

RPAYC Proposed Membership Packages

16th April 2019



Many ask why is the Board looking into the Membership Benefits....

“There’s nothing wrong with the club as it is.....”

- **On one hand this is true**, for example if you measure success in terms of **finances** we are doing very well at the club.....
 - Total Assets 16.6 MILLION
 - Cash in Bank 4.4 MILION
 - Profit forecast 396 K

**as at 31 March*
- However on almost **every other metric we’re in trouble**.....
 - The number of boats racing on a Saturday is down 82%, just 30 boats race this year
 - Over the last 10 yrs on average 11% more resignations than New Members joining
 - On average only 14% of our members are under 35yrs, no change for the last 7 years
 - We loose 66% of younger members after they turn 22yrs.
- The Board believes we need to act **NOW**, before it’s too late. So we are working on a raft of measures, **Membership Benefits** is just one of these, other include;
 - Bringing the focus back to Yachting Sailing and Fun
 - Revamp of F&B services
 - Revitalising the Club culture
 - Attracting and retaining more young members
- **If we are unsuccessful we fear we will rapidly become.....**

Just another marina.....



So the Board agreed to develop a project team to investigate the following issues....

Problem Statement #1

For Discussion

While there is a *significant difference in price of the Full vs General membership (~\$900)*, there is not much additional benefit. Boat owners feel “forced” into the Full membership but do not see the value associated with it.

Do we keep both membership tiers and create more differentiation between services/benefits provided between them?
Do we eliminate the membership tiers entirely?

Problem Statement #2

For Discussion

Current membership categories are not suitably *attracting and retaining younger members* (i.e. <55); meanwhile the average age of club members continues to increase (60+)

What do we need to introduce or re-package to attract and retain younger members?

Problem Statement #3

For Discussion

It has become common practice for non-members to regularly enjoy the benefits of the club *without purchasing a membership*.

Can we introduce a membership package that encourages these people to officially join?
What disincentives need to be introduced?

We set out four key steps to the project.....

STEP 1 Situation Assessment



What's the current state of affairs at RPAYC? What are our hypotheses?

Step 2 Qualitative Market Research



What do members/ex-members tell us about their interests, needs (met and unmet), etc.?

Step 3 Quantitative Market Research



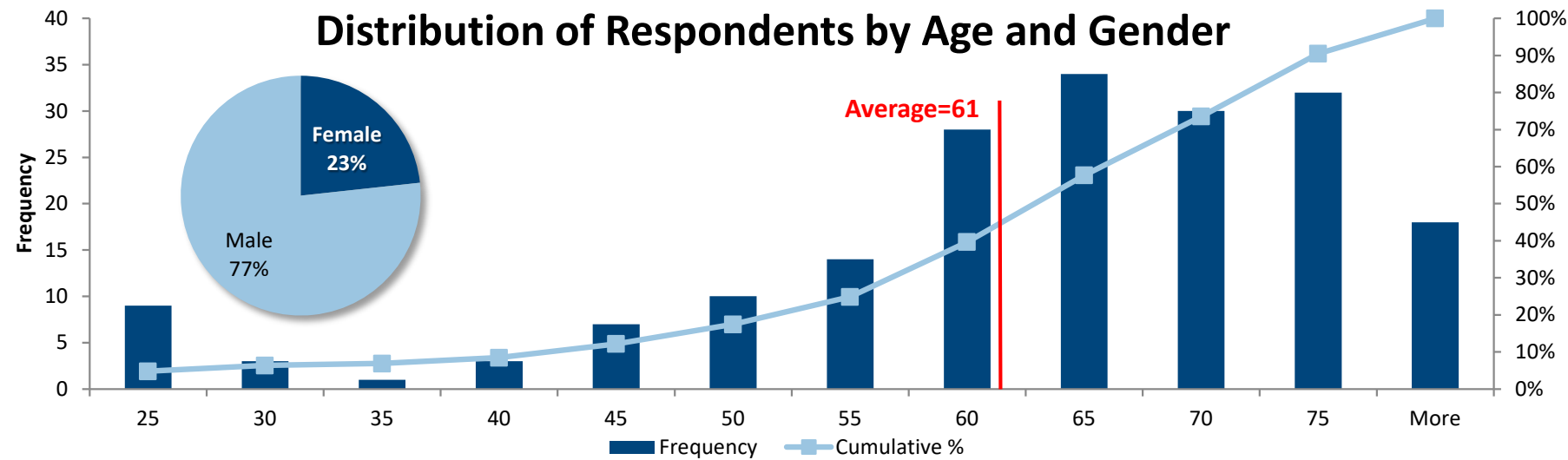
How can we quantify preferences across the membership base and arrive at an acceptable fee?

