



PGA™



Fast Track

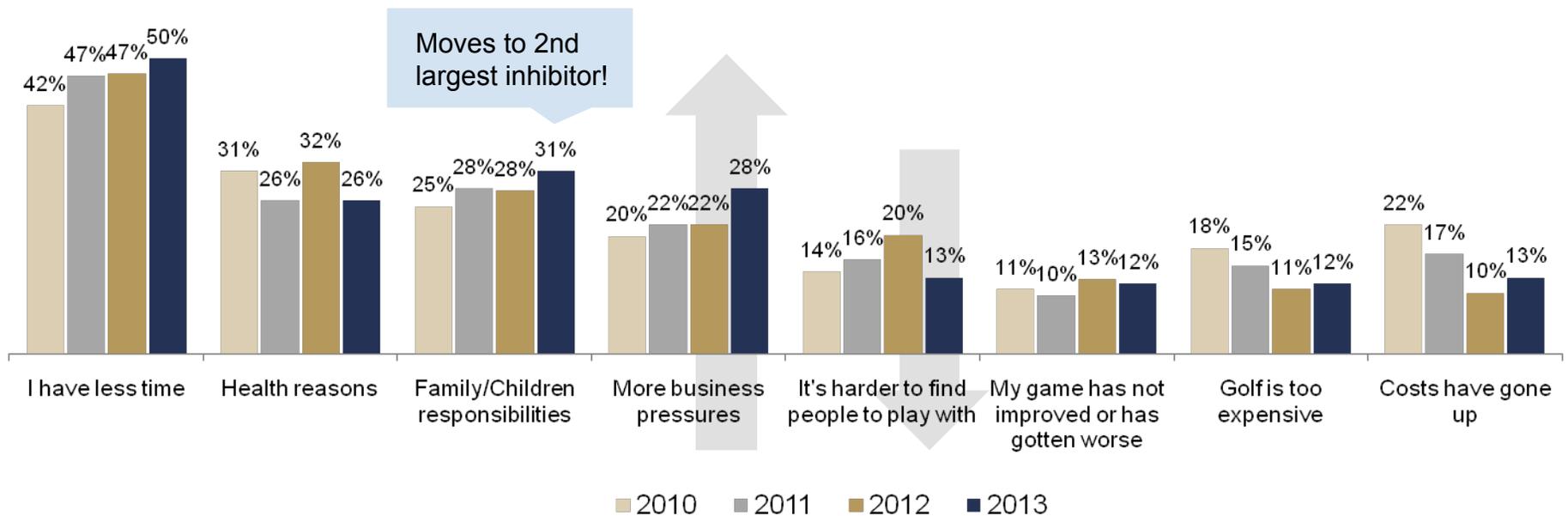
January 25, 2013

Jon, your company regularly tracks golfer attitudes and behaviors related to participation. Based on your most recent research, what are the major inhibitors to greater golf participation, today?



Why Golfers Are Playing Less

- We need to work harder at integrating the family into the golf experience



Going Beyond the Crutches

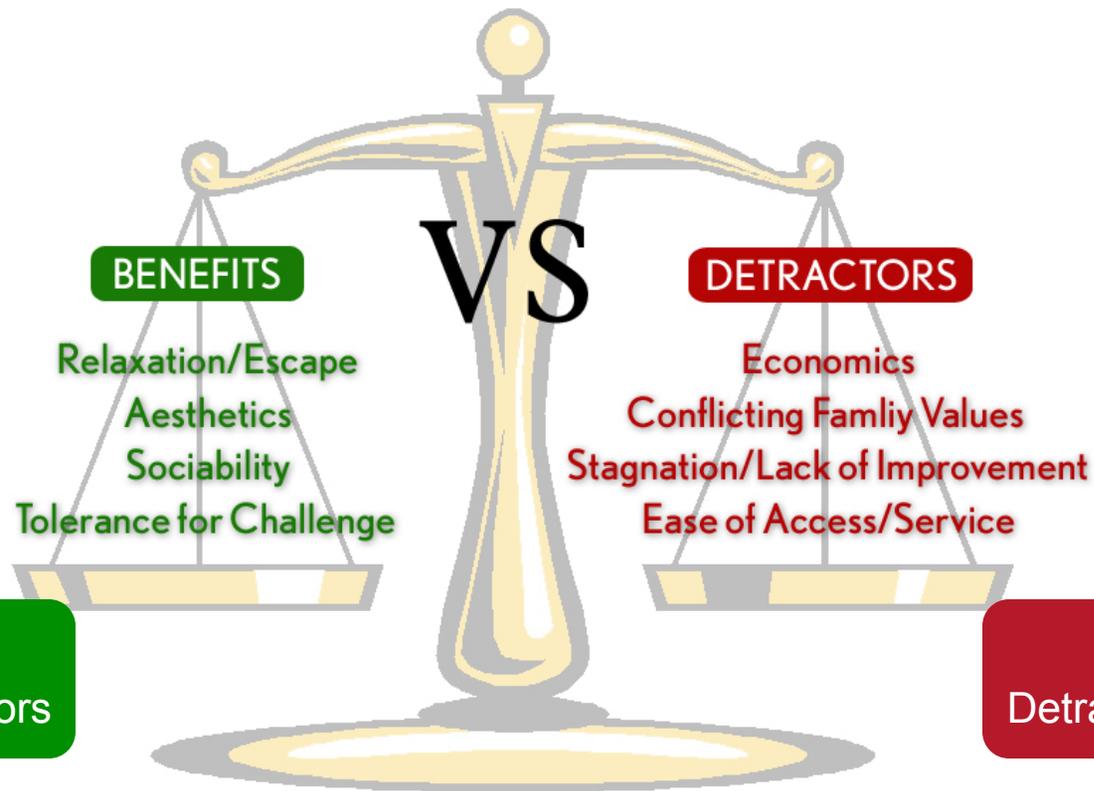
	They Say	They Mean	Issues
Crutch #1 	“Golf is too expensive”	“I’m not getting value out of my experience” ----- “I spend on lessons & equipment but I don’t get better”	Customer service; Pace of play; Conditions
Crutch #2 	“I don’t have enough time to play golf”	“My on-course experience doesn’t justify the time investment”	Too crowded; bad service; lack of improvement

