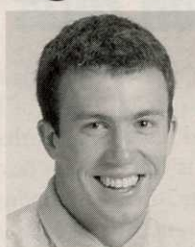


Get recognized for renovation excellence

When we spoke with some of our advisory board members earlier this year to discuss presenting a golf course with a renovation award, we knew we were onto something big.



Andrew Overbeck, editor

We knew renovation work was becoming more prevalent as many courses recognized they needed to reinvent themselves to keep up with the competition that sprouted up during the late '90s. Now we wanted to recognize their hard work. But how?

After months of sorting through the many variables and consulting industry insiders, we have come up with a framework for the *Golf Course News* Renovation of the Year Award.

While renovation work is extremely complicated and laborious, we have designed the Renovation of the Year Award to be exceedingly simple. Courses may nominate themselves by going to www.golfcoursenews.com and downloading the required entry forms and sending them into our offices. We will be soliciting entries

throughout the summer and early fall and a board of industry experts will make a decision on a winner before the end of the year. *Golf Course News* will present the award to the golf course and the superintendent at a gala event at the Golf Course Superintendents Association of America Conference and Show in San Diego in February 2004.

Special recognition will also be given to the course architect, builder and participating vendors.

The forms cover two specific areas regarding renovation work. The first section relates to the basics of the renovation and provides a snapshot of the project, why was it undertaken, what was the scope and what was the cost and economic return.

While we recognize that courses are mainly embarking on renovation projects to realize economic gains and make their courses more attractive than the one down

the street, we also recognize that more courses are taking an environmentally sensitive approach (often by necessity) to renovation work. Therefore, the winner of the Renovation of the Year award will not only have to implement a successful renovation project from a design and business perspective, the winner will also have to demonstrate that the project has resulted in environmental enhancement.

So think about the work your

course has done and visit www.golfcoursenews.com to check out the nomination forms and criteria. If you haven't done renovation work at your course, perhaps you know of a recently renovated course that deserves recognition. Let them know about the award or drop us a line and we'll contact them. We look forward to hearing from you and learning about the hundreds of innovative renovation projects from across the country.



POINT

Closing the back door

By JAMES KOPPENHAVER

We at Pellucid Corp. completed our 2002 Golf Participation Perspective and one of the surprising findings in our analysis of golf consumer survey information was the fact that golf lost almost a million players in 2002 vs. 2001. Even more concerning was the fact that this net loss of golfers was in a year where the industry attracted 2.1 million new golfers to the game but lost over three million golfers at the same time. We refer to this as golf participation's "back door" and it is our assertion that the shortest route to a healthier golf consumer base is by closing the back door vs. current continued industry efforts to welcome more golfers in the "front door." Before proposing some suggestions on how to fix this current challenge we need to first take a look at our interpretation of how we got here.

One of the tried and true maxims of marketing is that customer retention is infinitely easier than attracting new customers. Applying that to golf, it would seem natural that initial "grow the game" efforts should gravitate toward the easier solution of retention. The challenge is the industry's inverse relationship between where the money is vs. the parties responsible for front-line execution. The people in the best position to influence retention (existing operators primarily) have been financially challenged for the past several years. Conversely, the organizations with the money (primarily industry organizations) have little interest in or access to executing a retention strategy. Perhaps the underlying reason is that the industry organizations support programs primarily for public relations and there's not nearly the PR value in "keep a person in golf" vs. "convert a person to golf."

The "back door" theory is not a new revelation for the industry. Back in 2000, the inaugural gathering of industry leaders at Golf 20/20 set a



Jim Koppenhaver

Editor's note: Both participants in this month's Point/Counterpoint recognize the value of both attracting new players to golf while at the same time retaining players. Rather than debate which is more effective, we asked them to focus on one of the two.

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COUNTERPOINT

Opening the front door

By M.G. ORENDER

Golf is a great game, and golf is a great industry. A rose-colored view, many readers might think, particularly golf course facility owners and managers who have seen a 3.1 percent national decline in rounds played from 2000 to 2002. A Pollyanna outlook, it might seem, to equipment manufacturers and the golf shops and stores that sell their products, who have been experiencing a dramatic fall in unit sales and total dollars spent.

