Still Bullish On the Golf Business

BY PAT JONES

You don't have to be Alan Greenspan to know that the "irrational exuberance" that fueled the U.S. economy for the past six years has largely vanished – at least for the time being. The markets have tanked, many dot-coms have become dot-bombs, fuel prices are outrageous, layoffs keep coming and Santa left a lump of coal in most retailers' stockings last Christmas.

It feels like we all just sobered up after a wild college road trip to Daytona.

At a time like this, bearish financial analysts might look at the golf business and see an industry that's highly vulnerable in an economic downturn. After all, golf *seems* like a leisure activity that would quickly be sacrificed if paychecks don't grow or prices for necessities go up.

Logically, less disposable income equals fewer rounds, fewer rounds equals less revenue and less revenue equals tough times in an industry already condemned by some for building too many new courses.

But before anyone starts plowing up their course to build condos or plant rutabagas, I'd like to make a case that a downturn may not be as bad as some might think. Here are five reasons to stay bullish:

1. Anyone who assumes that players will abandon the game because money is a little tighter has obviously never seen normal, rational people who ignore snow, lightning, tornadoes or plagues of locust to get in a round. Golf isn't a casual hobby that people easily give up over a few bucks — it's an obsessive-compulsive disorder disguised as a game.

2. As tight as things may get for the maintenance side of the business, you're in much better shape than the balls-n-sticks side of the business. Golfers may continue to play about as often, but I'm not sure they'll be rushing out to plunk down $900 for a new Uranium-235 Super-Atomic Driver or pay $18 for a sleeve of balls with moon dust in the middle.

3. There are more than 800 new courses in planning or under construction, and my educated guess is that more than half are ultra-expensive daily fees. Do we really need more $150-per-round daily fees in resort areas that are already overbuilt? Maybe a downturn will force some to reassess a market that needs affordable courses more than pricey glamour tracks.

THIS BUSINESS HAS MOMENTUM THAT PUSHES BEYOND THE SHORT TERM

4. This is a good time to be a talented superintendent who understands customer service. More than ever, conditioning has become part of the marketing mix in a highly competitive marketplace. Even incidentals like good signage, plentiful water cooler stations, decent restrooms and well-crafted tee markers can make a difference. This is the perfect time to challenge yourself to see what you can do to make sure your facility retains or grows its share of the local market.

5. This business has momentum that pushes beyond the short term. Golf has become synonymous with a lifestyle that people desperately want. The Boomers are retiring to quiet, little developments in Florida and Arizona (and keeping their memberships in Minnesota and Michigan). The Xers think golf is cool (and a link to the "grown-up world") and the Ys and Zs (our current youth categories) have Tiger to inspire them. Putting a Tiger in your economic tank is like having Jordan, Bird, Magic, Kobe and Kareem starting against the Washington Generals.

So next time the gloom-and-doom headlines get you down, remember that you're in the business of selling an image — a place for fun, beauty, relaxation, competition, camaraderie, challenge and tradition. No one else is selling what you have to offer, and 25 million Americans want to buy it.

And that's no bull.

Pat Jones is the publisher/editorial director of Golfdom. He can be reached at 440-891-3126 or pjones@advanstar.com