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Recession?



What Recession?

Golf facilities defeat the economic downturn by giving people what they want – more value, better service and playing opportunities.

BY MARK LESLIE

A tight economy means tough times for the golf industry.

"Pshaw!" would be the immediate response from the late Joe Jemsek, Mr. Chicago Golf and famed golf course owner. "Joe would say, 'If you can't make money in a recession, you're not much of a golf course operator,'" says Vince Alfonso, former NGCOA president, about the man who owned and operated Cog Hill and its four golf courses in Chicago for half a century.

Jemsek shrewdly started building his fortune at the tail end of the Great Depression, leveraging \$21,000 in golf balls into all sorts of deals with professionals and customers. But his reasoning was diverse.

During recessionary times, golfers have more time to play, says Jemsek's son Frank Jemsek, who operates the family's five courses. "When business is going well, people don't have the spare time," he says. "Now, if you're not working as much, you have more extra time. That's an advantage for golf."

During the Depression, while many people left private clubs, they did not stop playing golf and they played more than 18 holes, Jemsek says. "You'd have them for a longer time," he says. "You could sell them lunch. Cog Hill was the only course that didn't get into the green-fee deals, and they did the best of anybody."

During a recession, people will cut back on big-ticket items, such as cars, refrigerators and air conditioning, says Alfonso, who owned The Rail Golf Club in Springfield, Ill.,

and Kimberley (Tenn.) Golf Course before joining a youth ministry in Memphis.

"They may not take the annual vacation trip, but the one thing they will do is play golf," he says.

Sticking with a club's normal green fee is one standard many operators agree on when discussing survival in recessionary times.

"I'm never in favor of cutting green fees," Alfonso says. "It's not like you're jacking people around in the first place. If you're charging a \$100 green fee and you're a \$50 golf course, you should have been a \$50 golf course in the first place. Take advantage of demand."

Jemsek prices his courses so he doesn't have to run specials.

And a bad economy doesn't signal defeat.

"You defeat the economy by giving people what they want and need," Alfonso says. "They're golfers; they like your service."

Alfonso suggests bringing golfers to your facility by inviting them in a special way, not by advertisements on TV or in newspapers, but by personal letters addressed to their homes.

"Invite them to bring somebody," he says. "Kill them with kindness, service and the thought they're getting all kinds of deals, bonuses, whatever."

Jeff Porter, club manager and PGA professional at ArborLinks Golf Course in Nebraska City, Neb., looks forward to a tight economy. Businesses and individuals alike will scrutinize more closely how they're spending



Judy Hutt, manager of Shadow Valley Golf Course says golf facilities should identify what they're best at – whether it's leagues, instruction, pace of play, junior programs, etc. – and strive to excel in that area. Doing so will drive word-of-mouth, she says.

their dollars.

"People will not spend money on a whim," Porter says.

Tom Everett, director of operations for Landscapes Unlimited's Landscapes Golf Group, which operates 13 golf courses throughout the country, says the company is making sure its customers won't want to leave its courses.

Another Joe Jemsek colleague, Judy Hutt, manager of the Shadow Valley Golf Course in Boise, Idaho, says when things are tight operators must go back to the basics, which often means thinking like a customer.

"Separate yourself from the competition," Hutt says. "If you're the same as everybody else, the only differentiation is price. And when you get into that price and discounting game, you'll die."

ADDING VALUE

Operators believe the following are crucial to success:

- Hiring customer- and service-oriented people;
 - Producing and retaining new golfers;
 - Filling dead times creatively;
 - Focusing on what the club does best; and
 - Adding value.
- "What owners don't understand is if they

give people a 20-percent discount, then so what?" Alfonso says. "Find a way to give an extraordinary gift to someone who will be motivated to use it. Don't run the risk of slashing your green fees. Send out a thousand invitations to bring guests. When they get there, say: 'Sam, today we have a special promotion. With a cart rental you get a free sandwich.' The next thing you know, they'll spend \$8 to \$10 they might not have spent."

Once golfers are in the clubhouse, Alfonso suggests pointing out that you're taking a certain percent off anything in the golf shop, not cutting prices.

"You've created a way for that person to be motivated to come to your shop first," he says. "Once they get there, you make it almost impossible not to spend money."

Hutt advises not to discount rates. "If you have to do something, add something to the existing rates," she says. "We don't charge for tees, repair tools or ball markers. We don't put 'free' on them because if you do, there's no value to them. Our repair tools cost \$1. But when people get them, we just say, 'Don't worry about it.' People are always surprised."