Certainly, these are facts that cause all of us in the industry an immense amount of concern. There is no doubt that those of us with a vested interest in the game of golf cannot afford to let this serious situation go unchecked. However, this is exactly why golf is such a great game, and why golf is a great industry. We hear time and time again the untiring lauds of golf as a game of honor, integrity, fun, health, and a way in which family, friends and business colleagues can come together. Equally as important, though, is the fact that golf also is a game that has a remarkably strong infrastructure – a blend of governing bodies and business entities that are willing to work together for the good of the industry. In short, if we have a problem, we have the combined will and resources to identify the source of the issue, and we have a unified passion, vision and ability to find and implement a solution.

Case in point has been the annual gathering of the industry's stakeholders and decision makers at the Golf 20/20 conference at the World Golf Village in St. Augustine, Fla. We all shared a grave concern for the future health of our game, we came together under the Golf 20/20 umbrella to discuss and identify



M.G. Orender

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Close the back door

Continued from previous page

2020 target of increasing golf participation to 55 million. That target was comprised of losing 500,000 fewer golfers each year and acquiring 500,000 more golfers each year off an estimated base of two million golfers entering and leaving the game each year, according to the National Golf Foundation (NGF). At the end of 2002 the scorecard on their efforts is mixed, based on the fact that the acquisition rate has gone up slightly (100,000 more than their two million base but well short of the 500,000 increase target), while the retention goal is nowhere near the fairway at a loss of over three million golfers vs. the target of 1.5 million. Consistent with our above argument that attraction is easier for outside entities and retention is more suited for existing stakeholders, the burden of responsibility shifts back to the existing owner/operators. So what are potential solutions to helping interested parties close the back door?

Pellucid is doing early stage work in helping existing owner/operators focus on retention at facility levels. The challenge for them is that they have frequent contact with their customers and the technology to capture some or all of those interactions yet they fail to do so. Working in conjunction with a handful of forward-thinking golf course operators and existing point-of-sale providers, we have developed the initial applications to help facilities capture a higher percentage of their customer transactions and improve the quality of their e-mail capture for more efficient marketing. By outlining a process to tie customers to transactions, we help them track changes in the customer franchise in real-time to identify and communicate with customers identified as "at risk" based on frequency of play and spending patterns on a monthly basis. Through a combination of consumer surveys and anecdotal conversations with knowledgeable industry veterans, it seems to us that keys to retention revolve around player involvement and ability levels.

Involvement is the challenge of the industry to continually work on the "bottom tier" of

uncommitted golfers. Pellucid believes that there are nine million golfers who fall in the uncommitted category, which are defined in 2002 as players playing one to four rounds per year. Given past indicators, all nine million of those uncommitted golfers are at risk to become former golfers based on their current involvement. The other factor is ability level, with a documented large number of golfers playing the game at a low ability level as well as making marginal improvement year-to-year. Facilities have the ability to increase the frequency level of play among the uncommitted if they first could identify them in their midst. The facility also has the vehicle to improve the ability of players through more creative efforts at game improvement than have been exhibited to date, and operational issues have overtaken instruction in the job descriptions of many PGA professionals.

On the bright side, the previous financial hurdle of small marketing budgets and expensive direct-mail distribution can be replaced by relatively affordable data analysis and distribution of messages to specific customer segments of a course's customer base. Broadcast e-mail is a great starting point and is inexpensive. By breaking down the customer database into smaller segments, a course can also use affordable selective direct mail.

Unfortunately, because this drama is being played out on a stage consisting of 14,000-plus independent facilities, the likelihood of waking up one morning with a significant gain in the industry-level scorecard is slim. More likely is that the more forward-thinking operators will begin executing some of these programs in their own enlightened self-interest and have success in their own local market(s). In time, this development will hopefully set off a chain reaction in which the remaining operators will have to follow, and eventually a gradual industry-level reversal in the trend will appear. To paraphrase, our suggestion to individual owner/operators might be, "Don't ask what the industry can do for you, ask what you can do for yourself."

