

# BUSINESS BOOSTERS

Acquiring information from golfers helps focus marketing and increase rounds

**P**resently, many golf course operators are faced with the challenge of growing their businesses. They're trying to increase the number of rounds played at their courses.

But competition – with other golf courses and other leisure activities – as well as a lack of targeted marketing, can hinder that growth. Societal factors that have a major impact on the golf business are:

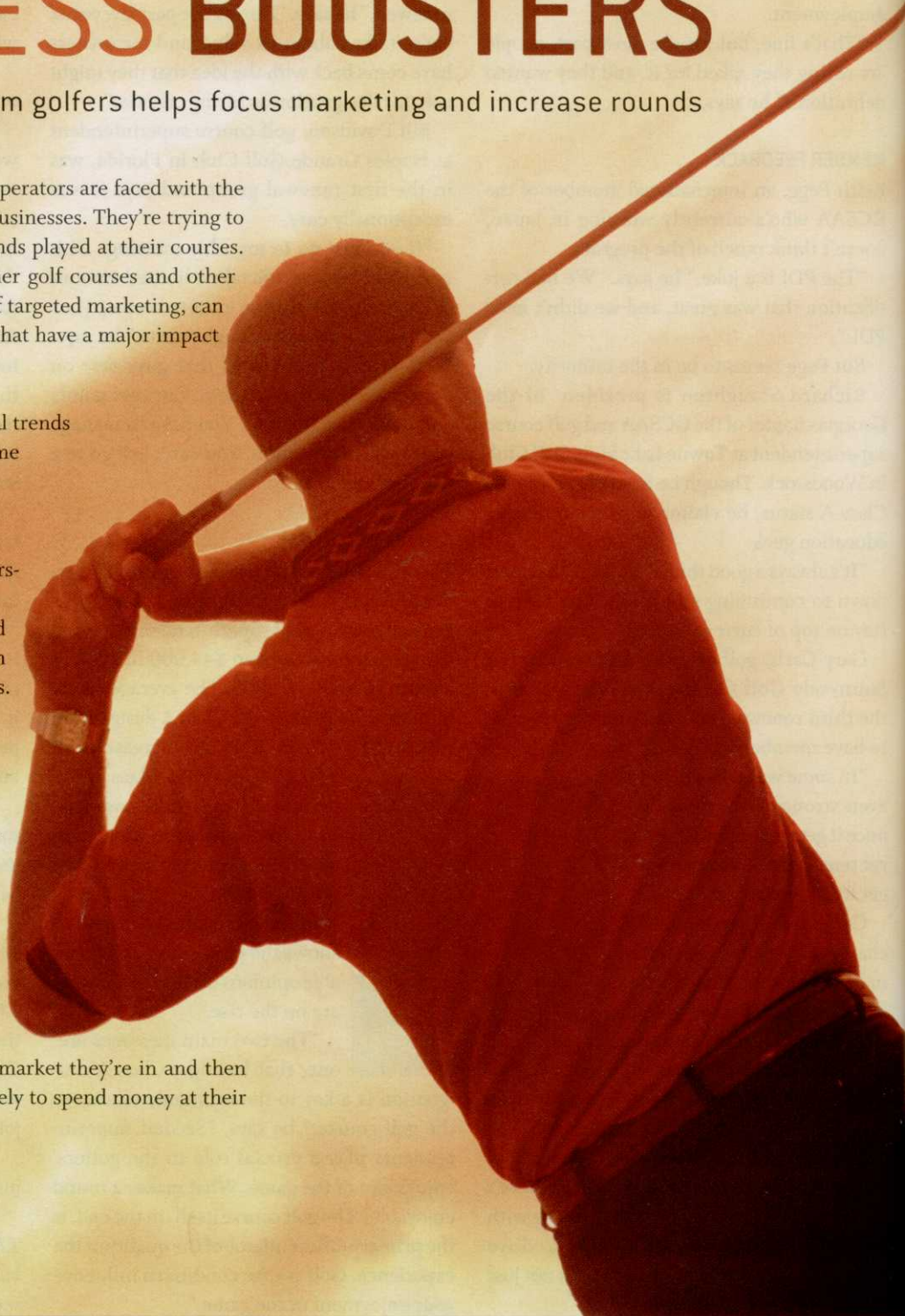
- A changing economy
- Demographic, social and cultural trends
- Availability and use of leisure time
- Technological trends
- Environmental trends
- Political and legislative trends
- Competition from other golf courses and other leisure activities.

Yet, there are opportunities and market segments golf operators can target to help improve their businesses.

Those include:

- Youth development
- Family development
- Senior services
- Universal access to and the design of golf courses
- Diverse population groups
- Opportunities to address social trends such as health and wellness, lifelong learning and technology-based recreation.

To better their businesses, owners and managers need to research the market they're in and then market to consumer groups most likely to spend money at their facilities.



Attendees at the National Institute of Golf Management held last month at Oglebay Resort in Wheeling, W.Va., received tips about that. The event was sponsored by the National Golf Foundation, Club Car, the Golf Course Superintendents Association of America and Oglebay.

Looking at the macro golf market, NGF expects a net loss of 30 golf courses in 2006 once stats are finalized. The bright side, however, is that loss is alleviating competitive environments, says Ben Fowler, golf facility research and consulting sales manager for NGF. NGF predicts 2007 will be flat – there won't be a negative supply of golf courses – and Florida, Texas and California will experience the most growth.

Regarding rounds, NGF predicts 502.5 million will have been played in 2006. Comparatively, there were 499.6 million played in 2005, 499.7 million in 2004 and 495 million in 2003. Weather, the economy, competition and reduced demand are reasons for the stagnant number of rounds, Fowler says.

