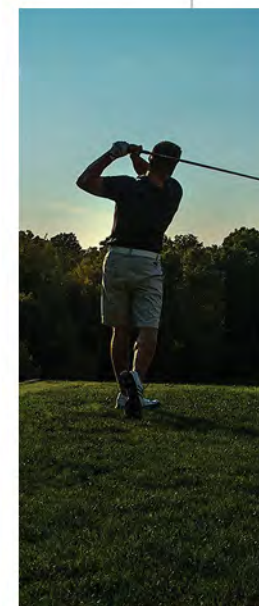


Golf Marketing Trend Watch 4Q 2015:

Presented November 4, 2015 by
Jon Last, President
Sports & Leisure Research Group

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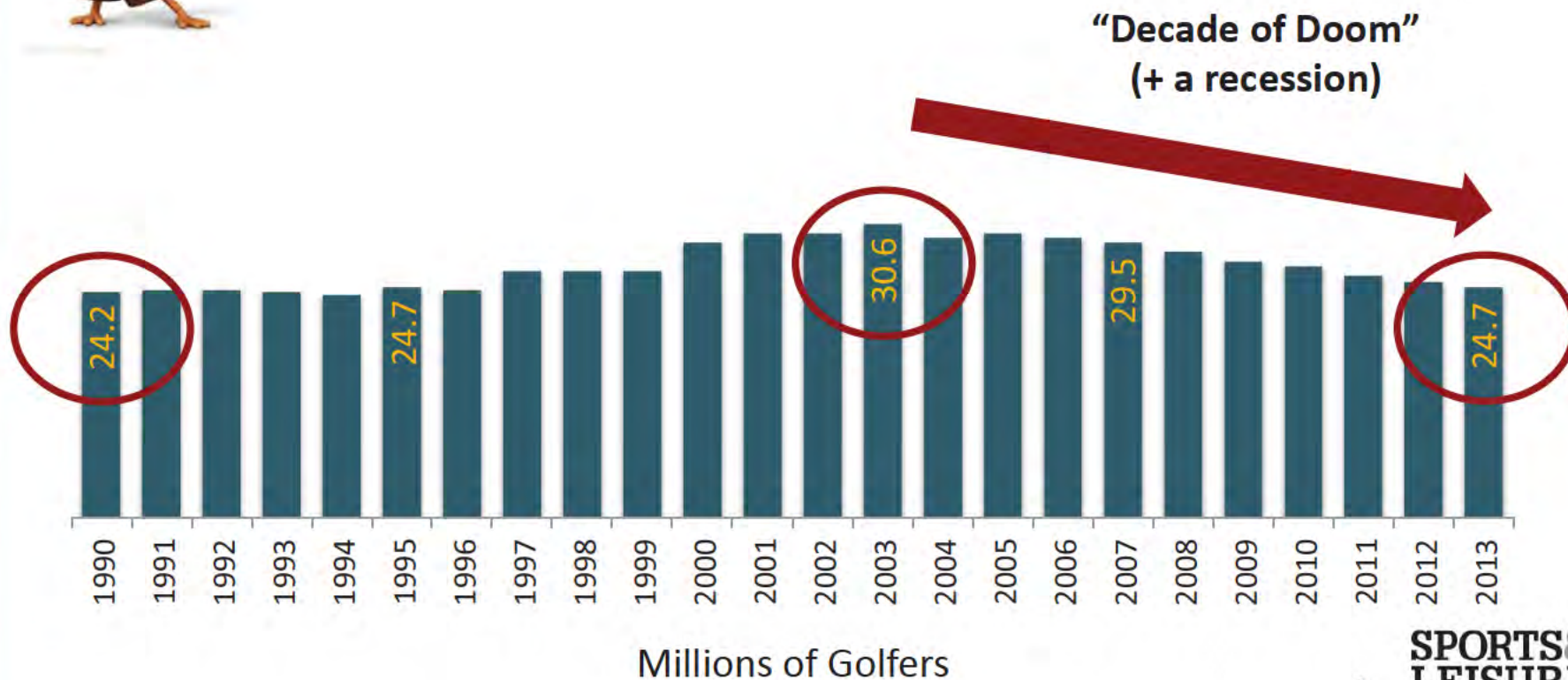


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Golf Marketing Trend Watch: 4Q 2015



IS THE SKY REALLY FALLING?



Source: NGF



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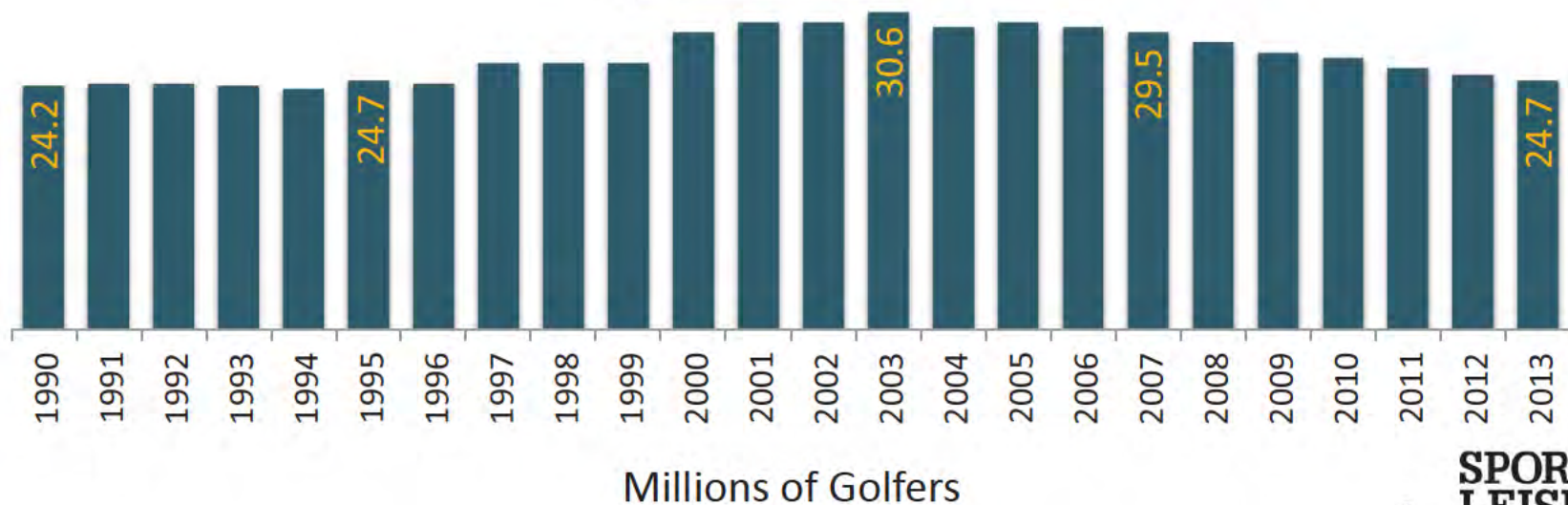


IS THE SKY REALLY FALLING?