Everett is an advocate of the free-prize concept. "If you're coming to one of our facilities, you experience something you wouldn't get at a comparable facility down the street," he

says. "We offer free Hot Tamales on the tables, complimentary shoe-cleaning on prime weekend mornings. We're making sure our existing customers don't want to leave."

Everett doesn't discount rounds, but a \$30 green fee may include a \$10 lunch, a sleeve of balls or hat. He offers an all-day play rate for specific times and days. If it's \$30 for 18 holes, golfers can play 27 holes for \$30 or 36 holes for \$30.

Normally Illinois in November is cool and people don't ride carts. So Alfonso developed the Ride The Rail promotion: rent a cart and get a free barbecue sandwich and slice of pumpkin pie with whipped cream. "They got a sandwich that cost me \$1 to make, but I got their cart fee," he says.

Another time Alfonso rewarded golfers who arrived a half-hour early for their tee times with a small bucket of balls for the range. Many ended up buying midsize or large buckets instead of settling for the small bucket.

"As a daily-fee golf course owner, I'll create a reason for you to come to the golf course," he says.

Pacific Springs Golf Club in Omaha, Neb., hosts 9,000 event rounds each year and distributes a bounce-back for each of those.

"Each outing participant – whether they're brought by an association, business or char-

ity – gets a chance to come back and play for an off-peak discount,” Everett says. “And we have loyalty programs at each facility. When someone pays a dollar, they get a point and can redeem those points for green fees, merchandise, range balls, etc.”

TREAT THEM RIGHT

When it comes to employees, Hutt recommends hiring people with the right attitude and then train them.

Everett agrees, pointing to the fish philosophy of customer service the Landscapes Golf Group rolled out in 2008. “Of all our goals, service is our No. 1 focus,” he says. “Hiring is huge. It’s finding the right people, the right fit for the position instead of just hiring a warm body. We treat them right, compensate them fairly and retain them.”

The fish program, the tenets of which are “reeling in customers” by treating them superbly, costs nothing and sets courses apart from their competition. Training drives home the importance of treating customers extraordinarily well.

For Jemsek, whose father Joe said there’s no such thing as a bad customer, it’s crucial to treat existing customers well and with a smile to retain their play.

“Sometimes our worst teacher of the golf swing was our best at getting people to play golf because he thought golf was fun,” he says.

Hutt has latched on to this notion, as well. “We’re in the entertainment business,” she says. “Golfers pay us to have a good time.”

Hutt asks her employees three questions every year: What do we sell? Who’s the boss? What is the No.1 opportunity to create a raving fan? First answer: Fun and entertainment. Second answer: The customer.

“If a customer asks, ‘When do you open?’ then I say, ‘An hour before you want to arrive.’ If they ask when I close, then I say a half hour after they leave,” Hutt says.

And the third question’s answer: The complaint and how you handle it. “If we did something wrong, I want to make it right,” Hutt says. “I’d much rather have someone come in and talk to me about it. Once they drive out of that parking lot, it’s probably too late.”

What golf course using rangers does not encounter conflict?

At Shadow Valley, which operates a Pace of Play program, Hutt softens the ranger-golfer relationship so rangers are “ambassadors not marshals.”

“Our standard policy is if it’s below 70 degrees out, then we send out hot coffee and brandy,” she says. “If it’s above 90 degrees, then we send out cold water.” The servers? Rangers.

“We want something to do every day for every player,” Hutt says. “I’ve adopted some things from the hotel industry. I remember checking into a Doubletree Hotel and getting a big warm chocolate chip cookie. So every day we bake fresh oatmeal, walnut-cranberry cookies and the only way you get one is to play golf.

“Our player assistants [rangers] make sure everyone gets a cookie,” she adds. “It softens their effect. People look forward to seeing them. It also gives them an easy way to approach a group if they do need to talk about slow play.”

Tournaments and other outings are the times for a golf facility staff to prove its worth.

“Corporate outings, charity events, whatever it is, we treat them so well they don’t want to go anywhere else,” Everett says. “We try to make it as easy as possible on our event coordinators. Without doing their recruitment for them, we take care of most everything else.”

Pacific Springs, which generates 44,000 total rounds a year, almost has its entire annual rounds booked by April 1, accounting for 9,000 outing rounds and 11,000 league rounds.