Jon, I understand that in golfer research that you've just completed, you've seen a positive shift in golfer intent to play more golf. What are the factors that you attribute to this?



The Attrition Battle

Tipping The Scale of Critical Success Factors



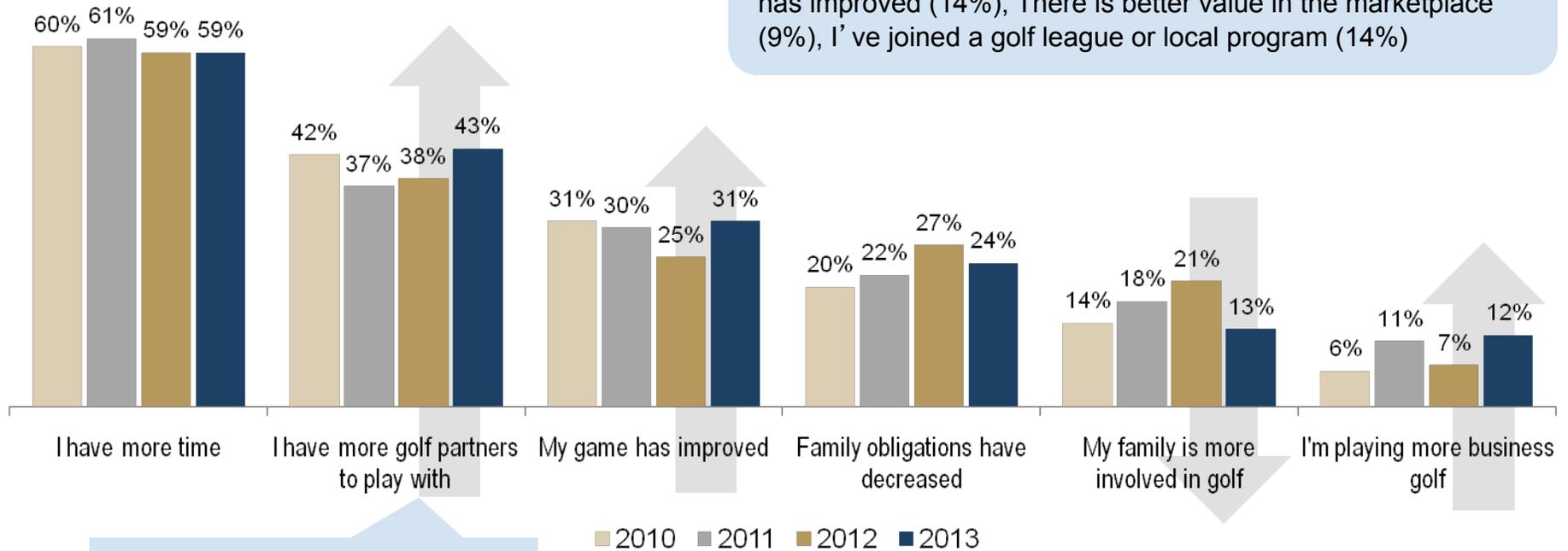
Play More If
Benefits > Detractors

Play Less If
Detractors > Benefits

Why Golfers Are Playing More

- Its about people: Playing partners and business golf are on the rise. But what about family?