Tiger Bubble



- ◆ 32 wins between 1999-2003
- ◆ 7 Majors
- ◆ "Tiger Slam"



Source: NGF

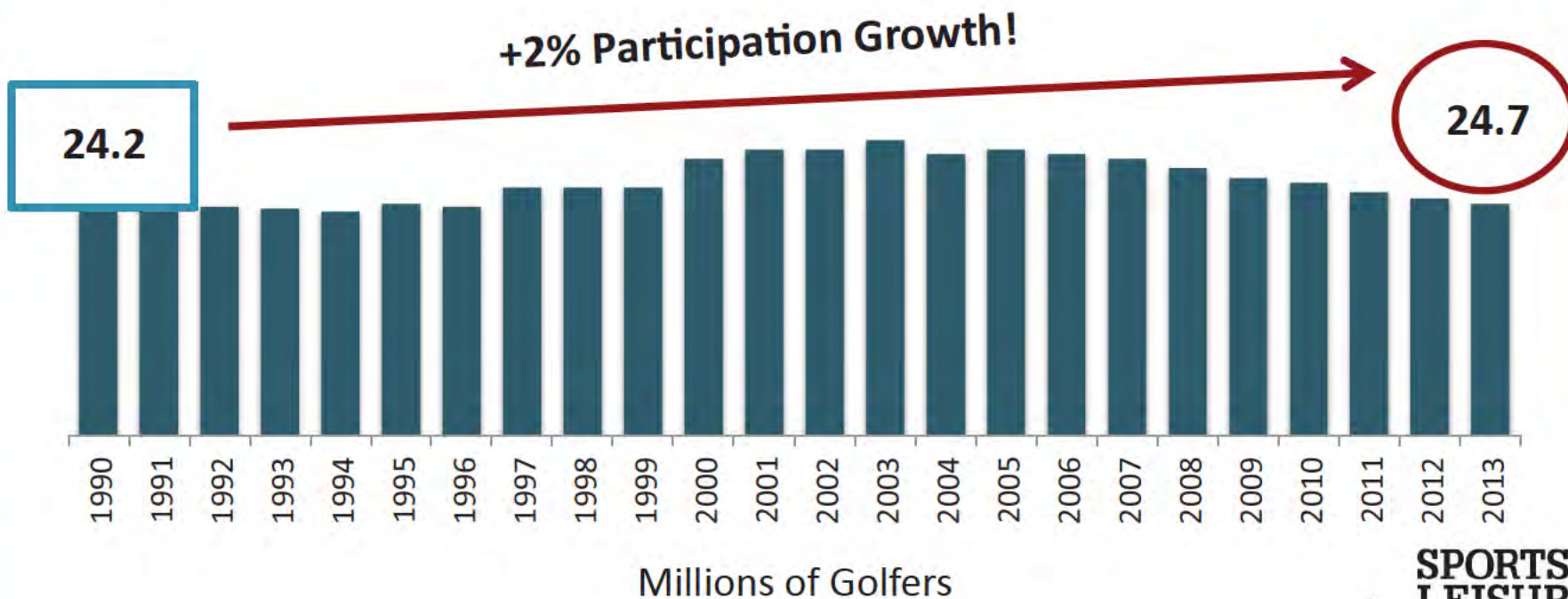


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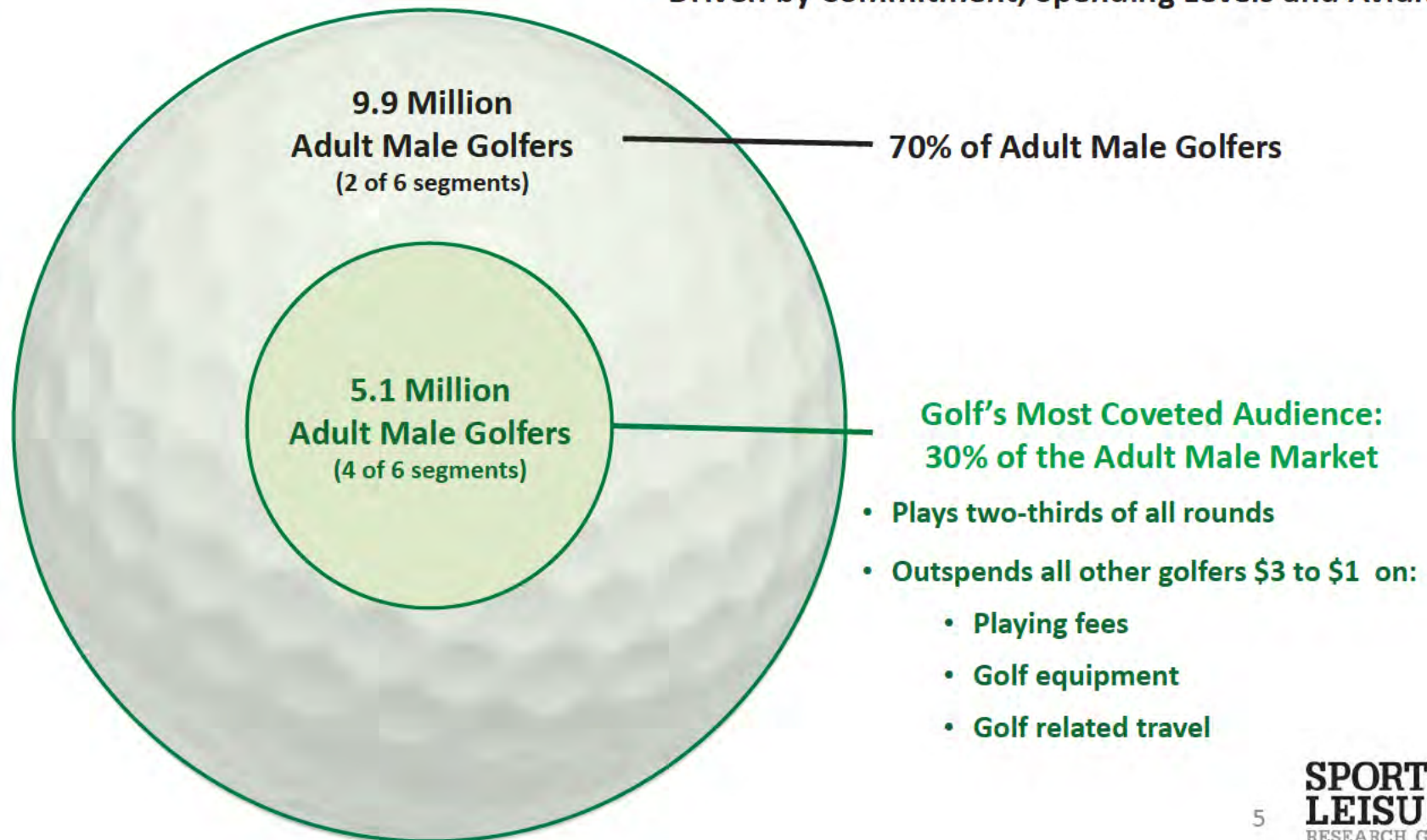


