

Thoughts on Membership System Options

Introductory Comments

The ECF's membership system has been in place for just over a decade (having come into effect on 1 September 2012). Since then the membership system has been further developed in various directions, and has over the years been enhanced to provide a wide range of member benefits (free *ChessMoves*, free yearbook, JustGo Rewards, discounts on chess merchandise etc).

Now seems like a good moment to 'test the water' at the next Finance Council meeting in April 2023 as to whether Council is happy with the status quo as regards the way in which the current membership system works, or whether there is any appetite to move to a different way of doing things. This paper considers the advantages/disadvantages of four membership models which it would like Council to consider (there may be others, but the ones put forward seem to the Board to be the most viable/sensible ones).

We would like an indicative, non-binding steer from Council at the Finance Council meeting as whether Council wishes to consider any of the four options put forward in more detail at October's Annual General Meeting – and, if there is, we would like Council to suggest ideally a single option, but certainly no more than two, for further investigation. In that event we would carry out more detailed soundings with Council members and develop more detailed costings for Council's consideration at the Annual General Meeting.

Overview

Membership benefits can be thought of as coming in two forms: firstly, the rating service benefit (for which players should arguably pay in relation to the amount they play); and secondly, benefits such as *ChessMoves*, JustGo Rewards, chess product discounts etc (which players should arguably receive regardless of how much they play, or indeed pay) – so not dissimilar to the way in which most public services are provided. It may be that a model that combined 2 below (probably on a free/nominal fee basis) and either 4 or 5 below could be made to work – and indeed exploit the best features of both. But in this regard, please see the next three paragraphs:

1. Firstly, the present system insulates us to a large extent from potential financial meltdown in the event of a catastrophic event such as Covid. We saw during the recent pandemic that membership levels (and therefore income) held up remarkably well, so allowing the ECF's infrastructure to remain in place relatively unscathed – no doubt largely due to the inherent loyalty our membership base has to the ECF. While options 4 and 5 link the amount of chess played and the amount charged more closely than the present system does, what they do not provide is the inherent financial protection that the present system affords inasmuch as if a future catastrophic event (such as Covid) occurs the ECF's income stream dries up. That to the Board's mind is a big concern, and particularly for the foreseeable future while the overall Covid picture remains far from stable.
2. Secondly, our track record in implementing significant change is not always as good as it might be – the recent system issues we have had with the move to rolling membership being a case in point. We would need to be very careful to ensure that we have the

appropriate resource and skills in place before embarking on major changes to the present model.

3. Thirdly, whatever shortcomings the current system may have, the jewel in the crown that it does offer the ECF is a large (and effectively compulsory) membership database which can be used in all manner of ways – for example, to communicate directly with players, keeping them informed and updated directly without having to go via organisers, to offer targeted benefits directly, to lock players in for the longer term etc. We throw away that advantage at our peril. That was the trick that the old game fee model arguably missed, and the problem that the current membership system, albeit imperfectly, attempted to address (and, serendipitously, almost certainly ensured the ECF's survival through Covid in a way that a game fee model could not have done).

Finally, it would be foolish to imagine that there is a panacea for how the ECF interacts optimally with its constituents. Had there been one it would probably have been thought of a long time ago.

The Board's Position

The Board has deliberately avoided making a recommendation to Council, believing that that would not be an appropriate thing to do given that any decision on the subject is entirely within Council's gift. In any event, Board members hold different views on the matter, and we could have wasted a lot of time trying and failing to achieve a unified position.

A number of Board members did not comment on the options, presumably being of the view that there is not much wrong with the present arrangements and that there are higher priorities than incurring time and effort in changing them. A number of Board members were of the view that either option 2 (single membership fee) or option 3 (combined Silver/Gold membership) in particular are worthy of Council's consideration – the former on the principle that ECF services should be available to all members equally regardless of playing activity and that extra costs incurred by players who play more should be by way of entry fees rather than ECF membership fees, and the latter on the principle that the cost and time taken to provide a lot of ECF's core services such as rating, running events etc are driven by player activity and that congress players generally tend to play more chess (inasmuch as most of them play in leagues as well as congresses) than do league players.

