

MEMBERSHIP SCHEMES PROMOTION PROPOSAL

Presented by Corporate Director

EXECUTIVE SUMMARY

This report proposes the use of promotions at national memberships schemes as a marketing tool to support the achievement of venues financial targets. It is proposed that this is trialled with the Blue Light Card scheme to offer flexible discounts to employees of the NHS, Social Care, Emergency Services and Armed Forces.

The Authority's venues need to continue to diversify their marketing approaches to generate income, achieve financial targets and plan for re-mobilisation post the Covid-19 pandemic. The Authority's venues are hugely varied in terms of price point, audience and offering and each has a wide range of products. Together the venues generate a high proportion of the Authority's overall income. The key products require planned and impactful marketing to achieve targets, therefore innovation in the Authority's marketing activity is vital.

The temporary venue closures as a result of the Covid-19 pandemic have put even greater pressure on these budgets. Expenditure on marketing is being reduced significantly, so new methods are being investigated to ensure the Authority can use the money it has in the best possible fashion.

Throughout the Leisure Services Contract process, Members were keen to find a concession solution to support and promote front line emergency workers and the armed forces. The Blue Light Card scheme offers an efficient method to reach this market and to employees of front line organisations, offering flexible and targeted discounts. The inclusion of these types of schemes will enable the Authority to reach a large and defined audience as required by business needs.

RECOMMENDATION

Members Approve: (1) inclusion of membership scheme promotions in the concession policy as outlined in paragraph 21 of this report.

BACKGROUND

1 As part of the venues returning to the Authority at 1 April 2020 marketing plans have been developed for each venue. These have identified the key income lines where marketing efforts must be focussed.

- 2 With venues temporarily closed due to the Covid-19 pandemic there is uncertainty around re-opening, what the new normal will be and very little income is being taken with consumer bookings suspended. In line with the emergency budget revisions, most marketing spend is on hold, so new approaches are being explored for marketing these key products whilst responding to the interim management arrangement and the pandemic crisis.
- 3 There are various membership schemes that offer a large target audience that can be accessed for marketing venues and products. These membership schemes can be based on employment, education, clubs and societies, uniformed groups or others. During the Leisure Services Contract (LSC) process, Members were keen to find a concession solution to support front line emergency workers and the armed forces. During the procurement process, bidders identified the Blue Light Card (a national not for profit charity) as a scheme that's used in the wider leisure industry and Officers have investigated if this would fit with the venues and products the Authority offers.
- 4 In line with the current national mood, Officers are proposing to run targeted promotional campaigns and discounts to the NHS and other front line workers in a flexible, market driven fashion. This is a large potential market that is relatively simple to reach. This also offers an opportunity for a positive PR message.

THE TARGET MARKET

- 5 Membership schemes can open up large markets. There are nearly two million people employed by the NHS, armed forces, emergency services and other front line services in the UK. This is a huge market spread across the UK. Many of these employees work in teams in shift patterns, creating the potential for teams to socialise together during leisure time in traditional off-peak hours.
- 6 There are opportunities to reach this market by offering discounts through membership schemes. This reflects the buying power of the group as large bodies of employees. Promotional tools such as offering discounted corporate health and fitness memberships to local NHS or emergency services are commonplace in leisure and have been used in Lee Valley venues. Discounts are currently offered to these groups when making corporate group bookings through the sales teams. This proposal will enable us to reach individuals within these organisations and widen the reach in a cost-effective fashion.
- 7 Working with each individual employer to set up corporate discounts would be time consuming. Working with a membership scheme simplifies this process, allowing a quicker route to a much larger, albeit less targeted, market. There are a number of established discount providers for these employers, including 'Blue Light Card', 'Health Service Discounts', 'Rewards for Rescue/Forces/Police', as well as schemes more specific to certain market categories. These schemes were reviewed for membership size and coverage across target employers. Blue Light is the only scheme open to all the employers that had been identified to target and has one of the largest membership bases. Working with one scheme will reduce administrative burden, please see table below.

Scheme	Employers eligible for membership	No. of Members
Blue Light	Paragraph 8	1.5 million
Health Service Discounts	NHS only – current and retired employees	1.8 million
Rewards for Rescue / Forces / Police	NHS, Emergency Services, Armed Forces. Does not include Social Care	300,000 (across 3 separate schemes)

BLUE LIGHT SCHEME

- 8 The Blue Light Card scheme encompasses the widest range of employers of all the discount schemes. They have over 1.5 million members mainly, but not exclusively, from the NHS, emergency services and armed forces, from the following organisations:

4x4 Response	Ambulance Service
Blood Bikes	Border Force
British Army	Cave Rescue
Community First Responders	Fire Service
Highways England Traffic Officer	HM Armed Forces Veterans
HM Coastguard	HM Prison Service
Immigration Enforcement	Lowland Search and Rescue
MoD Fire Service	MoD Police
Mountain Rescue	NHS
Police	Red Cross
Reserve Armed Forces	RNLI
Royal Air Force	Royal Marines
Royal Navy	Search and Rescue
Second Line Responders	Social Care Workers
St Andrews Ambulance	St John Ambulance
UK Visas and Immigration	