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Behavioral Segmentation: A New Way to Identify the Golfers of Greatest Value to the Industry, Today

- Driven by Commitment, Spending Levels and Avidity



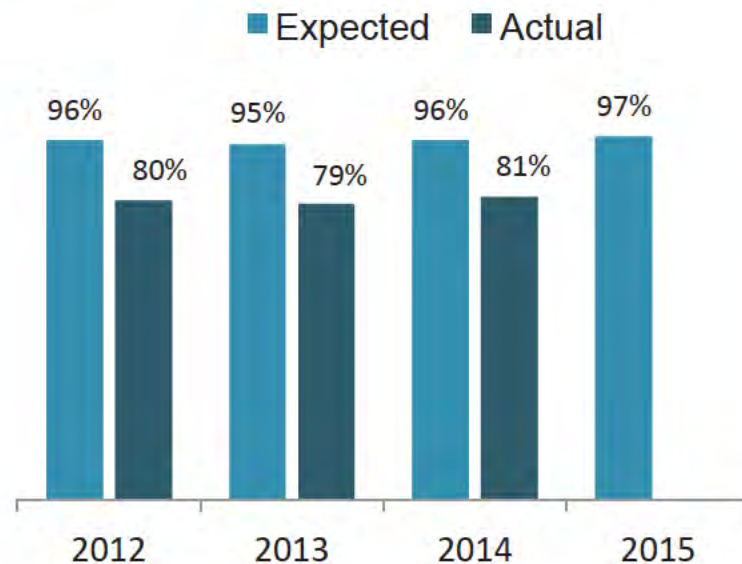


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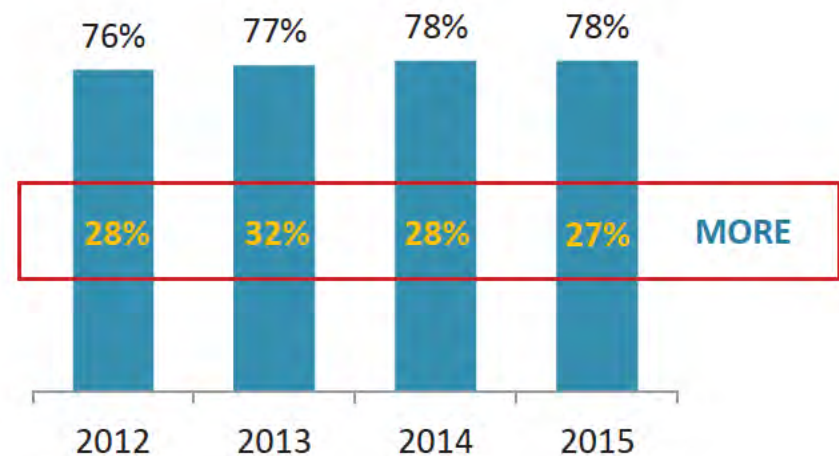
Golf Marketing Trend Watch: 4Q 2015

But Recent Participation Flatness Has Us Jumpy...

Do you expect to/Did you actually play the same amount or more in...?



Do you expect to spend the same amount or more next year?



Directional evidence that 2015 has seen modest growth in both spending and participation

Source: Annual SLRG/SIGG Omnibus Study

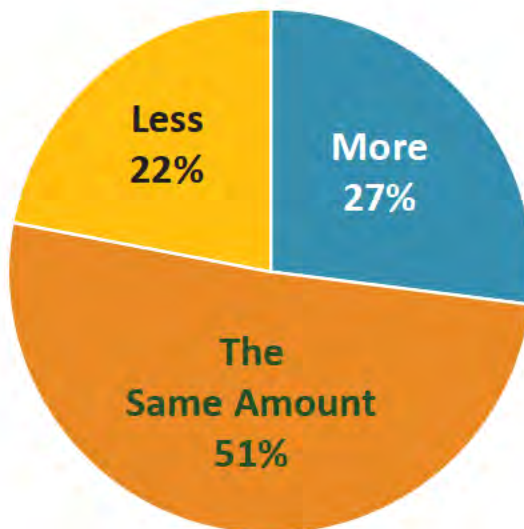


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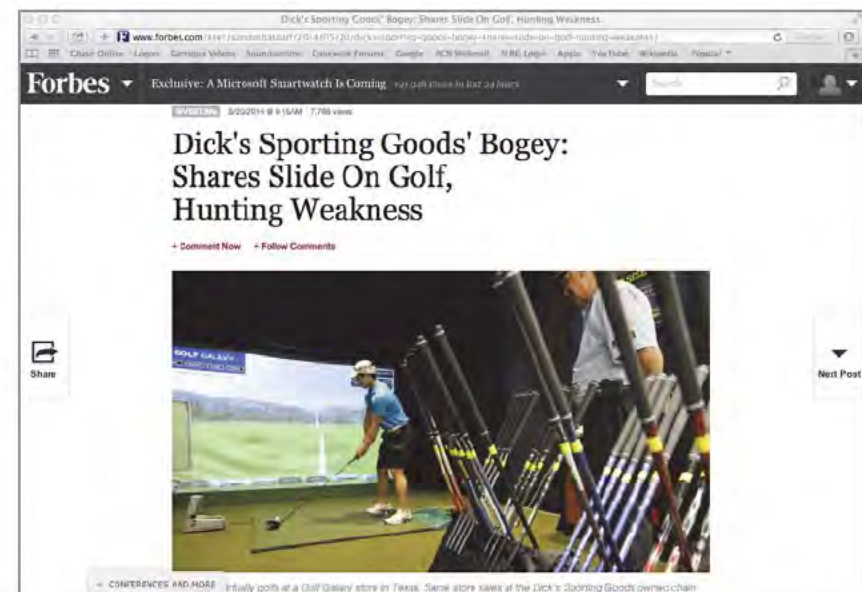
Golf Marketing Trend Watch: 4Q 2015

Actual 2015 Results Seem To Be In Line With What Golfers Told Us In January

Q Overall, compared to 2014 do you expect that your 2015 total golf related spending for equipment and apparel will be...?