But those are just views, and not recommendations.

Overall Goals/Objectives

1. Affordable and acceptable to both players and organisers, taking account of different demographics if necessary;
2. Maintain/protect ECF revenue, maintain stable cash flow;
3. Support ECF strategy – increase participation, encourage more players to take part in competitive chess, encourage junior and female chess;
4. Easy to implement and run – simple and understandable, low cost/low effort to run.
5. Encourage participation in FIDE-rated chess.

Main Options

1. No change;
2. Move to a single membership fee;
3. Combine Silver and Gold membership fee;
4. Return to the old game fee system (or variant);
5. Move to a fee per event system.

1. No Change

Advantages:

1. It is tried and tested – players and organisers (typically a traditional lot) are used to it, even if there are some grumbles about it.
2. It provides a stable revenue stream and is relatively resistant to drops in activity, as we saw during the pandemic.
3. It includes some support for the ECF's strategy, with discounts for junior and female members and online only players.
4. It recognises that most congress players (playing as most of them do in local leagues) will typically play more chess than players who only play local league chess.
5. The compulsory membership model enables us to strengthen loyalty with a range of benefits that provide added value over and above just a rating service.
6. Administration is transferred from organisers (particularly local leagues) to players.
7. No change to our current operating processes is required.

Disadvantages:

1. There is no clear relationship between players' activity and the cost to them of that activity.
2. It acts as a disincentive for local league players (Bronze) to play in congresses, and for congress players (Silver) to play in FIDE-rated congresses – particularly for players who only play in one or two congresses a year.
3. By allocating players to classes of membership it can imply that Gold is 'better' than Silver, and that Silver is 'better' than Bronze.
4. It is relatively inflexible, as it is difficult to make fundamental changes to the model while retaining the model's compulsory membership aspect; its three-tier membership structure means that individual membership classes are unlikely to vote for changes that disadvantage them financially compared with other membership classes.

2. Move to a Single Membership Fee System

Advantages:

1. It simplifies the membership offering and makes it easier to sell.
2. It retains (and emphasises) the membership loyalty aspect of the current system.
3. It removes the barriers to entry for local league players wanting to play in congresses, and for congress players who want to play in FIDE-rated congresses.
4. Everyone receives the same benefits for the same membership fee.
5. It has low financial risk and maintains revenue stream if we can agree a mid-point charge for the single membership fee.

6. It maintains support for our strategy, with discounts for junior and female members and online only players.
7. It might be slightly easier to run than the present system.

Disadvantages:

1. It exacerbates the problem inherent in the current model by removing entirely any relationship between players' activity and the cost to them of that activity.
2. It would be difficult to get past Council without upsetting an entire membership class; Bronze members are unlikely to support changes that disadvantage them compared with other membership classes (see above).
3. It would be logical to remove the three game membership exemption for local league players (because a single membership fee system implies that there is no difference between a league only player and a league/congress player, so there would be no particular reason to offer one type of player an advantage over another type of player) – but if we did so it might reduce the incentive for new players to try out local league chess, and might require clubs to make players become ECF members before playing their first league game because of the attendant default risk).

3. Combine Silver and Gold Membership

Advantages:

1. It simplifies the current model.
2. It removes the barriers to entry for congress players who want to play in FIDE-rated congresses, and enables non-FIDE rated congresses to change to FIDE-rated status at no extra cost.
3. It recognises that most congress players (playing as most of them do in local leagues) will typically play more chess than players who only play local league chess.
4. It retains the membership loyalty aspect of the current system.
5. It has low financial risk and maintains revenue stream if we can agree a mid-point charge for the combined Silver/Gold membership fee.
6. We could retain the three game membership exemption for local league players.

