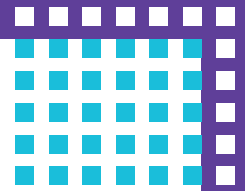


Transforming Your Club Through



BRAND STRATEGY

J. G. Ted Gillary, CCM, CCE, ECM, CMAA Fellow

**A Look at How
the Detroit Athletic
Club Did It**

Today, with the COVID-19 crisis affecting all organizations and, in particular, the social commerce of society, clubs are faced with a new challenge. The social and economic supports of a robust economy are eroded. How clubs react to the challenge, the decisions they make, and the way members, staff and the local community are impacted will long be remembered when we exit on the other side.

This article introduces the concept of brand strategy and makes the case that what is so highly valued in public companies has positive implications for clubs as well. A strong brand has the stamina and agility to weather the ups and downs of the inevitable swings of the economy and fortune. Every club that systematically and intentionally builds their brand will positively impact all facets of their operation and the people it serves.

The following case study is drawn from my experience as executive manager at the Detroit Athletic Club (DAC) working in collaboration with DAC leadership and the Gyro Creative Group, a Detroit identity studio. Our primary objective was to grow the membership to enable the DAC to proceed with the Facilities Master Plan in time for our centennial anniversary. We recognized the DAC membership was our salesforce and only they could restore our membership affected by the 2008/09 recession. Our task was to connect with the membership on an emotional level, the wellspring of loyalty.

Branding is Personal

When a young professional comes to me seeking counsel regarding their career, one of the things I encourage them to consider is that *“when you walk into a room, you stand for something . . . make sure it is something good.”*

As individuals, we have an identity that encompasses all that we are: our personality, our appearance and how we interact with myriad people in the circle of our life. Young professionals would do well to know themselves, to develop and to seek feedback on how they are doing from people they trust. For if that person is to excel then they should grow, mature and improve throughout their life. When that happens, the people interacting with that individual are better off for associating with that dynamic person. A person's identity is also their personal brand. It is the same for an organization.

Brand strategy for a club is about concentrating and refining the organization's identity and firmly putting its value in the heart of its members. It encompasses the club's culture, its staff and how they deliver service, the way members treat and care for each other, and the overall beauty and order of the property. The collective visible and verbal cues, done right, drive member loyalty on the emotional level to a degree not possible without being intentional. A club's future success is directly tied to the loyalty and devotion members have for their club.

A branding strategy is all encompassing and has a direct impact on a club's employees and the club's ability to attract and retain talent. Research has revealed that 50% of candidates would not work for a company with a negative brand, even for more money. In recent years club leaders have focused on millennials for membership growth and for talent. The fact is that 68% of millennials visit a company's social media sites to research employer branding. The same research shows that companies with a strong employer brand see the cost of hiring decrease by 43%. A brand strategy is highly effective for achieving a club's vision for both members and staff.

The Alternative

In the absence of a brand strategy, the identity of a club is formed more independently, allowing its identity to develop traits not always helpful to its image. Keep in mind, your club's brand is not what management, or the board says it is, rather it is what the members and potential members perceive it to be.

Members will assess the club on their day-to-day experiences. To optimize the club's brand requires leadership to know what they do that is highly valued by members, to know how they do

it and why it pleases members, and, most of all, why the experience matters to members. Knowing the answers to these questions allows leadership to decide to do more of what is valued to strengthen the club and increase the value of its brand. Not recognizing the nuances of what makes a club successful risks undermining the very pillars of that club's success.

What is Brand Value?

Corporate America places a high value on brands. Although intangibles such as brand value do not yet appear on balance sheets, the time is coming. As corporations put greater emphasis on

building and measuring brand value it can be expected that clubs will eventually follow.

Our culture is flooded with brand names we all love and trust. We count on these companies for quality products, excellent and personalized service, and to anticipate our needs. Top companies recognize the tremendous power that comes from building their brand value.

A comparison of 2010 to 2019 shows a realignment of the top-tiered public companies and significant growth in their value. Recognizing the importance of a brand, companies from the top of the list to the bottom are relentless in building their brand value.

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2010 Forbes - World's Most Valuable Brands			2019 Forbes - World's Most Valuable Brands		
Rank	Brand	Brand Value	Rank	Brand	Brand Value
#1	Apple	\$57.4B	#1	Apple	\$205.5B
#2	Microsoft	\$56.6B	#2	Google	\$167.7B
#3	Coca Cola	\$55.4B	#3	Microsoft	\$125.3B
#4	IBM	\$43.0B	#4	Amazon	\$ 97.0B
#5	Google	\$39.7B	#5	Facebook	\$ 88.9B

“Brands are one of the most valuable but least understood assets,” according to Frank Findley, the executive director of the Marketing Accountability Standards Board, “The announcement of a new global standard for evaluating brands by the International Organization for Standardization (ISO) represents a big opportunity to rectify that and, in so doing, benefit all business management.” *Forbes Magazine, 2018.*

Solution: What are clubs to do?