Source: Annual SLRG/SIGG Omnibus Study





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Golf Marketing Trend Watch: 4Q 2015

**Understanding Market Trends
Can Optimize Facility Success In
A Fierce Battle For Share Of
Customer**





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Golf Marketing Trend Watch: 4Q 2015

Golf Market Watch: Trends For Market Success

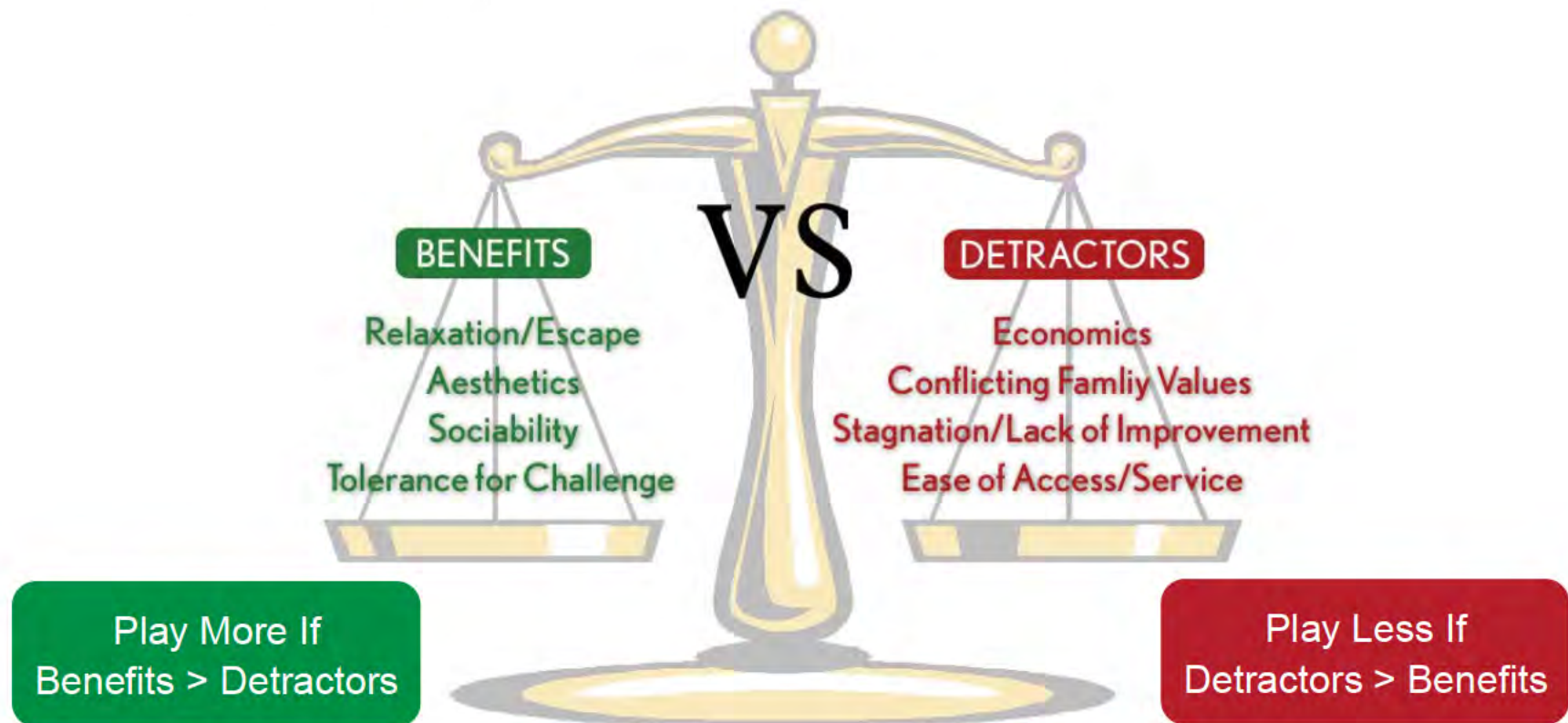




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Golf Marketing Trend Watch: 4Q 2015

1. Understand How to Tip The Attractor/Detractor Scale In Your Favor





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Golf Marketing Trend Watch: 4Q 2015

2. Go Beyond Golf's Two Crutches and Provide Consistent Value

	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

Put the Guarantee Back in Golf



2. Go Beyond Golf's Two Crutches and Provide Consistent Value

Let's Make a Deal! Drive value perceptions with unique and exceptional experiences

- Good value doesn't mean yield degradation





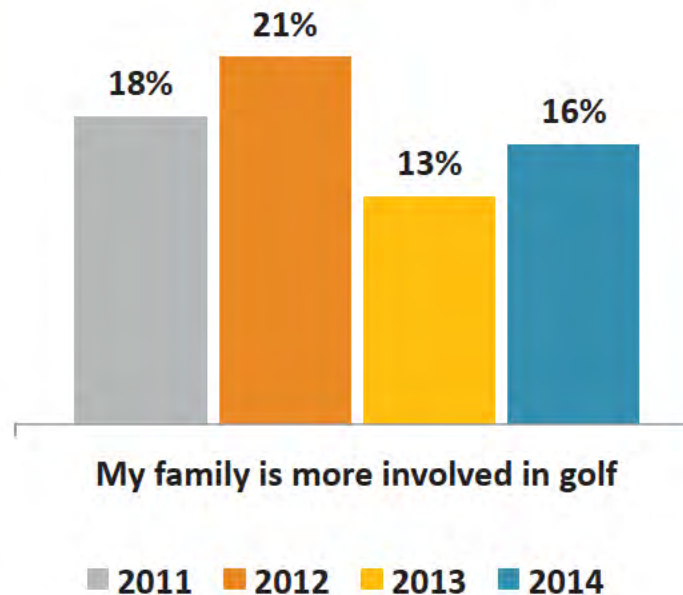
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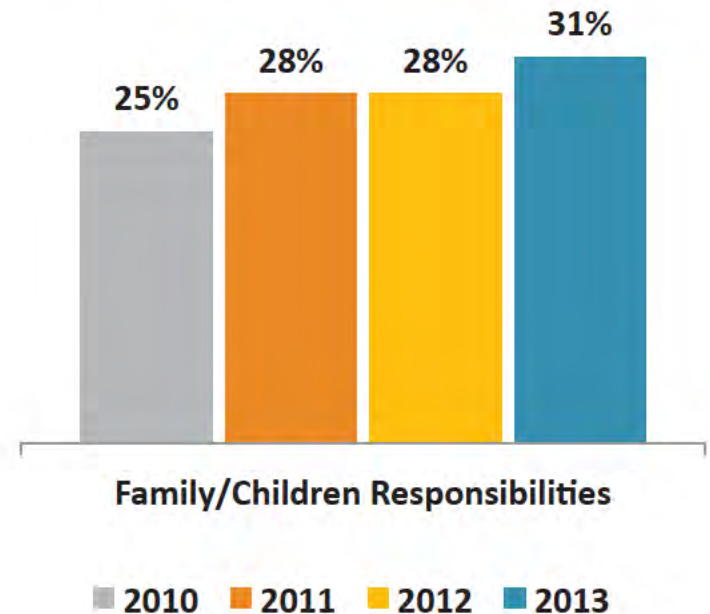
3. Embrace Family-Centric and Multi-Generational Marketing