Disadvantages

1. It could be seen as just tinkering at the edges. In particular, it does not do anything to solve the barrier to entry for local league players who want to play in congresses.
2. Apart from making a distinction between congress and league players, there is no clear relationship between players' activity and the cost to them of that activity.
3. It would be difficult (although not as difficult as 1 above) to get past Council without upsetting an entire membership class; Silver members are unlikely to support changes that disadvantage them compared with other membership classes - there are not really any extra benefits we can offer that would appeal to Silver members as justifying a membership fee increase other than the ability to play in FIDE-rated congresses, which presumably many of them do not want to do (otherwise they would already be Gold members). However, at least one of the Council Silver representatives seemed in informal discussion on the subject to be fairly amenable to this option, so it might be worth testing with them how they would sell this to Silver members.

4. Return to the Old Game Fee System (or Variant)

Advantages:

1. It (re-)establishes a direct link between the amount of chess played and the amount charged.
2. It can fairly easily be combined with a free/nominal fee membership model.
3. It removes the barriers to entry for local league players wanting to play in congresses, and for congress players who want to play in FIDE-rated congresses.

Disadvantages:

1. Although in principle players will overall be paying similar amounts for their chess as now, players/organisers may not always appreciate the trade-off between increased entry fees (congresses)/increased league fees (local leagues) and the fact that players are paying either no or minimal ECF membership fees. Loading all fees onto rated events which then have to put up entry fees may reduce the number of events that organisers put on, or may reduce player participation (players will be constantly reminded that entry fees have increased, and won't remember that they're no longer paying a membership fee).
2. By linking fees directly to player activity we risk creating/reinforcing the perception that what we offer is just a rating service, not an all-round benefits package.
3. On an unmodified basis it damages or indeed destroys the main benefit of the present system – a large and effectively compulsory membership database.
4. ECF Office administration would increase significantly because of the significant increase in the number of invoices that would need to be raised/sent to organisers and the extra credit control processes that would need to be put in place.
5. The model is financially riskier than a membership model - we may lose the current level of revenue stability as revenue would be directly geared towards activity levels for rated games and, more importantly, it gives us no protection in the event of another Covid-like event.

5. Move to a Fee per Event System

Advantages:

1. It provides a clearer (although not perfect) link between the amount of chess played and the amount charged.
2. It can fairly easily be combined with a free/nominal fee membership model.
3. It may be easier to administer than a game fee-based system if fees are charged based on the number of players rather than the number of games (that would need to be checked).
4. It removes the barriers to entry for local league players wanting to play in congresses, and for congress players who want to play in FIDE-rated congresses.

Disadvantages:

1. It is not as finely tuned to playing activity as a game-fee based system (but is an improvement on the present system in that regard).
2. As above - although in principle players will overall be paying similar amounts for their chess as now, players/organisers may not always recognise the trade-off between

increased entry fees (congresses)/increased league fees (local leagues) and the fact that players are no longer paying ECF membership fees (or, if they are, at nominal levels – see below). Loading all fees onto rated events which then have to put up entry fees may reduce the number of events that organisers put on, or may reduce player participation (players will be constantly reminded that entry fees have increased, and will not remember that they are no longer paying a membership fee in return).

3. As above - by linking fees more clearly to player activity we risk creating/reinforcing the perception that what we offer is just a rating service, not an all-round benefits package.
4. As above - on an unmodified basis it damages or indeed destroys the main benefit of the present system – a large and effectively compulsory membership database.
5. Although possibly to a lesser extent than under a game fee model (although that would need to be checked), ECF Office administration would increase significantly because of the significant increase in the number of invoices that would need to be raised/sent to organisers and the extra credit control processes that would need to be put in place.
6. As above - the model is financially riskier than a membership model; we may lose the current level of revenue stability as revenue would be more geared towards activity levels for rated games and, more importantly, it gives us no protection in the event of another Covid-like event.