The task for the club industry is to find a credible formula to calculate the value of a club brand. If we are to focus on it, then we must measure it.

Ray Cronin, founder and chief innovator at Club Benchmarking, recently noted that clubs with a “real” brand demonstrate alignment to that brand in their finances and their boardroom culture. In collaboration with Ray and Club Benchmarking, we are devising a data-driven approach to measuring brand value of clubs. More to come later.

In the meantime, we can look to certain Key Performance Indicators (KPIs) to gauge a club’s brand value:

1. Ability of the club to price entry fees and dues commensurate with membership value
2. Net Promoter Score
3. Percent of active members engaged in proposing new members.
4. Compounded Annual Growth Rate

5. Earnings Before Interest, Tax, Depreciation, Amortization (EBITDA)
6. Gap surveys measuring member satisfaction/importance of services
7. Employee engagement surveys
8. Membership growth—achieving full membership—sustainability

The DAC Case Study: The Brand Strategy Process

Eight years ago, the *DAC Brand Guide* was created. The concepts behind the guide impact all areas of the operation. The DAC Brand Strategy is as vibrant and applicable today as it was in 2012. It is an agile document that is scalable as the DAC learns with each successive year. The brand is stretched but it doesn’t break.

In early 2011, the leadership of the DAC had two major concerns. First, the recession that gained full steam in 2008/09 had stripped more than 600 resident members from our roster, a 20% decline. That loss in dues revenue equated to more than \$2M per year and would compound every year it proceeded unchecked. The second concern was that our centennial anniversary of our Albert Kahn building was only four short years away in April 2015.

We had grand plans and needed a full membership to achieve major property improvements in time for the 2015 celebration. The DAC is a beloved institution and member loyalty was high, but we needed to inspire members unlike any time in our history to help get the club back to full membership. Following is a brief overview of how that was accomplished.

The DAC Story

One day Matt DiDio, DAC member and the co-founder and managing partner of Gyro Creative Group, asked the question: “Who do I talk to about branding?” With that discussion the DAC’s branding journey was started.

First Step: Non-Member Survey

We recognized there were unknowns about attracting new members that needed to be explored. DAC members will always be the source of new member applicants, but a positive public perception is essential for them to be successful. What we lacked was an understanding of the public’s perception of the club. What did they think about the Detroit Athletic Club and what challenges may we have reaching them?

We contracted with the strategic marketing research firm Intellitrends to conduct an “Unaided Awareness Survey” of non-members within the DAC member demographic. “unaided” means that respondents were prompted with only the name of a category, i.e., club, hospitality, Detroit, etc. If the respondent brought up the name Detroit Athletic Club, then questions were

asked specifically about their impressions of the club on a range of traits. What we learned was that the name recognition and respect for the club was high; however, there were misperceptions about cost, activities and the makeup of the membership.

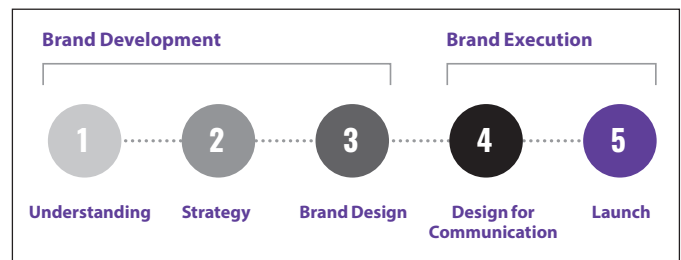
Brand Development and Execution

In collaboration with Gyro Creative Group, we approached the brand development process in two-stages. Stage one, as seen in the diagram below, encompassed Brand Development and was made up of three phases. Stage two, Brand Execution, concluded with the final two phases.

Brand Development Stage

The **Understanding Phase** within the Brand Development Stage was critical.

- The company focused on understanding the current business situation, the situation of society, the current DAC brand, the organization, and how they all related.



- The Gyro identity team reviewed and synthesized all DAC printed material as well as the insights gleaned from our Intellitrends survey.
- They interviewed members and staff.
- At every step, the company synthesized their findings and reported back to the DAC team.

The **Strategy Phase** was devoted to developing the brand foundation as well as determining how to re-align and strengthen the DAC Brand.

“If we are to focus on it, then we must measure it.”

- **Immersive work sessions** were held to explore the components of the brand strategy and to align the components with word associations and key messages. During these sessions, the network of DAC member groups, both formal and informal, were mapped. This visual illustration made a powerful statement about the strength and depth of the DAC’s member social network. Out of the mapping exercise the concept of “tending to and caring for others” rose above all.
- **The initial brand elements** revealed the essence of the DAC. Gyro now paid particular attention to the positioning of the brand and the language that should be used to ensure its relevance to the target audiences.

- **Presentations to the DAC team** opened the process for comments and refinement.
- **Strategy Document Development** outlined components of the brand in terms of essence, positioning, word associations and messaging.
- **Mission Statements, Vision and Core Values were aligned and revised.** The Strategy Document included the revised MVVs to guide the culture and brand of the DAC.