Why Golfers Are Playing More



Why Golfers Are Playing Less



- A Most Child-Centric Focus: Club Memberships are No Longer Mutually Exclusive
- The Sandwich Generation Comes of Age
- Multi-Generational Travel: The Delight of Having the Best of Both Vacation Types



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Golf Marketing Trend Watch: 4Q 2015

4. What about Those Millennials?

- Entry Ramps---Yes
- Goofy Golf and Trying Too Hard---No





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Golf Marketing Trend Watch: 4Q 2015

4. What about Those Millennials?



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

Source: PGA Golfer Portrait Series, SLRG



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Golf Marketing Trend Watch: 4Q 2015

4. What about Those Millennials?

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



Source: PGA Golfer Portrait Series, SLRG

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



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Golf Marketing Trend Watch: 4Q 2015

4. What about Those Millennials?

- Boomers and Millennials aren't as different as some might lead you to believe!

MediaPost Views Events Awards More

MARKETING:sports

From The 'Me' Generation To The 'Pay Attention to Me' Generation

by Jon Lard, 8 hours ago

Comment

Last month in this space, I spoke to a need for sports marketers to think about multi-generational approaches in their brand development and communications strategies. Noting that the sheer size of Boomers and Millennials have created an almost singular focus on these two generations, at vastly different life stages, I drew parallels across them, culled from some of our recent fan and consumer research. Subsequently, in framing remarks for a recent conference presentation, I've thought further about this, after which surface appears to be the following:

AS YOUNG ADULTS

Boomers

Individualistic self expression through civil disobedience
“Don’t work for ‘the man’”
The power of community

Millennials

Individualistic self expression through social media sharing and citizen journalism
Frustration with “under-employment”, “I should be running the company by the time I’m 35”
The power of community

LATER IN LIFE

Boomers

Self actualization through collection of experiences and a redefinition of retirement
Golf as a manifestation of community

Millennials

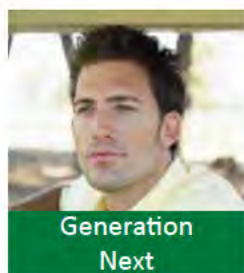
Similar generational values=???



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Golf Marketing Trend Watch: 4Q 2015

4. What about Those Millennials?



GENERATION NEXT

He's a millennial who has made a commitment to golf. On an upward career trajectory, he appreciates golf's traditions and values as well as what it can do to advance his career and social network.

Chris is yet to hit age 30, but is on the fast track. Despite falling short of "avid" golfer status, he approaches the game seriously, seeks an "authentic" golf experience, spends accordingly, and is hooked on the sport.

Chris is increasing his play and looks forward to even more golf when he has the time. He's competitive and focused on success.

Having grown up in a digital world, he seeks an abundance of golf content across multiple media platforms, with a particular affinity for video, while still valuing first tier media.

Estimated Market Size: 475,000 men

He is...

Average Age	29
Retired	-
Professional/Executive	73%
Owner/Partner/C-Titles	24%
Average Annual Rounds	21
Average Handicap	16
Private Club Member	50%
Median HHI	\$87,000
Avg Spent on Last Driver	\$364

Key Attitudes About Golf (Strong Agreement)



INDEX⁺

+Denotes INDEX vs Total Golf Market

**Median Planned Golf
Equipment Spending Over
the Next Twelve Months**

\$400



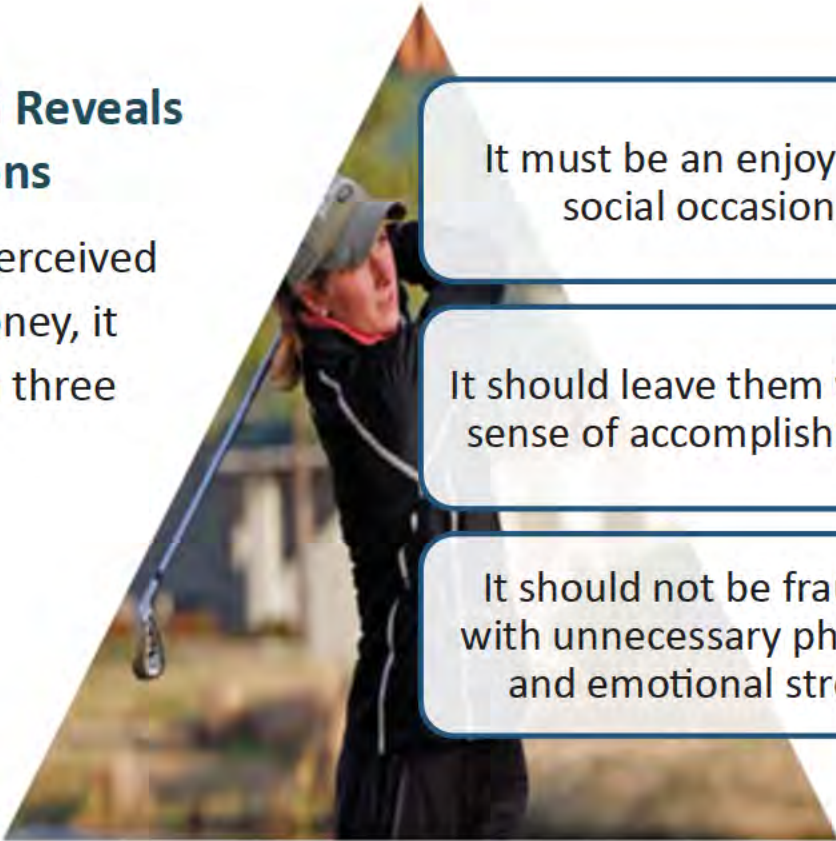
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Golf Marketing Trend Watch: 4Q 2015

5. When Will We Truly Embrace Women?

SLRG Women's Golf 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



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5. When Will We Truly Embrace Women?

