STRATEGIC MARKETING IN AUSTRALASIAN GOLF CLUBS: WHAT'S PAR FOR THE COURSE?

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In many countries, sports clubs have been the traditional delivers of participation in sport. Australasia (Australia, New Zealand) is no exception and sports clubs face a rapidly changing environment. Here the sport and recreation industry has traditionally been based upon community-based organisations or clubs. Now clubs operate in rapidly changing economic, social and politico-legal environments and the days of a solely amateur industry, where volunteers organised sport for unpaid participants are past. With the onset of a "more market" economic and political climate, it was inevitable that clubs would have to become part of these changing economic conditions. One might conclude that the need for strategic marketing planning is probably more important today than at any time in the previous century. Yet little is known about the extent to which sports organisations have adopted management and specifically marketing tools and practices. This paper examines what aspects of strategic marketing planning set successful Australasian golf clubs apart from their less successful rivals. Using Kaplan and Norton's Balanced Scorecard methodology as a proxy for measuring adoption of strategic marketing planning, sports clubs' business success (self rated by their management) is explored by investigating how a sample of Australasian golf clubs rate themselves against their competitors. Introducing new and innovative initiatives along with sound financial management represent the two most important elements of sports club business success. Additionally, successful clubs tend to be larger, and managed by salaried staff, depicting the growing professionalism of sport business management in Australasia.

The Australian Sports Commission (2006) estimates that 1.14 million Australians (one in every twelve) had played golf in 2005 whereas in New Zealand the corresponding figure was 502,000 or 12% of the national population, making golf the highest participation sport in that country. In Australia, 455,000 golfers are members of clubs while in New Zealand there are 125,000 club members, playing on 385 golf courses, the highest number of courses per capita in the world. The ratio of golfers:members in Australasia shows that many people are choosing to play sport more informally than the club environment offers, that is, "outside" the clubs, in a "pay-for-play" basis. Trenberth and Collins (2006) believe the sport organisations that have the best chance for survival, and possible growth, are those that are taking proactive steps to create their own future, usually via the adoption of the strategic marketing planning process. Our research needed a measurement tool that befitted the not-for-profit nature of sport organisations. Kaplan and Norton's (1992, 1996) balanced scorecard was chosen. It complements financial measurement with three other perspectives: those of customers, those of internal club processes, and of learning and growth. Strictly speaking, the balanced scorecard methodology ought to be created individually for each sport organisation based on its organisational goals. However, golf clubs in Australasia all have the common goal of returning financial surpluses to their members (in a variety of ways). This degree of commonality is sufficient for the generalised use of the balanced scorecard in this study. The not-for-profit literature has provided insight into the critical success factors for sport organisations, especially how effectively organisations progress towards fulfilling their missions and goals (Siciliano, 1997).

The research objectives were to gauge the extent to which strategic marketing planning has been adopted by golf clubs in Australasia and whether such planning lead to enhanced performance (in the business sense, not necessarily the on-field sense)? Additionally, which of the four balanced scorecard factors are the key drivers of performance?

After pilot testing, this study used a web-based self-completion survey, and covering letter, delivered by e-mail, to secretaries/managers of Australasian golf clubs. One hundred and eighty club managers' replies comprised the final sample (a 24% response rate). The population from which clubs were selected was defined as those golf clubs that were affiliated to their national organisation, exceeded $NZ50000, [$A45,000] annual turnover, had in excess of 100 members, and had an e-mail address. E-mail contacts were gathered, with permission, from the relevant national databases. Subsequent empirical analysis required classification of clubs into a self-selected measure of performance to produce three segments (low, medium, high performance). This was achieved by asking respondents to compare their club's relative performance on each of the balanced scorecard variables.

Club performance (self-scored by management on each category of the Balanced Scorecard) did not vary by club size but did so by level of "professionalism" in terms of management – whether voluntary, part-time or full-time employees. "High performing" clubs, comprising 23% of Australasian golf clubs, were more likely to employ fulltime staff and more likely to claim that they had achieved "most or all" of their annual business objectives. "Low performing" clubs (rated by their management as being outperformed by their competitors on each category of the Balanced Scorecard) comprised 28% of the sample. Their reliance on part-time labour is noted while the achievement of "only a few or some" business objectives is to be expected. "Medium performing" clubs (the other 49% of golf clubs) show a mix of the characteristics of the other two segments.

To test the degree of impact any one of the Balanced Scorecard variables (financials, member/user growth, member/user satisfaction, new initiatives/innovation) plus several other independent variables (country, ownership, type of staff) has upon the club's performance relative to its competitors (dependent variable), multiple stepwise regression was used and the impact captured by the beta coefficient. Results show two elements of the Balanced Scorecard measurement, namely 'financials" and introducing new initiatives set higher performing golf clubs apart from lower performing golf clubs. Membership growth is important too, with obvious impact on club performance. None of these results is surprising yet they confirm the efficacy of introducing strategic marketing planning to Australasian golf clubs.

Accountability and performance measurement in not-for-profit organisations such as sport organisations has become pressing as these organisations face an environment of scarce funding (Kaplan, 2001). This paper is one small attempt to better understand empirically the links between formal strategic marketing planning practice and sport organisational performance. Its findings have implications for sport managers, particularly those employed by sports clubs to grow their memberships. While the research reported here is set in Australasia, the findings have implications for marketing planning among sport organisations in other countries with similar sport organisation governance and management.

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