Stable reasons cited: I have reduced business pressures (21%), I've recently bought new equipment (17%), My health has improved (14%), There is better value in the marketplace (9%), I've joined a golf league or local program (14%)



Top response for <35 years old (56%), public golfers and lower income players



The “Sandwich Generation” Comes “Of Age”



Aged 42-52, they aren't boomers or “X-ers”. They're not always following their parents into private clubs?

- Child-Centricity
- Self Entitlement Reality Check
- Survivor's Guilt and New Definitions of Community

Golf as the Ultimate Safe Haven and Facilitator of Community



“Camaraderie has become more important. You never know if you or your friends will be here today or gone tomorrow. Again, you just take advantage and enjoy every chance you have because it could be taken away by some unknown and unforeseen circumstance”

– Focus Group Respondent on Golf’s Importance



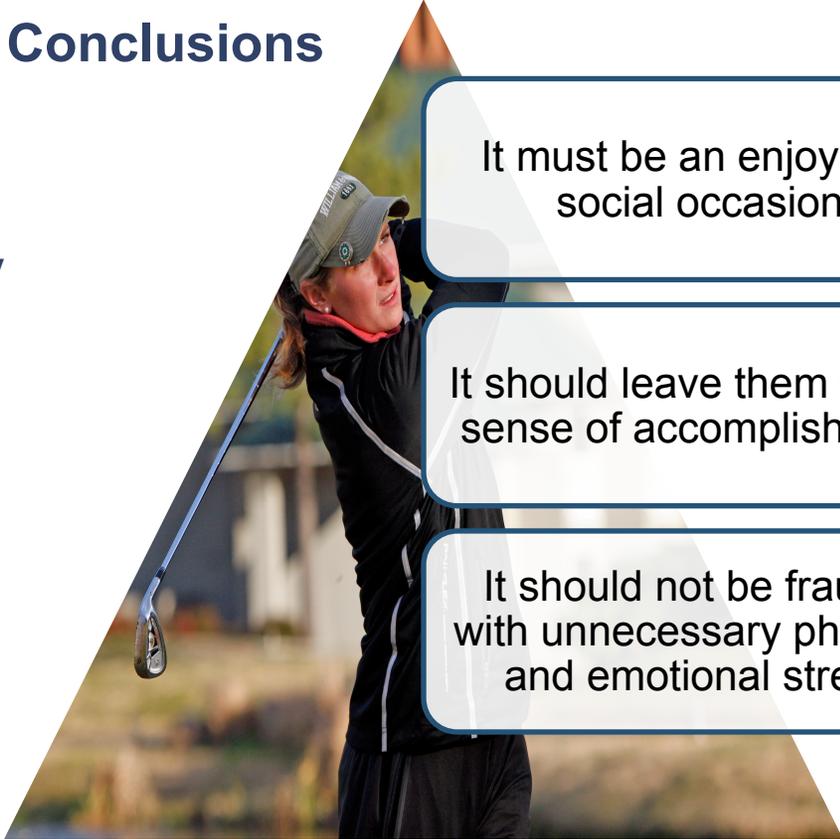
As we seek to cultivate greater participation among women, what has Sports and Leisure Research Group's work revealed about the ingredients necessary to build a more welcoming environment for women at golf facilities?



The Right Invitation: 2009-2010 SLRG Research

Reveals Three Over Arching Conclusions

- For the golf experience to be perceived as worth both the time and money, it must satisfy women's needs on three key dimensions:



It must be an enjoyable social occasion

It should leave them with a sense of accomplishment

It should not be fraught with unnecessary physical and emotional stress

Recipe for Success

What is the “recipe” for success in attracting and retaining women golfers?

Our analysis suggests that facilities can enhance women’s perceived value of a round of golf by addressing three fundamental issues.

•Step 1 - Eliminate extraneous physical and emotional stressors

- Provide ample restroom facilities throughout the course
- Ensure there is sufficient drinking water available, as well as healthy food options
- Provide ample directional signage, as well as additional navigational aids (maps, GPS) in carts if possible
- Ensure there is a well-designed and appointed ladies’ locker room; particularly if one exists for men.
- Seek opportunities to streamline the tee-time booking process

•Step 2 - Reduce frustration with the game itself

- Keep course well-maintained. Aesthetics are important.
- Re-evaluate tee box placements, so that more women can reach green in regulation
- Provide more short holes
- Offer 9-hole play and/or other flex pricing

• Step 3 - Enhance the “social” aspects for women (especially appealing to Lapsed Golfers)

- Increase potential playing partners by offering women’s golf leagues
- Provide more “off-the-course” or clubhouse social opportunities, such as a sit-down restaurant, special interest events and after hours “socials.”