“All our club managers stay in touch with

past outings, are involved in local chambers of commerce and go to our vendors,” Everett says. “We want to make sure the people we’re doing business with are doing business with us.”

Anything Hutt can do to take pressure off the tournament chairmen, she does. “We even have someone on site to give massages,” she says. “We get the signs ready, take them out and bring them in and store them for next year. I want to hold onto those signs because it gives them a reason to come back. When they show up in the morning we have the register table, we’ll do registration; everything’s alphabetized. The carts are ready. Certificates are done. We take care of everything. All they have to do is get the players and the sponsors. Once they e-mail that to us, their job is done and ours is just beginning.

“We love doing that,” she adds. “To me, if an outing is played at our facility, I want to have control of the outing so people will know it is done right and our reputation is kept intact.”

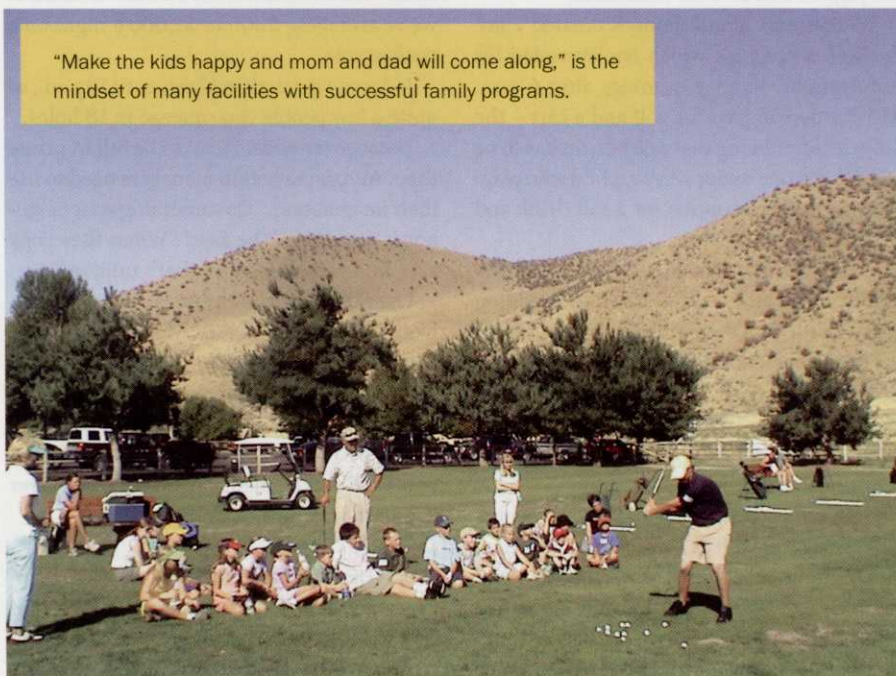
In Chicago it appears the number of outings will remain about the same, Jemsek says, although he predicts he will see fewer homebuilder and auto-dealer events.

Regardless, Alfonso adds, “If you continue to offer exemplary service and better value, then everything will be just fine.”

COMMUNICATION

Solid customer communication improves service and the bottom line.

“Make the kids happy and mom and dad will come along,” is the mindset of many facilities with successful family programs.



"We try to stay in touch on a frequent basis, but not too frequent – seven- to 14-day intervals," Everett says. "We don't want to irritate them but we want to keep our names in front of them. We use our e-mail marketing system very efficiently to promote tee times, course-sponsored events, banquets and the like."

Hutt mails Christmas cards every year with a coupon for a free bucket of balls to people who have played Shadow Valley. And every second year Hutt e-mails surveys asking what people want at the course.

"Sometimes it's as little as water coolers, or fixing an uneven tee box," she says. "We let people know we've responded to the surveys."

E-mail, Hutt says, is an effective way to market.

"These are our customers," she says. "If I'm going to mark down my merchandise I want to go to my customers. If club managers aren't into e-mail they're missing the boat."

PRODUCING GOLFERS

"So many times we say golf is stagnant. Well, who is going to create players if we don't – at the grass-roots level?" Hutt says. "People need to embrace that it's not just dad going out on Saturday and Sunday mornings any more. To grow your business you have to embrace the whole family – dad, mom and all the kids. We learned a long time ago to keep the kids happy. There is not a lot of money in the junior programs. Make the kids happy and mom and dad will come along. So we focus a lot on the juniors and do a lot with them."

