The PE Club’s events?  
☐ Yes  ☐ No 

4.11 Should The PE Club hold regular ‘meet and greet’ events for prospective members?  
☐ Yes  ☐ No 

4.12 Is it important to you that membership should be ‘by invitation only’?  
☐ Yes  ☐ No 

4.13 Would you like to receive a regular newsletter or info letter?  
☐ Yes  ☐ No 

4.14 Would you like The PE Club to have regular meetings where new members are introduced to the club?  
☐ Yes  ☐ No 

4.15 What other benefits would you like to receive from The PE Club?  
☐ Contributing to the choice of new members i.e. keeping exclusivity  
☐ Discounts on club goods / services  
☐ Discounts on external goods / services  
☐ Networking opportunities  
☐ Entries to exclusive competitions  
☐ An information newsletter  
☐ Member event evenings i.e. dances, supper evenings etc.  
☐ Other, (please specify) 

4.16 If Other benefits, please specify: 

5. Other comments
Any other comments please.

5.1 Please state any other benefits that you require from The PE Club: