Close the back door

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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

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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