Step 4 Strategy Development and Recommendations



How will we act upon the findings in the research and put into place an actionable strategy?

We feel confident* that we have achieved a “representative sample”, Respondent demographics mirroring current member demographics



| | Total Population | The Respondents |
|------------------|------------------|-----------------|
| Current Members | 1793 | 182 |
| Resigned Members | 771 | 7 |
| Total | 2564 | 189 |

Recommended sample size: 93 - 350

* The McFadden’s pseudo-R² is 75%, representing data that has “good fit”. If respondents' choices could be 100% predicted by the information we used to calculate the report, then the pseudo-R² would be 100%.

Summary of Findings

- Cruisers and Skippers look very similar in terms of their membership preferences, despite their differing sailing activities.
 - The data showed that in the most part Cruisers and Skippers have a strong preference for the current Full Membership offering.
 - The pricing study showed that optimal pricing for full membership is 20-30% lower than current pricing. However secondary data revealed that given all the sub categories to Full Membership, on average Full Members pay 20-30% less than the full price, thus corroborating the research findings and current price levels.
 - We tested other “Perks” in order to try to identify ways to enhance Full Membership and differentiate from the General Membership category. However, the data revealed these “perks” such as Boat Valet or Car Valet, were not needed/preferred.
- The 30-55 age group have a strong preference to a General Membership offering. However we found the Club needs to improve this offering adding features like: Access to Club Boats, Performance Sail Coaching, Casual Dining and Gym Membership.
 - Access to Club boats is a stronger preference, especially in the younger age groups. By extension, access to Club boats is a considerable attraction to the 30-50 year segment who are no longer members but would consider rejoining.
 - The pricing study revealed a very clear preference at \$300 and below in the <30yrs age group. This is supported by secondary data showing a large member drop off as fee’s grow over the \$300 mark. However the older age groups are satisfied with current pricing levels.
 - The research also revealed that the attributes this group values largely relate to work/life/family balance, for example mini-series racing once per month, family access to Club facilities (gym, Hobie Waves, Pacers, etc), presenting opportunities to differentiate this category from Full Membership.
- Given the very low response rate amongst the resigned & non member population, this survey did not adequately address the needs of non-members. A solution here would have to be hypothesis-driven.
- Non-cruisers and non-racers (i.e. “social” members) have very different membership requirements which are out of step with those of active sailors.

Based on the findings we set about solving our three ID problem statements

- It was assumed that essential improvements to the Club-offering will be resolved via separate working groups like;
 - Club Culture
 - F&B - separating casual eating and cheap eat options from fine dining and functions.
 - Sail Racing and Race Management including race scheduling
 - New potential offerings will be further investigated for plausibility e.g. Access to Club Boats', Performance Sail Coaching

- We wanted to establish a pathway to full membership, lower membership categories have a stepwise approach to Club benefits at reasonable fee increases.

- We wanted, wherever possible, to provide incentives for participation in Club events.

- We wanted to provide easy and simple pathways for families to join and participate at the Club.

- We wanted to ensure that the changes were approximately cost neutral to the Club. Even though some expense would be incurred by implementing new offerings, our aim is to defray the cost with increased member numbers.

Summary of main proposed changes....

