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CALCULATING YOUR ROUNDS

This is a good time of year to be involved with golf course marketing. Ideally, the marketing effort for a facility begins just after Thanksgiving and continues with a targeted sales process that lasts through at least March. The only difference between Northern golf courses and Southern golf courses is that courses in the South are slammed with business at times during the winter when courses in the North are closed. However, management of all courses should be reorganizing their marketing strategies and implementing their sales tactics at this time.

Whether your course is closed for the winter or you're watching every tee time book, by now, you've evaluated the past year's successes and shortcomings. But what constitutes market success, and what constitutes market failure? Where do you start with your evaluation? I'll give you a hint: It has little to do with budgets, profit plans or making a bonus. Reaching those types of objectives is always satisfying, but you should ask yourself how your course fared with regard to market share? What's your share of the market, and what's your fair share of market rounds?

One of the first things I do when I'm on a new assignment is calculate a market demand analysis. I want to know how many rounds of golf a market (i.e., the population) should be playing, how many golf courses are in the market, and what the average number of rounds being played per an 18-hole equivalent is. Knowing these numbers, you can determine your course's average market share.

But there are numerous subjective adjustments or considerations that must be made to provide a closer view of your course's average share or fair market share. For example, municipal courses and resort courses usually will generate more rounds than market averages, while private clubs will generate slightly fewer rounds than market averages.

To conduct your own market demand analysis, start with the National Golf Foundation's participation rate and average rounds played per golfer for the state you're in. For example, for Florida, the NGF's participation rate is 10 percent. The average annual rounds per Florida golfer was 33.3 for 2005, according to the NGF.

The next step, determining your market area, is more subjective. First, determine where your course draws most of its play from. Two accepted areas for medium-level and above public golf are a 20-mile radius and a 40-minute drive time. Choose the one that fits the majority of players who golf at your course. With that population figure, you can calculate the beginning number of market rounds played. However, some demographic adjustments also must be considered. Determine the first population- or consumer-based number first.

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For example, let's says a course's market has a population of 100,000 within a 40-minute drive. Ten percent of 100,000 equals 10,000 golfers, and 33.3 multiplied by 10,000 golfers equals 333,000 market rounds of golf. If there are nine 18-hole equivalents in a 40-minute drive area, there are 37,000 average rounds played per 18 holes. That's the starting point.

One calculation or adjustment to consider is that NGF's state participation rate and state average rounds calculations are for the

population age 18 and older instead of the total population. So, an adjustment factor of 17 percent to 25 percent is appropriate for the majority of golf markets to be inclusive of the 0 to 17 year olds because they participate less and play less frequently, according to Edgehill Consulting and Pellucid Corp., golf market research specialists. By adjusting the Florida market average by 17 percent, average rounds per 18 holes come out to 32,190 rounds. With a 25-percent adjustment, average rounds come out to 27,750.

Average age and household income are the two demographics that impact rounds played calculations the most. Remember, we're trying to get a snapshot of a market. If the average age for a market is higher than the state's average age, increase the number of average rounds by that percentage. For example, if a market has an average age that's 5 percent higher than the state's, average rounds increase by 5 percent to 33,800. Now, if the average household income also is higher than the state's average household income by, say, 2.5 percent, don't increase the new calculation by that amount. Go back to your original 32,190 market average, multiply by 1.025 for what now creates a range of 32,995 to 33,800 for average market rounds. In general, as golfers age, they play more golf; and as their incomes rise, they play more golf.

Use these types of calculations as an analytical opportunity to see how your course is performing relative to market share as a whole. Are rounds at your course within this range of market averages? Does that mean your share is good, bad or indifferent relative to your course's positioning in the market? What's your realistic fair share of market rounds? These are questions of which you should know the answers. **GCI**