To that end, Frank Jemsek created Family Golf, a program which has exceeded his expectations. Sunday evenings after 6 p.m. \$10 per person pays for golf and a cart – the only qualifier being that one person has to be over 21 and one under 12. Any child who plays four holes gets a coupon for a soft drink and a treat at the clubhouse.

"The kids come in for the treat and the family comes in to eat," Jemsek says, adding research shows if the entire family plays from the same tees, children are much more likely to continue playing. "The longest hole is 120 yards," he adds. "When a kid gets lucky on a 40-yard hole and ties or beats mom or dad, they're hooked."

Hutt also operates successful Family Nights on Sundays, as well as a number of activities for children throughout the summer. Youths can play any day of the week after 3 p.m. for \$5. They get a free bucket of balls every time. In addition, clinics throughout the summer

regularly draw 350 youths. "Do the math. That means 700 adults," she says.

Meanwhile, Friday night scrambles are a weekly highlight, and Saturday nights focus on a couple's league strictly for fun, with golf and dinner packaged for a good time out.

Women are an untapped market, Hutt says. Golf historically has done a passable job attracting women, but a poor job at retaining them. "We have to realize that we can't have the same programs for women that we have for men," she says. "Boys at 6 are competitive. Men like competition. With girls it's all about having a good time, not competition."

While the ladies league tees off at 6:15 p.m. the newly formed Swingers – women who don't want to compete but still share the social environment – tee off afterward.

"All of a sudden there are more women in the Swingers than our league," Hutt says. "What can we do for women who just want to have a good time?"

FILLING DEAD TIMES

These programs serve three purposes – attracting golfers and filling the tee sheet while filling the coffers. However, men's, women's, juniors' and seniors' leagues operate on weekdays, but "dead time" means "zero-revenue time."

After those weekday leagues tee off, it's too late to set tee times because people can't finish 18 holes. However, golfers could play a few holes, Hutt says, which inspired the "buck-a-hole" concept. "It has become unreal," she adds. "We never advertised a buck-a-hole but we're averaging \$800 to \$1,000 a night on a buck-a-hole."

It doesn't get dark in Idaho until 10 p.m., so quite a few people can squeeze in 18 holes.

Because tee sheets tend to be full in prime time, Alfonso says club managers need to use their imagination. "Do something your neighbor is not doing," he says. "When they copy you, find something else that's unique."

Later this year Hutt intends to start Million Dollar Mondays. "Every Monday someone will be stationed on a par-3, the longest putt will be identified and we'll give out a gift certificate," she says. "We'll narrow the field with a 'putt-off' each month. At the end of the year we'll get the media involved. One player will putt for a million dollars."

WHAT THE CLUB DOES BEST

Every golf course owner should ask, "What do I do better than anybody else. What am I known for?" Hutt suggests, adding if the

answer is "nothing," then immediate changes are necessary. "We're known for pace of play, strong juniors, our men's association and corporate outings," she says. "We make sure we do a good job with everything we do and depend on positive word of mouth. You take care of the customers and I think the customers will take care of you."

Every course can afford to improve its aesthetics and landscape, such as the entry road, the first tee and 18th green, around the clubhouse and parking lot. These areas are ripe for facelifts at many privately-owned public facilities.

Should course-maintenance expenses be cut?

No, is the unanimous answer. Everett even has a rule of thumb to determine the dollar figure.

"In course maintenance we're not looking to cut a bunch of dollars, but we are looking to make sure that if we are only getting a \$30 green yield we're only providing that experience to the golfer," he says. "We can't provide a \$50 course as it relates to conditions if we only get a \$30 green fee. Make sure the balance is correct."

"This is not scientific, but I've always believed you can spend \$100,000 in maintenance for every \$10 worth of green fees you're getting. If you're getting \$30 you can spend \$300,000."

Everett warns against overspending "but not under-spending, either," he says.

Hutt's advice: do things that will blow someone's socks off. "We ask ourselves, 'What can we do to blow anybody's socks off. How would we blow our socks off?'"

THE FUTURE

No one's predicting the future, but Jemsek offered a perspective.

"Yes, I'm concerned," he says. "You just don't know what's coming. I hope it doesn't become 1929 again. I don't think that will happen. That was much more severe than now. A huge number of cities and counties have postponed infrastructure work ... and the guys who work on those projects are our customers. The NGF [National Golf Foundation] says more kids are playing golf than ever now: two and a half to three times more than the 1950s and 1960s. Eventually those kids will be a market."

Joe Jemsek would be proud. **GC**

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