The **Brand Design Phase** was where the strategy came to life by articulating in clear terms the verbal and visual identity of the realigned brand.

- **Identity Development** leveraged the Strategic Document and introduced naming, icons and brandmarks, personality, voice and tone, and the graphic elements of color, photography, typography and more.
- **Visual Language** documentation clearly stated the rationale behind the brand’s visual expression, achieving a major milestone in the brand strategy process.

Brand Execution

At the conclusion of Stage 1, Brand Development, everything was ready to proceed to Stage 2, Brand Execution and the Launch.

The last step before locking into the components of the Brand Strategy was a final presentation. This was an enlightening moment as the Gyro Team presented the concepts in story form to the DAC board and management team.

The deft integration of photography, wording and associations of the brand story presented a powerful depiction of the DAC brand. Looking around the room, it was obvious the presentation made a connection with the audience. Some had tears in their eyes. The reaction was understandable given that studies have shown people feel an emotional connection to a brand when it demonstrates “they care about people like me.”

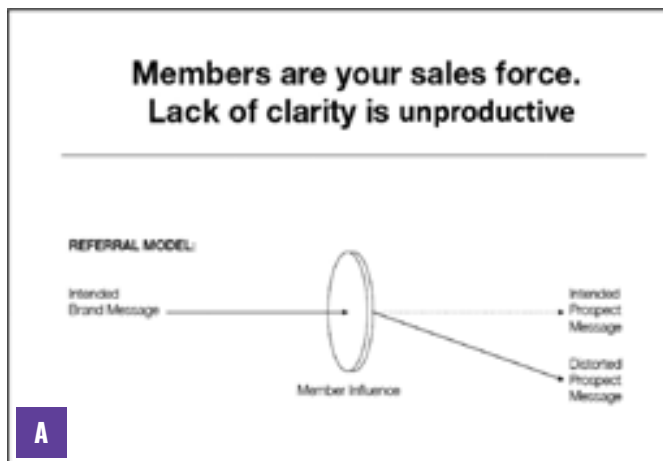
There are two key concepts that provide context for the DAC Brand Strategy.

- First, we believed it was essential that DAC members had an accurate understanding of the true value of the DAC. Members were the lens by which a prospect would visualize the club. If members got the story right, the probability was high the prospect would aspire to join and would do so for the right reasons. It was our mission to engage members in the new member process and equip them with the right message of why the DAC is so attractive as a social community. (see graphic A)
- The second concept clearly articulates the essence of the DAC of tending to and caring for others through a simple statement (see graphic B).

Final Measurement

Once the Branding Strategy process was complete, we immediately conceived a launch strategy to engage members. We carefully designed all the touchpoints of both member and prospect messaging. It was an outright success.

The launch of the Brand Strategy produced immediate and sustainable growth in membership. Membership grew so quickly that Vision 2015, a \$22 million Master Plan, was given the green



light within months of launching the Brand Strategy. Membership hit the membership cap and continued to grow to a waitlist of 400 resident and 200 intermediate members.

Documents Produced for the DAC

Brand Guide	Brand Quick Guide	Member Brochure	Staff Brand Book
<ul style="list-style-type: none"> ■ Book I—Brand Strategy ■ Book II—Visual Language Guidelines 	Easy reference for staff and brand managers: brand statement, typography, colors, relationship of marks, emblem and signature variations	Realigns member’s understanding of the DAC’s value and powerful in its simplicity and photojournalism	Mission, Vision, Values, Our Brand illustrated in story form: simple, clear and powerful, the essence of the brand, the DAC’s personality (considered-refined-distinguished) and what it means to “Be The Brand”

“... people feel an emotional connection to a brand when it demonstrates ‘they care about people like me.’”

The combination of Brand Strategy, extraordinary property enhancements and the club’s culture of excellence drove member satisfaction and the club’s net promoter score to record highs.


Recommendations

Just as we can observe the true character of a person when times are tough, the same is true for a private club. The culture is the character or personality of an organization and the foundation for a brand strategy.

Developing a brand strategy is one of the most effective ways to focus the club on what is most important. It will drive the club to greater success when times are good and bridge the gap when a crisis comes. Clubs do their best work when they are focused and intentional about forming their brand.

A brand strategy encompasses all facets of the club operation as well as the purpose of the organization. Recent studies validate

that when a company is aligned in vision and values to execution, it is attractive to consumers and is a desired employer as well.

The case study of the DAC demonstrates that building a brand is a process that takes thoughtful planning and commitment. Clubs of all types should consider developing a Brand Strategy. Seek the help of a professional firm with a proven record to assist the leadership team. The journey is enlightening, and the ROI continues for years. 

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Editor’s Note: To see the Detroit Athletic Club’s brand strategy in action, see “Back to the Club” on page 48 for a photo essay on the club’s innovative weekend event to engage members safely as the club reopened.



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