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.”



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Golf Marketing Trend Watch: 4Q 2015

6. Boomer Values Meet New Definitions For Retirement

Zooming Ahead...

GODSPELL



MEETS

**GOD'S WAITING
ROOM**



A Redefinition of Retirement

- Active, relevant and engaged in a variety of unique experiences
- Health conscious: 60 is the new 40
- Adventure Travel
- Flexibility -- Country Club for a day vs. Country Club communities



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6. Boomer Values Meet New Definitions For Retirement

In Contrast with: Cocooning



Faith Popcorn
Futurist

In times of uncertainty and distress, comes a desire to stay in comfort zones:

- Home based and family activities
- Embracing tightly defined communities
- Gravitation towards familiar and trusted brands



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6. Boomer Values Meet New Definitions for Retirement

Implications for Marketers

ZOOMING AHEAD vs. COCOONING: MEETING IN THE MIDDLE

- Become part of the community
- Become part of the conversation
- Leagues and family golf = increased participation
- Be authentic and relevant
- Structured “Experiences Light”





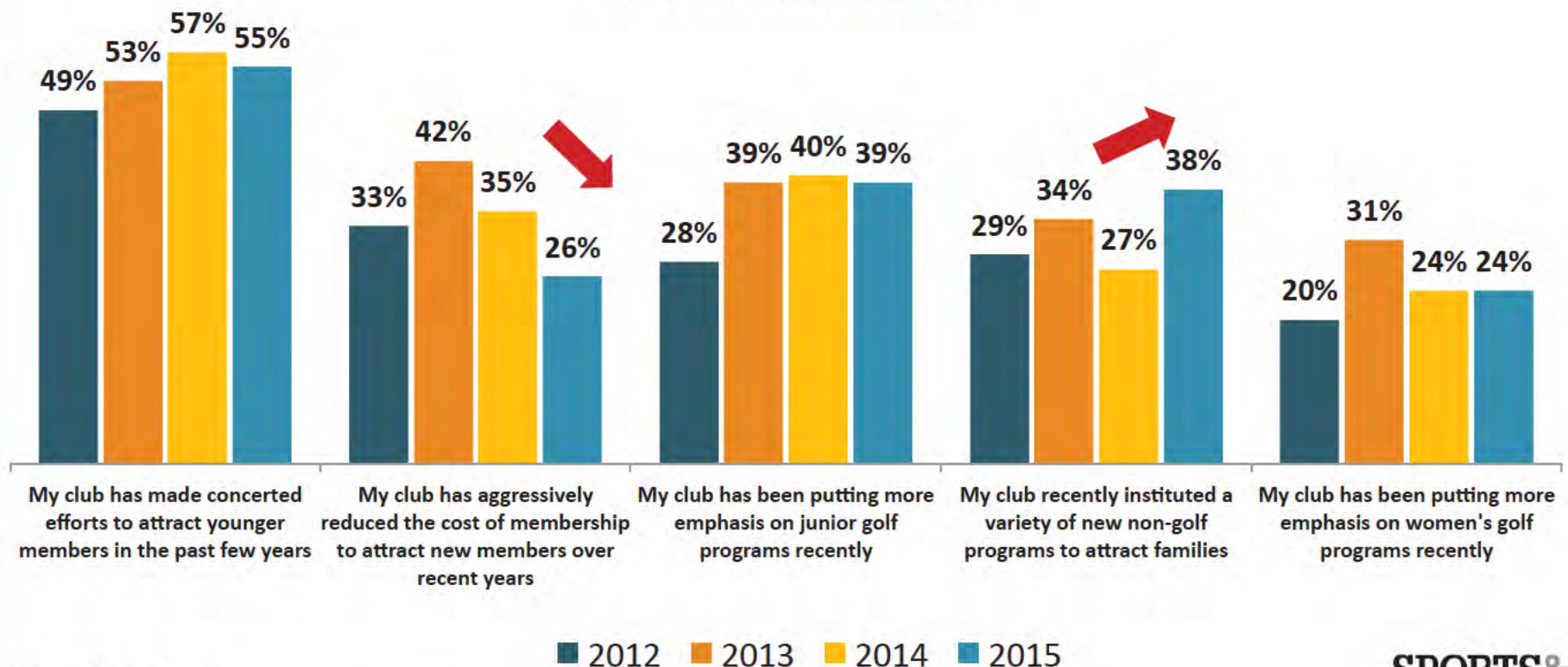
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Golf Marketing Trend Watch: 4Q 2015

7. The Private Club of the Future—Adapting To New Realities

- Continued push towards a younger membership, while discounting falls out of favor...When will women's program's come to the forefront?

TOP 3 BOX AGREEMENT



Mean: 10 point scale

Base: National Sample of Private Club Members



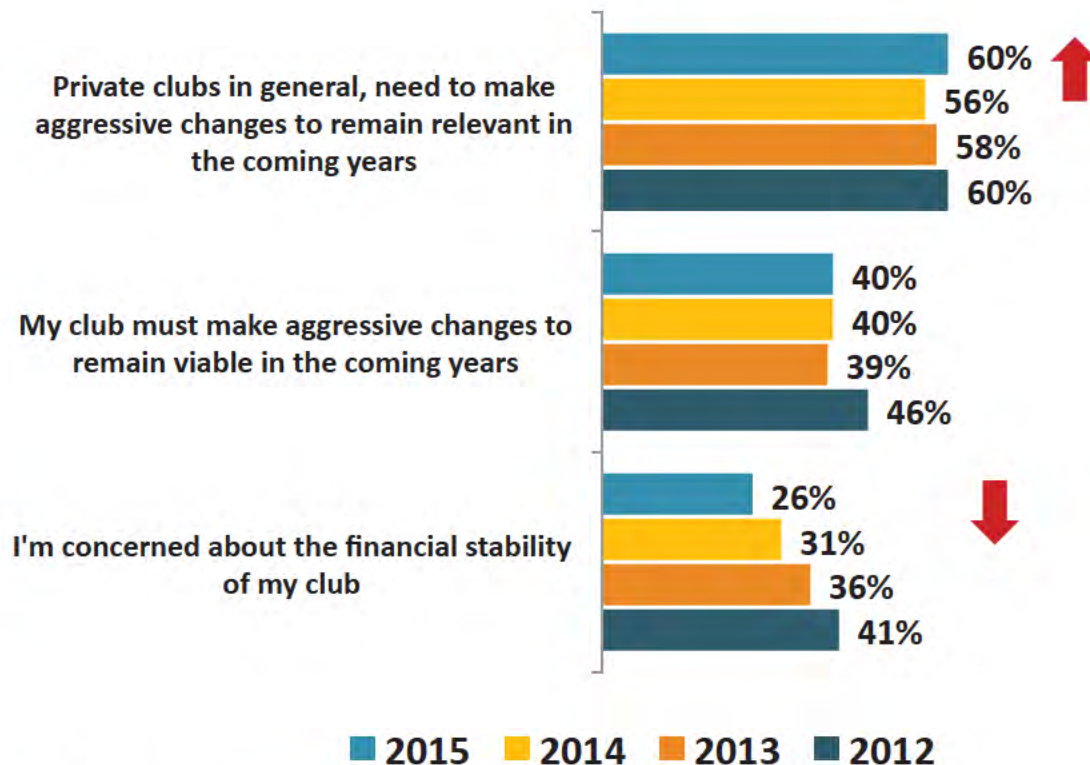
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7. The Private Club of the Future—Adapting To New Realities

