

Generation NEXT



Are country clubs still relevant
for the **hip** 30-something crowd?

BY DAVID FRABOTTA, SENIOR EDITOR

LET'S FACE IT: Country clubs aren't cool. They're not trendy, and they have never changed with the times. How many 100-year-old businesses can say that and live to tell the tale?

Much of the hospitality industry has re-invented itself to stay relevant with emerging consumers, especially 30-somethings. Many think that golf clubs will need to follow suit to keep revenue rolling in for the long term as they continue to battle each other for market share.

Prior to the 1980s, hotels, for example, were either no-frills budget brands, opulent palaces that felt like museums, or soulless cookie-cutter prototypes.

If you walked into a full-service Hilton or Marriott back then, you really

couldn't tell whether you were in Boston or Dallas. Business travelers liked the predictability. Some still do. Younger business travelers hated them.

Back then, the words "boutique hotel" conjured up images of somewhere Clark Griswold stayed in Paris in National Lampoon's "European Vacation." Then something cool happened in the 1980s. An ultra-chic, high-touch hotel popped up in New York, then one in Los Angeles and Miami. They were the brainchild of Ian Schrager, the man who brought the American discothèque to the 1970s with Studio 54 and the Palladium. He called his new design concept an urban resort, where young professionals could slumber, socialize and stay in affordable sophistication.

Schrager's hotels were a hit. A slew of hotel companies started up with the boutique concept, and even giant conglomerates like Starwood Hotels and Resorts launched the W Hotels brand.

Similarly, restaurants have changed to provide upscale food and beverage in a casual atmosphere. Think Panera Bread and Starbucks. Folks stand in long lines at myriad other upscale deli concepts to

willingly pay \$4 for coffee drinks and \$10 for roast beef sandwiches.

But golf remains the same. Of course, much of the golf industry's staunch tradition is by design. Golf clubs have followed the same model for more than 100 years in America. That model has been: Take it or leave it — that is, if you beg enough members to let you join. That model was purposeful and wildly successful for a long time. But as clubs continue to compete with an unprecedented surge of local competition, the same old way of doing things might not be good enough to recruit and retain the members of tomorrow.

"We're choking on the past," says Bobby Weed of Weed Golf Course Design. "But I see it as a phenomenally exciting opportunity to change the dynamics of business and prepare for the business of tomorrow by catering to the new members and the needs of the new members. It's supply and demand, the same old thing."

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[ABOUT THIS SERIES] "Growing the Game" is *Golfdom's* quarterly series — now in its third year — that focuses on how the golf industry can attract more players to create more rounds. In addition to this installment on courting younger generations, we've also explored the impact women, minorities, disabled golfers and baby boomers could have on increasing play. We've talked to golf course architects about ways they can make the game more friendly for beginners and average golfers, highlighted creative marketing programs that recruit new golfers, and showcased initiatives aimed to quicken the pace of play. Visit our archives at www.golfdom.com to view the 2006-2008 "Growing the Game" series.

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Growing the Game [PART 3]



Above, the proposed Selva Marina clubhouse features smaller, more purposeful rooms, a coffee bar and WiFi connectivity. The current clubhouse (below) fails to incorporate enough useful outdoor spaces to meet the needs of the Atlantic Beach community.

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Weed has been promoting new concepts in his designs to attract younger members. He says mixed grills and carryout offerings must advance to capitalize on modern expectations and the faster-paced lifestyle many working parents rely on.

He says smaller clubhouses — about 18,000 square feet — with a Starbucks-type concept and a more casual mixed grill, such as a Wolfgang Puck concept, can help satisfy the demand of younger members. These concepts can help clubs compete with the broader service economy.

“You have to adjust to the times because clubs out there are competing for discretionary income with retail outlets,” he says. “If the services aren’t offered, then golfers are going to go elsewhere instead of spending their money at the club. It’s a function of rethinking the clubhouse in its entirety as well as business in general.”

One club that’s buying into the new philosophy is Selva Marina Country Club in

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Atlantic Beach, Fla. In the face of a rapidly diminishing membership a few years ago and the subsequent lower revenue, General Manager David Main sought a new club that operated more efficiently and offered more amenities that catered to younger members.

He ended up with plans for a complete facility blowup from Weed Golf Course Design. Selva Marina is rerouting its golf course to be more core-routed for operational efficiency, and its proposed clubhouse will have a campus feel and will feature more casual dining spaces, WiFi Internet access, a coffee bar, a fitness center complete with child care and smaller, more need-specific rooms.

The rerouting of the golf course freed up 30 acres for real-estate development that will finance the transformation. The entire philosophy revolves around building a membership that management can count on for revenue in a market with heavy golf saturation. The Jacksonville-area club has 261 golfing members and 609 total dues-paying members.