6. Indicative Fees

The indicative fees below have been calculated so as to generate membership income similar to pre-Covid levels:

1. Single membership fee: £27.00 adult/£10.00 junior.
2. Combined Silver/Gold membership fee: £34.00 adult/£10.00 junior.
3. Game fee (over the board): £1.00/half game (junior, online etc rates a function of the headline rate in line with on existing arrangements). NB the headline rate is highly sensitive to projected half game numbers, and the uncertainty in estimating these in the aftermath of Covid is substantial. Depending on the assumptions used the range is between £0.80 and £1.30.
4. Fee per event: £5.00 per player (similar assumptions to game fee).

As a reminder, current fees can be found here: <https://www.englishchess.org.uk/ecf-membership-rates-and-joining-details/>

Footnote 1: Pay to Play Fees

A review of membership system options could also usefully review our pay to play/game fee arrangements, which we think everyone would accept have become something of a hotch-potch over the years. Alex Holowczak has helpfully summarised his recollection of the Board meeting at which the arrangements were originally discussed (see appendix below); but it is safe to say that things have moved on significantly since then.

One possible approach we could consider might be to:

1. Have a flat fee of say £10 rather than the two different rates we currently have for FIDE and non-FIDE rated events.
2. Have the rate apply to all events, whether leagues or congresses.
3. Save administration by not having an automatic membership upgrade facility.

4. Standardise the fee by levying it on all non-ECF members regardless of federation affiliation (which would at a stroke remove the to our mind somewhat bizarre anomaly whereby non-ENG players pay a £9 pay to play fee for non-FIDE rated congresses but only incur a nominal £1.50 per capita fee for FIDE-rated congresses). It is possible that other home federations might object, but given that the majority of current congresses in England are non-FIDE rated we suspect any such objections would be fairly low-key (and of course it is perfectly within the other home federations' gift to organise more congresses themselves to reduce the need for their players to play in tournaments in England).
5. Give all-play-all norm events an exemption from the fee for non-ENG non-ECF members.

NB Pay to play fees would not apply under the game Fee or fee per event options.

Footnote 2: Social/Casual Players

How would we engage with social/casual players under options 4 and 5 above? One option might be to offer social/casual players membership on free/nominal fee terms in the hope that once they get the various (non-rating) benefits on offer (*ChessMoves*, *JustGo Rewards* etc) they will be tempted into competitive chess and we will generate a revenue stream as a result. That might make sense if, for example, we decided to require free/nominal fee membership for competitive players under options 4 and 5. But it should be noted that even if we did that, it would do no more than put us in the same position as pertains under options 1, 2 and 3.

Appendix: Pay to Play/Game Fee Arrangements (Alex Holowcak)

'The starting assumption was that everyone would have the pay to play/membership rules placed upon them regardless.

At that point, Sean Hewitt said this was unfair in FIDE-rated tournaments (new and novel at the time), because it would make it harder for title norm tournaments, where we want the foreigners to play, and it would be another expense to organisers. And would we really insist that Carlsen and Nakamura need to join the ECF to play at the London Chess Classic, and who would have to tell Malcolm that? You (Mike) may or may not have said, "And what about the 4NCL?" at that point. If you didn't, someone thought of it. Sean also argued that it was unfair for people who were verifiably belonging to another federation to have to belong to the ECF, since they should really only be required to be a member of one, just on a point of fairness.

Coming out of that conversation, there was the "Pole from Walsall" analogy, where it was considered reasonable that he should play for the Birmingham League etc and other domestic chess he plays in, whereas the "Pole from Warsaw" who was coming over here to play in a FIDE-rated weekend tournament shouldn't have to. Since it was so hard to differentiate the two types of person, it was considered the easiest demarcation was that POL would be exempt for FIDE-rated chess but not "domestic" chess, since they were probably only playing it if they lived here (and thus less likely to be a member of the Polish Federation); and if they didn't have a FIDE ID then it would be otherwise impossible to verify.'