- 9 The Blue Light Card is operated by Blue Light Card Ltd – a private company limited by shares established in 2008. They bring together their members with companies offering discounted goods and services. Blue Light do not charge companies to join the scheme or take any commission – they generate their income through sales of physical Blue Light Cards and by offering paid-for marketing services for companies to their member database.
- 10 The scheme includes two channels – discounts in store by producing a membership card, or online by accessing discount codes to be used on the companies' ecommerce sites. It offers discounts from thousands of retailers, including many top brands. GLL (the Authority's preferred bidder for the new LSC) offer discounted gym memberships, Alton Towers, Cineworld, Odeon and Escape Rooms offer discounted entry, and companies such as Buy a Gift and Virgin Experience Days offer discounted experience gift vouchers.
- 11 In order to become a member an employee must complete an application form and provide evidence of relevant employment. This is verified before acceptance. This means that the process of identifying these members online or at site is simplified as no ID is required other than their Blue Light Card.
- 12 Blue Light do not process any transactions – members are directed back to the company website to complete their transaction using their discount code, so there is no change in risk regarding payment or personal details.

PROPOSED DISCOUNTS

- 13 This scheme is considered a promising promotional tool to reach a huge audience. In order to stand out amongst so many other discounts we propose an initial 20% discount across the identified key products – table below. This is in line with other comparable discounts offered through the scheme (overall discounts range from 5 to 50%), and ensures that costs are covered for each product.

Product	Discount
Lee Valley VeloPark	
Gift vouchers	20% discount
'Velodrome Taster', 'Velodrome Flying Lap', and 'Velodrome and BMX Taster'	20% discount
All VeloStudio memberships	20% discount
Lee Valley White Water Centre	
Gift vouchers	20% discount
'White Water Rafting', 'Rodeo Rafting', and 'Family Rafting'	20% discount
Lee Valley Athletics Centre	
All Memberships	Concession rate
Lee Valley Riding Centre	
Gift Vouchers	20% discount
'Have A Go' lessons	20% discount
Lee Valley Ice Centre	
Public Skating (Incl skate hire)	20% discount
<i>Learn to Skate courses (may be added at a later date)</i>	<i>20% discount</i>
Lee Valley Hockey & Tennis Centre	
Outdoor tennis court hire at off-peak times	20% discount
Lee Valley Campsites	
All camping products	20% discount
Safari Tents at Dobbs Weir	30% discount

- 14 Until plans for reopening venues are clearer, allowing bookings to be made, only offers on gift vouchers will be made available if the recommendation within the report is approved.
- 15 Discounts for other venues will be considered following the initial trial and will generally be in line with the discounts above. It is important to note that as detailed in paragraph 17 below, flexibility to Officers in regards to this is important and will be used in promotions and for targeted work identified within venue marketing plans.
- 16 The 'cost' of this promotional tool is the reduced income received at the point of sale. It is an efficient use of marketing budget as the cost is only incurred at the point of conversion, similar to a commission. Third party agents are already used to sell gift vouchers on our behalf, accessing large audiences and generating increased sales. These agents use a commission model, charging 20-25% per transaction. It is anticipated that this scheme will be effective, and has the potential to generate new customers that will improve overall financial performance.
- 17 There is no notice period for the removal or amendment of discounts. Success of these promotions will be monitored on a regular basis and specific SMART targets will be developed for all related activities to measure the impact, and future promotions will be more intelligence based and individual promotions amended where necessary. For example, some other gift voucher providers have recently increased the discount they are offering.

CONCESSIONS

- 18 The Authority encourages use of our venues from disadvantaged groups, by

offering below market or concessionary rates, helping treat all people fairly. The Authority has a three-tier approach to identifying who concessions apply to, as outlined in the Fees and Charges Policy:

- people outside the normal working age;
- people with disabilities; and
- people who are on a low income and in receipt of a form of means tested benefit.

19 The Authority's venues and services try to ensure that where feasible concessions are offered to these groups. At many venues concessionary rates are offered in the form of 'off-peak charges'. There are activities where it is not appropriate to offer discounts.

20 Membership schemes do not fit within these groups and within the policy they should be included separately. This group are not considered disadvantaged, it is an active market that fits well with the Authority's venues and products and they will be offered flexible discounts on a promotional basis in line with business requirements.

NEXT STEPS

21 Subject to Member approval, the discounts for gift vouchers detailed in paragraph 13 will be launched as soon as possible. The success of this promotion will be reviewed regularly, with other products added when suitable, and as we know more about what the Covid-19 re-opening plans look like. Other membership schemes will be considered and added as appropriate.

FINANCIAL IMPLICATIONS

22 The recommendations in this report support the achievement of income targets as agreed in the 2020/21 budgets.

HUMAN RESOURCE IMPLICATIONS

23 There are no human resource implications arising directly from the recommendations in this report. The process has been designed to use online channels, creating no additional resource requirements at venues to administer the scheme.

LEGAL IMPLICATIONS

24 There are no legal implications arising directly from the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

25 There are no risk management implications arising directly from the recommendations in this report. Risks and controls related to this scheme have been outlined in the report.

EQUALITY IMPLICATIONS

26 The inclusion of membership schemes as a concessionary group has been considered in the report.

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LIST OF ABBREVIATIONS

the Authority
LSC

Lee Valley Regional Park Authority
Leisure Services Contract