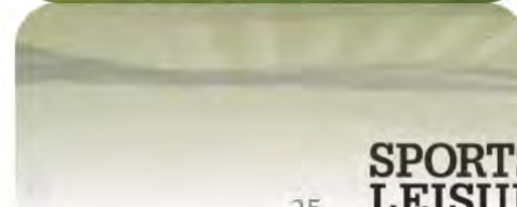
The worst appears behind us

TOP 3 BOX AGREEMENT



Mean: 10 point scale

Base: National Sample of Private Club Members



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Golf Marketing Trend Watch: 4Q 2015

7. The Private Club of the Future—Adapting To New Realities

A Closer Look at Critical Success Factors for Clubs Looking to Enhance Member Services





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Golf Marketing Trend Watch: 4Q 2015

7. The Private Club of the Future—Adapting To New Realities

More New Paradigms for the Golf Club/Facility of the Future



- Personal Concierges
- Portability
- Social Spaces
- The Health Club Model
- Family Programming
- Create the ultimate Community
—Literally and Figuratively

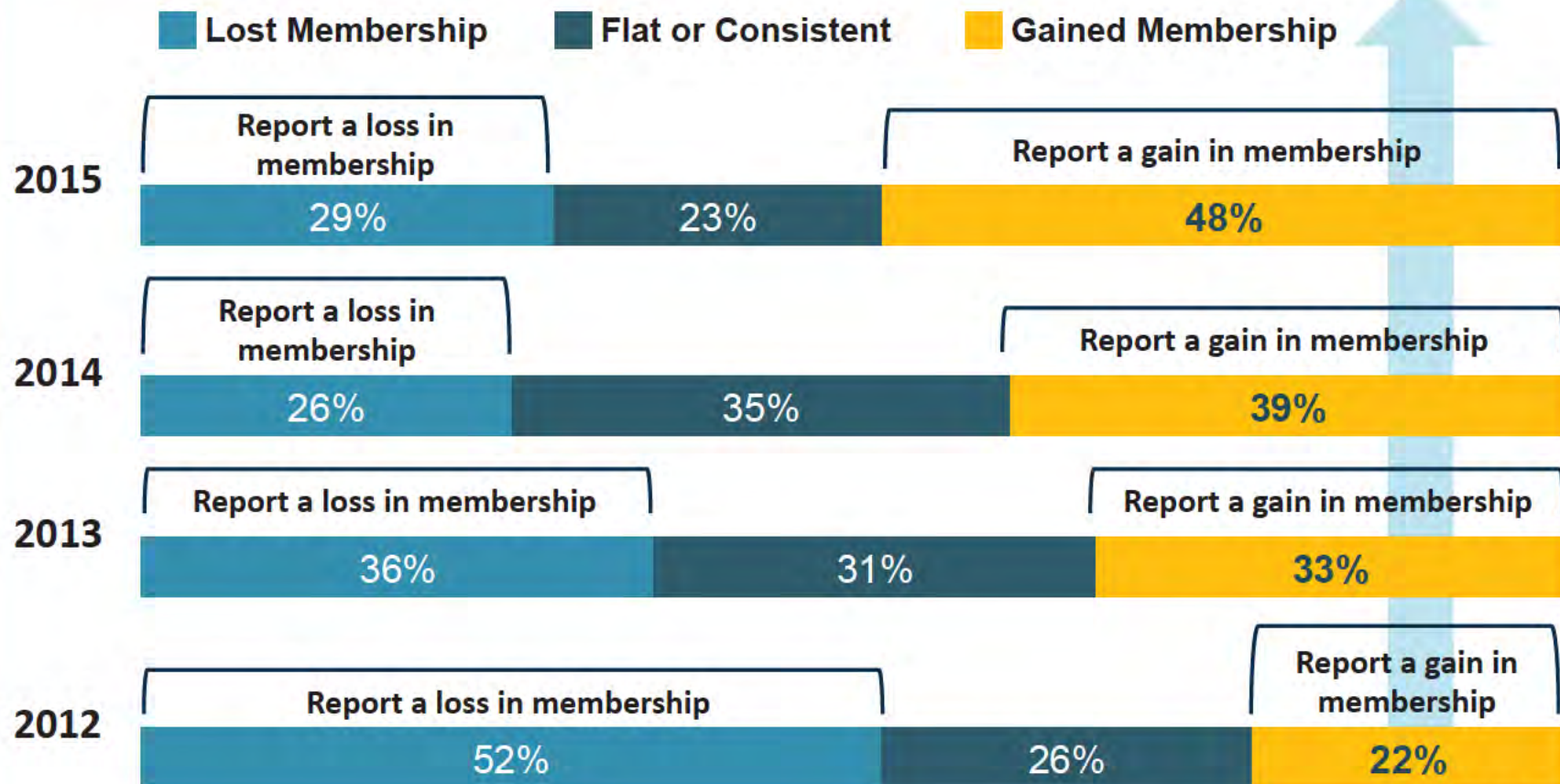


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7. The Private Club of the Future—Adapting To New Realities