Jim Koppenhaver is the president of Pellucid Corp., a golf industry information and insight provider.

Open the front door

Continued from previous page

the areas of concern and now, more than two years later, we are beginning to see a real course of action beginning to take root. One of the preeminent messages that came out of the Golf 20/20 conference last fall was that we must find ways to implement programs that not only attract new players to take up the game, but also encourage existing players to play more frequently.

This was a message that clearly resonated with industry leaders. The PGA of America, in particular, has aggressively begun to focus on industry wide initiatives that focus on igniting an interest in golf participation. We know that our members are uniquely qualified to play a major leadership role in implementing a series of programs and initiatives to grow the game and reverse the downward trend in rounds played and overall participation. We know that 40 percent of the people who watch golf on TV don't play. Therein lies the foundation of our future opportunity, and The PGA of America has been mobilizing various segments of the industry to capitalize on this prospect of growth.

As such, The PGA of America has begun to unveil plans for a number of innovative grow the game initiatives, and the flagship of this collaborative effort has been the Link Up 2 Golf program. This effective program, as reported last month by *Golf Course News*, will this year expand to 34 new markets and is rapidly becoming known as "America's Welcome to Golf Program." Already with a great deal of success to its name, the premise of Link Up 2 Golf is to create a fun and relaxed environment for beginners to learn the game, and for former golfers and occasional golfers to connect or reconnect with golf.

The first pilot for Link Up 2 Golf was born out of the 2001 Golf 20/20 conference. The promising results are evidenced by the 1,200 students who have since enrolled. With the 34 new markets, our goal is that each of the multiple facilities within each market will usher at least 50 students a year through the program. Ongoing, we'll expand to new markets to attract even more new players, and we'll continue to unveil complementary grass roots programs to ensure that those new players have a reason to stay in the game. Those other programs already include: Play Golf America; the President's Council on Growing the Game; Golf: For Business and Life; Best Practices Resource Center; and collaboration with both the National Recreation & Park Association and the Executive Women's Golf Association. All of these initiatives are supported by The PGA's newly-created Player Development Department at PGA Headquarters.

As we continue to exploit the Link Up 2 Golf model, along with the other PGA grow the game programs, and bring more players to the game, that growth in the number of golfers will translate to more rounds and increased revenue across the board — green fees; lesson and caddie fees; golf car revenue; ball, equipment and merchandise sales; food and beverage; hotel rooms at golf destinations; ratings for golf telecasts, etc.

There is a considerable economic and universal upside to how the golf industry has responded to a clearly identifiable problem, and how leaders such as The PGA of America have taken the initiative to collaborate to drive golf's consumer base with programs such as Link Up 2 Golf. Not many industries can say that. Isn't golf a great game? Isn't golf a great industry?

M.G. Orender is the president of the PGA of America.



MAILBAG: 'Municipalities should cease new golf course development'

TO THE EDITOR:

As your recent article regarding municipal golf summarizes ("Municipal golf under siege" *GCN* May 2003), municipal golf courses are also experiencing the difficult economic conditions that many privately owned golf courses have been encountering.

Many golf course owners across the nation will tell you that the rapid growth in municipal golf courses is a contributing factor to the well-known supply/demand imbalance. Such new projects are often created through political empire-building and misguided views that government has the obligation to supply affordable golf to its citizens — in competition with private enterprise.

Government has no more a responsibility to supply affordable golf than it does to supply affordable haircuts or golf course architectural services. Private industry handles these needs more than adequately.

There are many in the golf industry — those

who cash checks, versus the owners and investors who write the checks — who view more municipal golf courses as good for business. They are entitled to their position, but should experience the situation where local government decides that there are not enough affordable golf course architects and enters that business at cut-rate fees.

When many cities and local governments experienced financial problems in the 1980s they realized that they should not only cease new golf course development, but privatize the operation of their existing courses. I believe that this message was lost in the 1990s and will soon be rediscovered.

Sincerely,
Matthew Galvin
Board Member
New Jersey Golf Course Owner's Association

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