“Every club is working hard to make its product something special to attract the 30-somethings,” Main says. “We’re looking at a total plan, not just golf, because we need to retain people who we aren’t going to lose through mortality.”

The marketing campaign behind the new concept appears to be working. The club has added more than 30 members so far this year as it advertises its eventual rebirth. It was losing several percent each year to attrition prior to its proposed regeneration. Main says the casual nature of the clubhouse — shorts and flip-flops even in the dining room — caused a bit of a shakeup with the older members, but the evolving culture shift is necessary to retain the younger members.

Hospitality hallmarks

Service amenities appear to be another way clubs are differentiating themselves and recruiting and retaining members of tomorrow. In an economic climate of higher prices, lower usage rates and higher competition for members and member revenue, the compulsion might be to slash services in line with the macroeconomic climate. But clubs that are outcompeting their competitive set are offering more service, not less.

At the Pinetree Country Club in Kennesaw, Ga., General Manager Barbara Jodoin is adding a historically hotel-based amenity: concierge service. It’s no wonder Jodoin stole the idea from her 15-year tenure as a general manager of resort hotels. The lodging industry suffers from very high competition in almost every market. Differentiation often is driven by service in hotels, just as it is for golf clubs that have similar layouts and conditions.

Pinetree’s concierge will make dinner reservations, inquire about theater tickets, book transportation or anything else a member might need while on the links.

“All of our businesses have changed. It’s not just the golf industry,” she says. “The way we do business today is not the way we did business 20 years ago, and outside influences come into every business’s door, whether they are buying habits, demographics or something else. Everything changes.”

Pinetree has also created a meals-to-go program, similar to the curbside pickup concept that casual dining restaurants have made popular. She says it’s an appreciated resource for members. Even if they are not dining at the club, they are still using the club for dining services — and repetition builds loyalty.

“We must be able to attract from a smaller population of discriminating buyers that are still out there,” Jodoin says.

Spa services are gaining momentum in the
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Lifestyle Goals

What is your generation's most important goals in life?

	Gen Next (18-25)	Gen X (26-40)
To get rich	81	62
To be famous	51	29
To help people who need help	30	36
To be leaders in their community	22	33
To become more spiritual	10	31
None of these	2	2
Don't know	1	1

Source: 2006 Gen Next Survey. Respondents were asked to choose the most important and next most important goals from these five options. All numbers are percentages.

Views on the Environment

What has the biggest influence on environmental views?

Age:	18-25	26-40	41-60	61+
Personal experience	19	22	26	18
Friends & Family	14	6	4	5
Media	19	22	28	30
Religious Beliefs	4	6	8	11
Education	33	30	22	24
Something Else	11	14	11	10
Don't know	0	-	1	2

Source: Pew July 2006 Religion Survey. All numbers are percentages.
* All columns equal 100 percent.

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club industry as well, says James Singerling, CEO of the Club Managers Association of America. The spa amenity is part of a phenomenon spawned by members who seemingly travel extensively at a younger age than the preceding generations.

"Men never dreamed of going to spas 20 years ago, and now you have a masseuse on the driving range giving chair massages," Singerling says. "The dilemma for clubs is keeping the finger on the pulse of who your members are today and determining their demands and needs. We continue to pigeonhole this industry, but we have to realize that it has evolved over the past 20 to 30 years just as general business in the community has evolved."

Evolution, indeed, is a common theme amid higher operating costs and more competition in local markets. It's clear country clubs are competing with more than just other country clubs; they are competing with restaurants, coffee shops and fitness centers for disposable income.

The fitness industry is booming like never before. Patrons start taking shape younger, and businesses have the ability to create a lasting bond through life. That's why many country clubs are adding a fitness component to clubhouse renovations.

"The first thing that comes to mind with the younger generations is fitness,"

says Ruffin Beckwith, executive director of Golf 20/20, an organization charged with growing the game.

Beckwith currently is working with PGA Tour Experiences to add a fitness component to all its golf academies. They are adding a healthy lunch concept alongside the fitness center, complete with a juice bar and a deli that serves low-calorie wraps.

"Golf struggles to be relevant at times with certain groups," Beckwith says. "We need to adjust to members' lack of time so folks are able to use the club more often."

Redefining relevancy has become a common theme in golf business as well as golf course conditioning. No-water zones and no-chemical zones are getting bigger. Some courses are a bit browner amid water restrictions and drought. Just as conditioning evolves to stay relevant with the times, its clubhouse facilities and service offerings must change to stay germane to new and existing members alike.

"We respect the past and the present, but we need to be more forward-thinking by looking at every component of club operations, golf course design, clubhouse design and clubhouse usage in order to make clubs a profit center again," Weed says. "Everyone is going to need to tighten their belts and rethink their businesses so they can understand what the members of tomorrow need and desire." ■

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