Definition of a “Best Practices Facility”

- Four or more sets of tees
- The forward most set of tees ideally under 4,500 yards (though up to 4,800 yards considered)
- A golf shop of 500 square feet or more
- Abundant directional signage on the golf course
- Greeters present at the facility entry/starting area
- Ample jugs of drinking water present at a minimum of three tees per nine holes
- Both men and women staff available for golf instruction
- Both men and women staff present in the golf shop
- A dedicated women’s department in the golf shop
- 2+ women’s or non gender specific restrooms per nine holes
- Healthy Food Options served
- Family golf day programs or tee times
- 9-hole rates
- Corporate/women’s golf leagues
- After hours socials for women
- On-site child care



Best Practices Facilities Equal Results

Women at Best Practices Facilities Demonstrate Greater Levels of Loyalty, Satisfaction and Participation

- Best Practices Facilities are significantly more likely to deliver on the most important elements of a good golf experience.
- Women at Best Practices facilities played more golf in 2011 than those at Control Facilities.
- Women from Best Practices Facilities are more likely to have USGA Handicaps.
- Women at best practices facilities are more likely than those at control facilities, to have taken formal golf lessons.



Best Practices Facilities Show Stronger Operational Performance

- Best practices lead to more women golfers at a facility
- Best Practices facilities out performed control facilities across key operational areas and overall
- Findings suggest more favorable change in rounds volume per playable day for best practices facilities



Many have surmised that the next generation of avid and engaged golfers will come with very different attitudes and needs from their golf experience. Jon, the PGA of America has partnered with you on some research into this. What does that tell us about 20somethings and 30somethings?



Learnings from PGA's Golfer Portraits Study



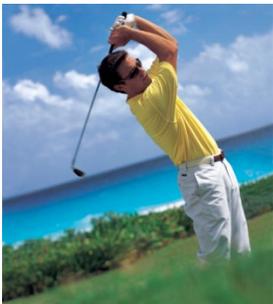
Key observations from younger players—Age 30 and under:

- Both men and women tend to be more fashion and image conscious than their older cohorts.
- They are more apt to engage in new media, particularly for purchase transactions.
- They perceive themselves to be more innovation seeking and self-indulgent.
- They appreciate the opportunities present in social and business golf.
- They are generally less apt to consider golf to be their favorite sport... Thus, they pose a potentially greater attrition risk

Learnings from PGA's Golfer Portraits Study

MALE GOLFERS < 30 Yrs. Golfing And Lifestyle Attitudes

Attitudinally, younger men are less passionate about golf, but more willing to spend on green fees, golf merchandise and lessons



MORE LIKELY than Older Golfers to say...

- I usually play golf with members of my family
- I often order golf equipment through catalogs or online
- If I see something I like, I don't worry about the price
- It is important to me to wear fashionable golf apparel
- I'm usually the first among my friends to try new golf equipment
- Golf equipment and merchandise at golf course pro shops are competitively priced
- I will take at least one lesson from a PGA Professional this year



Learnings from PGA's Golfer Portraits Study

WOMEN GOLFERS < 30 Yrs. Golfing And Lifestyle Attitudes

Similar to young men, younger women are less enthusiastic about golf than older players, but are also less concerned about costs.



MORE LIKELY than Older Golfers to say...

- I prefer taking golf lessons as part of a group
- Golf equipment and merchandise at golf course pro shops are competitively priced
- I'm usually the first among my friends to try new golf equipment
- I visit golf websites on a regular basis
- I often order golf equipment through catalogs and online
- I often play golf with business associates
- Golf is too time consuming
- I am willing to pay more for merchandise at a pro shop because of the knowledge of the golf professional

Jon, you've long advocated that PGA professionals have a great opportunity to harness technology to better understand their customers and build loyalty in the process. What are some ways that they can do this?



The Brand Community & New Marketing Paradigm

Loyalty Marketing Foundations

Communications

Community

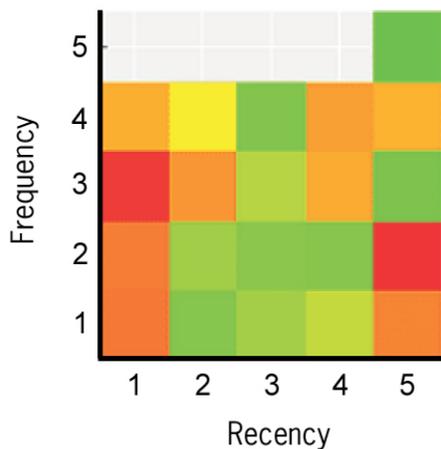
Recognition

Reward

2C - 2R

Database Mining for Customer Insights

RFM Analysis Mends with Cutting Edge Concept Testing Research



Monetary

Low

Medium

High



- RFM Model to identify cells of “best customers”
- Integrate with Attitudinal Segmentation and Marketing Effectiveness Research to Optimize “One-to-One” Marketing Communication