- Proposed creation of **Sail Pass** temporary Competition Membership which allows sailors to be a “members for a day “. Addresses Crew insurance and safety concerns.
- Create a new “**Crew Membership**” category @ \$300 per year (\$25/month) with very limited member benefits.
- **Sailfit gym fees** will cease for Full Membership and be \$300 for General members, Full Spouse and Full Youth.
- **Joining fees** will apply to Full and General Membership but be rationalised to \$220, i.e. Joining Fee for Full membership reduced from \$825 to \$220.
- **House Entitlement (HE)** will apply to Full Membership at a rate of \$220 per year and extended for use at Boatyard. HE will be abolished for all other classes, as it is strongly believed to reduce the number of General Members joining (Total Join Fee of General is \$816 inc HE).
- **Spouse** of Full Members will be included in the Full Members fees. General Members will pay a Spouse Membership at the rate of 10% of Full Membership.
- **F&B** prices are to be set at market prices comparable to RMYC, Newport Pub and Newport's restaurants, etc. This will ensure that food and beverage is charged at competitive prices. It is intended to provide a 10% discount on market prices to apply for all categories of membership.
- **Elliott 7** access will be free for Full Members for 8 races per year and for General Members at \$100 per race for 8 races per year. All other Club sailing boats will be included in subscription fees when available.
- **Club Support Vessels** will be available to Full Members on demand at no cost (plus fuel) and General Members will pay \$50 per day plus fuel. Club Support vessels are not available to crew-members.
- **Access to Club Coach** will be offered to Full & General Members based on first-in-best-dressed.

Membership Matrix summary with proposed changes

| Membership Category | Estimated Membership | Voting Rights | Joining Fee | Annual subscription Fee | Monthly Billing | Access to Club Facilities | Access to Club Boats # | Member Discount ## | Guest Sign-in | House Entitlement | Gym Membership | Family Spouse *** | Family Youth *** | Access to Club Support Vessels | Access to Club Sail Coaching | Function Room Hire | Car Parking |
|--------------------------------|---|---------------|-------------|-------------------------|-----------------|---------------------------|--|--------------------|---------------|-------------------|----------------|-------------------|------------------|--|-------------------------------------|-------------------------------|-------------|
| Sail Pass Temporary ### | 200 | No | \$0 | \$10 per day | N/A | One Day Access | | 0% | | | | | | | | | 3 |
| Crew Member ### | 320 New Plus 150 from General | No | \$0 | \$300 | \$25.00 | Full | Crew Only | 10% | | | | | | | | | 3 |
| General Member | 1,063 Plus 50 new, minus 150 moving to Crew | No | \$220 | \$584 | \$48.67 | Full | Included as Skipper \$100/day or Crew as available | 10% | Anybody | | \$294 | Yes @ \$146 | <22yrs no charge | \$50/day plus fuel Pre Arranged | Included as available for \$75/hour | Available @ standard rate TBD | 2 |
| Full Member | 761 Plus 20 new from General category | Yes | \$220 | \$1,460 | \$121.67 | Full | Included as Skipper or Crew as available | 10% | Anybody | \$220 | Included | Included | <22yrs no charge | Included Access as available plus fuel | Included as available for \$75/hour | Included | 1 |

*** Family Spouse and Youth Members are accorded the rights of General Membership only

Current Club Boats include Elliotts, Hobie Waves, Pacers, Halvorsen Opti's, etc

Member discount applied to F&B

No interview required, application form only

Parking 1 All parking areas as per By Laws

Parking 2 Levels 2, 3 and Crystal Bay as per By Laws

Parking 3 as per By Laws Crystal Bay Only

Meet the Members and journey through the New Membership Proposals

- By using examples of member types so it's clear what the proposals will mean, the Board plans to socialise the proposed Membership changes with the broader Membership for their consideration prior to the June General Meeting.
- Introducing ...
 - Deb and Dave, and their daughter Danielle
 - Meet Matt. We think you may recognise Matt....
 - Then there's Mario, quite a catch
 - And finally the legend Harri



Proposed next steps...

- The Board will socialise the proposed Membership changes outlined with the broader membership for their consideration.
- The Board intends to hold an additional General Meeting at the beginning of June so the membership can vote upon the proposed changes
 - In preparation for this General Meeting, the Board will move ahead and draft the necessary proposed Constitutional changes with the assistance of our Legal Counsel and distribute the proposed constitutional changes to the broader membership in May. These constitutional changes are to be the basis that the Membership will vote upon

Thanks
