

We Quit - Cold Turkey!

By David Brandenburg, Golf Course Manager, Rolling Meadows Golf Course

Like many daily fee courses we have searched for ways to increase revenue while holding down expenses for a couple years now. Each fall around budget time it seems like a losing battle as we search for new answers and examine what worked and what did not work.

It is a twofold battle led by increasing costs and decreasing rounds. Unless you have been under the proverbial rock for the past four years you have seen costs increase across the board while revenues fall or hold steady. Fuel, fertilizer, parts, electricity and labor costs have all increased at a time every course manager wants to provide better conditions to attract new customers.

Most of us discovered that cutting costs the first couple years was easy as a few optional things could be eliminated from the program and the belt can be tightened a bit here and there without hurting. In 2011 many courses are well past the point of easy cuts and have been cutting employees and programs that are important to providing the conditions customers want with no sign 2012 will be easier.

You can only increase efficiency so many times. Employees and mowers can only go so fast while fertilizers and fungicide only lasts so long. For the 2011 budget we included cuts that really hurt but costs continue to increase while revenue stays stagnant.

I have written in a previous issue about the evils of deep discounts that rarely increase revenue for the course offering them but certainly reduce income for neighboring courses. Pretty much any day of the summer a quick internet search will find you a course offering 18 holes and a cart for \$25 or less and now that fall is here \$18 or less. A dollar per hole? It is a great deal for the player but a course cannot pay its bills on a dollar per hole.

Our course has toyed with the discounts and offers some select programs at select times. We adopted programs to provide a opportunity for our frugal customers to find a time and place to play while keeping our rack rate stable most of the time. We have avoided Golf Now and other third party tee time sites in efforts to keep our rack rate a good deal.

With a lot of angst and second guessing we did join some third party discounters to try and attract new players to our course. The goal was attract new players once at a discount show them a good time and they will come back at full price. We should have known better.

The sales pitch from the third party group is that they spend thousands in marketing, have a large database to attract "new" customers so giving their customers a discount is a win win.

Last year we joined 4 different programs and met some great new customers but found that on average the customers we received on the programs only played on the program, so they never pay full price. Good for them but not good for Wisconsin golf courses. We found they wanted discounts on their discounts and were very upset when they could not get them. ("What do you mean I can not get half price on the twilight rate?") We also saw they rarely made golf shop purchases or ate before or after their round. To make matters worse they tended to play during busy times, taking a tee time from full paying customers.

I personally know three of the four owner/operators that we worked with. They are nice guys, love the game of golf and are good at promoting their products. I wish them luck in life but I hope they find new jobs!

Why should we allow these companies to make a profit off of us? Do we have so much revenue we can afford to give it to someone else?

The other program we have tried for three years is offering customers who sign up on our website to get our e-mails a free round for their birthday. It seemed like a good idea to attract new customers and offer a round to someone who might take a cart bring a couple friends and become a regular customer.



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That happens once in awhile but for the most part the customers came alone or with someone also playing on a birthday round. It is amazing how often two golf buddies had birthdays in the same week. They usually walked but did tend to buy things. It was also a way for our regular customers to get one free round a year. A free round is nice but as a marketing tool it did not work out they way we expected.

In hindsight we found out what we already knew. We provided a number of people we will never see again rounds at our course at a discount. By July we came to our senses and declared we are done with third party discounters and birthday programs and are quitting cold turkey. No weaning off of the programs a little at a time or trying a new one. It is liberating to end a phone call with "we are not interested" 1 minute into a 5 minute sales pitch about the latest program someone looking to make a living off of daily fee courses dreams up or copies.

Instead we will continue to cater to and reward our regular customers with periodic specials and will start a new program to offer a discount card for our course only. The more you play the more you save with us.

Southwest Airline is one of the few airlines to not use

Travelocity or Expedia to offer discount fares. They offer discount fares but on their website only. They do not share their revenue with other third party vendors and are one of the few airlines making a profit. I realize that not using third party discounters is not the only reason Southwest is making money but I am convinced it is a major factor.

From now on we will begin training our customers that the one and only place to find the best price to play Rolling Meadows Golf Course is at our website. And we will not charge them extra to get it either. The purpose of the website is so customers go there and see our events list, sales items and other information to allow them to enjoy their game.

As you read this and decide what works for your course you need to realize what kind of course you offer. What does or does not work for us may or may not be applicable to your facility. We are a medium rate daily fee course in a medium sized centrally located community. The programs that did not work for us may work great for destination courses, upper level green fee courses and courses off the beaten path that truly have slow times and days.

Good luck this fall and with your budget decisions.



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