To weather the storm, it's critical for operators to have loyal customers who they understand, Fowler says. Knowing this is the first step to increasing the number of rounds. If owners and managers aren't surveying their golfers, they should. According to Fowler, a good base of knowledge should include:

- An understanding of your customers. Get their profiles.
- An understanding of performance measures, your share of rounds in the market, and programs such as The First Tee and Play Golf America.

- An understanding of loyalty. Have a perceived value and a perceived relationship (a good feeling). Measure loyalty by determining if a golfer would recommend your course to a friend or relative.

- An understanding of how your share of the market relates to loyalty.

- A competitive analysis. Know where else your golfers are playing and how many rounds they're playing at each course.

"If you find out where your customers are coming from, then you can market specifically to them in the areas where they live," Fowler says. "You get more bang for your advertising buck."

It's also crucial to know the relationship between satisfaction and importance factors. It's not very beneficial if golfers have a high satisfaction rating of aspects of a facility that aren't very important to them. The goal is for golfers to have high satisfaction ratings of things that are most important to them.

Getting feedback from golfers is key to bettering one's business. Fowler cites two examples. The first is a premium daily-fee facility in Indiana. It needed to renovate its bunkers but the board pushed back. So the golf course superintendent quantified responses from golfers about the bunkers to

show why the renovation was needed. The board approved the renovation after hearing the golfers' feedback.

The second is a management company in Washington state that sent out an e-mail blast to the previous day's customers. It was trying to determine why certain customers had a bad experience, remedy that, and convince them to return.

However, acquiring golfer feedback isn't always easy. For example, one NGIM attendee from a municipal golf course says he has been having a hard time getting golfers to respond to his surveys. He's sending surveys to their homes through the mail, but unfortunately, he's had to resort to giving away a free round of golf to incentivize people to respond.

Irene Khattar, manager of communications and public relations at Cape Breton University in Sydney, Nova Scotia, Canada, and a member of the board of regents for the NIGM, says operators need to contact golfers twice a year. She suggests putting a survey in the tee packet so golfers can fill them out while waiting to tee off at the first tee. Effective elements of a golfer survey include:

- Keeping it to one page
- Taking no more than five to seven minutes to complete

**National Institute of Golf Management is a week-long educational seminar about golf facility operations taught by various golf industry experts for golf course owners, operators, managers, superintendents and PGA professionals. The NIGM, which has been around for more than 25 years, is held every year in January at Oglebay Resort in Wheeling W.Va. For more information, visit [www.ngf.org/nigm](http://www.ngf.org/nigm).**



Understanding as much about the golfers who play their courses as they can helps golf course operators focus their marketing efforts and spend their marketing dollars more wisely.



- Generating actionable information
- Asking neutral questions
- Not asking double questions
- Asking one open-ended question.

“You need the research first so you can spend your money more wisely and effectively,” Khattar says. “If you’re going to spend money on research, you should use it at every available opportunity. You need to reallocate marketing dollars because most likely budgets won’t increase.

“We’re not simply in the golf business,” she adds. “We’re in the entertainment business. We’re competing against a lot of other options such as hockey, movies, soccer, etc. We’re not just competing against golf courses.”

When trying to solicit information from golfers, incentive programs such as sweepstakes don’t work, Khattar says.

“You need to conduct market research on an individual level,” she says.

Survey methods include the Internet, mail, paper/pencil and e-mail. Khattar says 300 completed surveys in 30 to 60 days is a good goal to validate a survey. One can track a survey, for example, by having a coupon on the facility’s site that golfers have to print out and bring in to receive the reward.

Khattar recommends facility owners who have tight budgets share marketing expenses with others in the area to ease any financial burden.

“Competition isn’t always your enemy; it can be your ally,” she says. “Sharing ad dollars can benefit all courses. Keep in mind that every lost tee time is lost revenue.”

Khattar also cites an owner who was asked what the most scenic part of a golf course is. The owner replied: “a full parking lot.”

Owners and managers also need to look at all aspects of their businesses and develop target action plans for each. Some areas to evaluate include:

- Marketing plan
- Operational improvements
- Capital expenditure schedule
- Yield management
- Loyalty programs
- Accountability/ performances bonuses
- Tournaments/outings.

Monitoring, comparing and enhancing an operation are keys to a better business, Khattar says. Owners and managers need external benchmarks and internal goals.

“Hold yourself and your staff accountable,” she says. “Set your benchmarks against other

regional or national benchmarks. It can be convincing and persuasive.”

### BUDGETING, FORECASTING

Generating revenue isn’t easy, and because of that, the revenue side of the budget is where all the forecasting and planning take place.

“The expense side is so easy a caveman could do it,” says John Potts, a consultant from Chillicothe, Ill.

Before the budgeting starts, a facility’s framework needs to be firmly established. That framework includes core values, a mission, a vision, key trends and opportunities, core competencies and strategies. Some golf attributes facilities could include as part of their framework are:

- Strengthens the community
- Protects the environment
- Fosters human development
- Supports economic development
- Provides friendly competition
- Promotes health and wellness
- Provides an activity.

A business plan is needed for a facility to succeed, says Rich Richeson, owner of Richeson Player Development LLC and director of Adams Golf Learning Center in Plano, Texas.

“A business plan is a roadmap to reach a destination and adds focus and clarity for ideas and goals,” he says.

Operators need to take the time to write a business plan before budgeting, make it accessible and readable, and reference it throughout the year, Richeson says. And when forecasting, operators should identify key focal areas. For example, he suggests operators call their suppliers and ask what they’ll be charged for items the following year. This will help make the budgeting process easier.

“Use the budget numbers to get what you need,” he says.

Also, software can be used to help budget, forecast and plan. Software can track what each golfer spent in one year in each area of the golf facility, such as the pro shop, the food-and-beverage area and the golf course itself. **GCI**