

Hot Dog! Golf Course Owner's Idea Helps Increase Rounds

BY LARRY AYLWARD, EDITOR

Fred Smith rolled out the frankfurters and the golfers rolled in.

In the fall of 2000, Smith, owner of Riverwood Golf and Athletic Club in Clayton, N.C., a suburb of Raleigh, was looking for ways to increase rounds at his 27-hole golf course. Smith was disenchanted that his course, built in 1996, was only yielding 25,000 rounds a year. "I wanted people to play our course at a value and price that we could drive more traffic," Smith says.

Smith, whose company builds entire communities, not just golf courses, contemplated his approach. He wanted to keep his strategy in line with his business slogan, "Delivering More for Less."

"We strive to deliver value to our customers, and that's defined as getting more than you expect for what you're paying for," Smith says. "We're along the Wal-Mart philosophy."

Smith brainstormed for ideas how the course could deliver a golfing experience that was more for less. One thing was for sure: Smith knew the answer didn't lie with the course's food-and-beverage segment. Golfers didn't come to Riverwood for the fine dining because the course offers no fine dining. And golfers didn't stop in the clubhouse for a beer

after their rounds because Riverwood doesn't sell libations.

The course did, however, offer a modest snack bar. And that's where Smith turned his attention.

The snack bar employed one full-time person and offered the basic junk foods. It wasn't losing money, but it wasn't making a lot of money, either. After Smith studied the total cost of the operation, a notion came to him that involved mustard and ketchup.

The snack bar would be scaled back to a hot dog rotisserie and soda machine, and transformed into a self-service center that would also include vending machines, Smith thought. Hungry golfers could stop in the clubhouse after playing nine, grab a hot dog and soda and make the turn in no time.

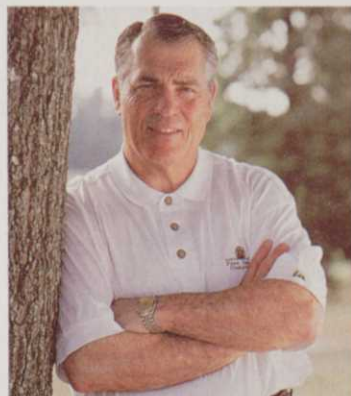
Smith put the idea into action last year.

"It's been well-received," Smith says, noting that rounds increased from 25,000 to 37,000 last year.

"We're now known as that place where you play golf and get free hot dogs."

Smith admits that nice weather last year also sparked the growth in rounds. But he's as sure as brown mustard is spicy that the free hot dogs had a lot to do with the increase.

Overall, the course made more money, thanks to the increased rounds (\$42 with cart



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on the weekend), and didn't miss the modest sales from its snack bar. The cost of providing free hot dogs and soft drinks was minimal compared to the revenue gained from nearly a 50-percent gain in rounds. Smith hopes the hot dog idea flies like a great tee shot this year.

"It's been a better economic decision," he notes, adding that a common sight is a golfer walking out of the clubhouse with two hot dogs in one hand and a soda in the other. "[The theme] is consistent with our entire brand."

Smith says the course doesn't promote the hot dog and soda giveaway, except for a sign in the pro shop that reads, "We want to deliver more for less, and we want you to enjoy your golf round. So have a hot dog and drink on us." Most advertising has been word of mouth.

The moral of this story? Don't underestimate the mighty, mouth-watering all-beef wiener.

"It's America," Smith says. ■

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