And It's Starting to Reap Dividends



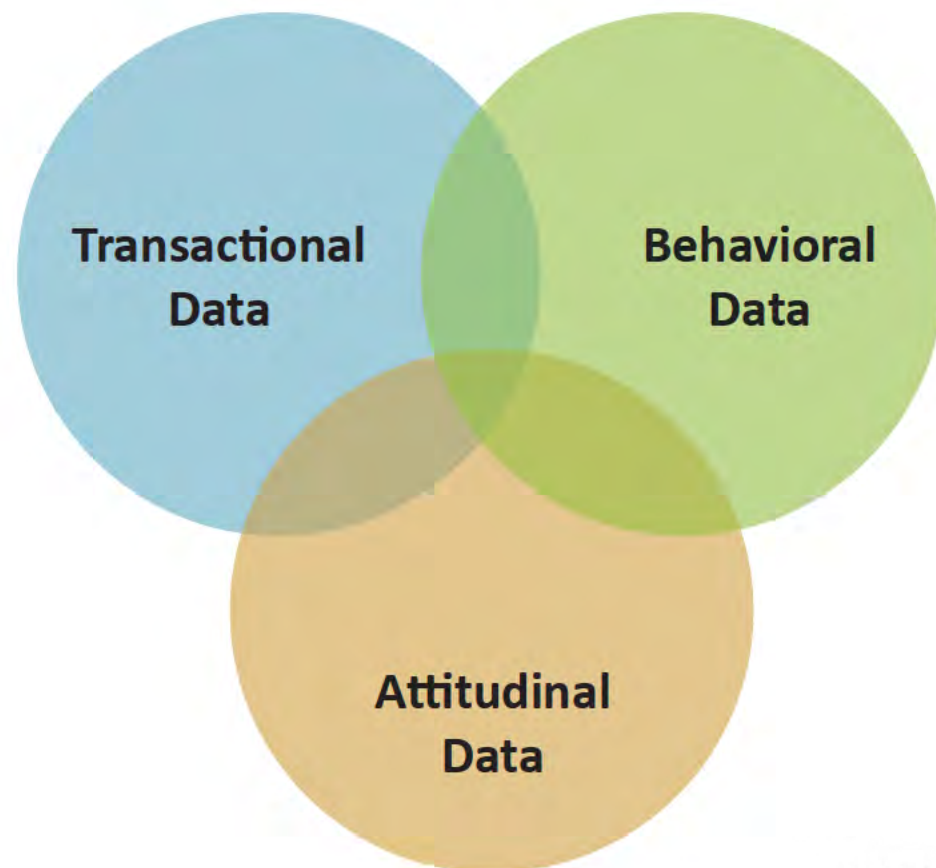
Base: National Sample of Private Club Members



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Golf Marketing Trend Watch: 4Q 2015

8. It's About Customization and Personal Touches





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9. Building a Brand Community Through Golf

What is a Brand Community?

- A specialized community, based on a structured set of social relations among admirers of a brand.
- Basic elements must exist to form a community
 - ✓ Consciousness of kind – we, not me mentality
 - ✓ Shared rituals and traditions – common culture
 - ✓ Sense of moral responsibility – obligation to each other
- Marketers play a vital role in establishing the basic elements

Sources: Albert M. Muniz, Jr. and Thomas C. O'Guinn, *Brand Community in Journal of Consumer Research*, Vol 27, March 2001
James H. McAlexander, John W. Schouten, & Harold F. Koenig, *Building Brand Community in Journal of Marketing*, Vol 66, January 2002



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9. Building a Brand Community Through Golf

Marketers Are Building Brand Communities By:

- Providing long-term context for relationships to develop
- Creating opportunities for customers to experience the brands unrealized potential
- Recognizing loyal customers by providing incentives and rewards
- Fostering positive relationships with the customer, the brand, the company and other stakeholders including marketing partners



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9. Building a Brand Community Through Golf

Consumers Engage Brand Communities By:

- Participating in events
- Serving as brand evangelists – carrying the marketing message into other communities - resulting in new customer leads
- Constituting a strong market for licensed products and brand extensions





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10. Deliver a 2C2R Experience

LOYALTY MARKETING FOUNDATIONS



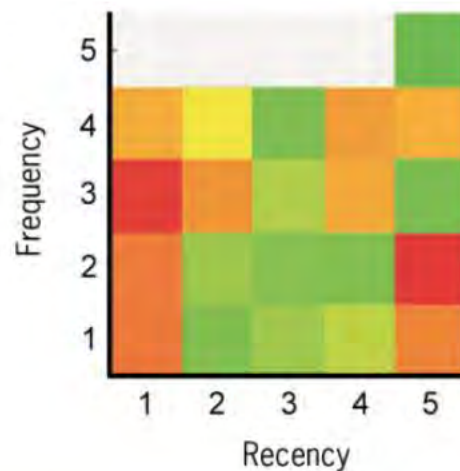


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11. Database Mining for Customer Insights

RFM Analysis Mends with Cutting Edge Concept Testing Research

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



Monetary

Low

Medium

High



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Golf Marketing Trend Watch: 4Q 2015

12. Media Proliferation: More is More

MEDIA'S NEW INFLECTION POINT:

“With the proliferation of new media—those most engaged see new media as additive rather than as replacements for traditional, trusted sources.

— November 12th, 2013

”

MediaPost's
MARKETINGsports

*In fact, it appears to have **FUELED** the consumption level of sports fans.*





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Media Proliferation: How Golfers are Consuming Media

VORACIOUS.

Golfers are increasing their usage of all media channels to enhance their golf experience, and television, print and websites are most prevalent.

ADDITIVE.

In a fragmented environment, new media channels have seen slow but steady adoption. However, new media consumption isn't coming at the expense of traditional media.

DIFFERENT.

Golfers prioritize their media for golf in different ways than they do for other sports.

DIVERSE.

Cross platform usage patterns show golfers perceiving different media having unique strengths across various content areas.

ENGAGEMENT.

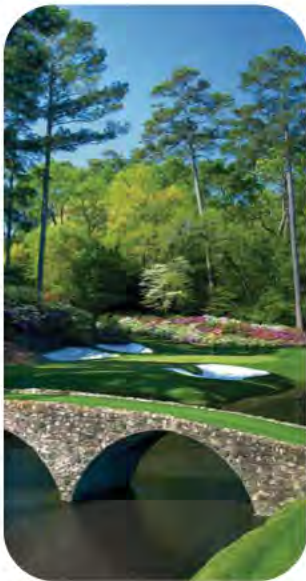
Print golf media shows particular strength in delivering content in an undistracted environment, while heavy DVR usage and multi-tasking behaviors create a conundrum for television advertisers.



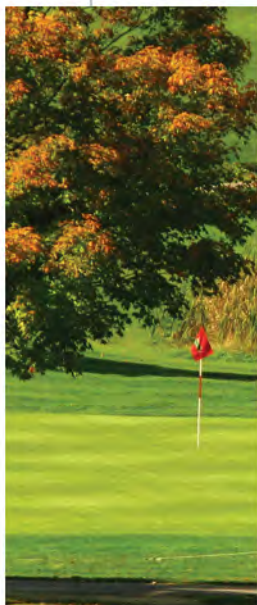
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Golf Marketing Trend Watch: 4Q 2015

In Summary: A Dozen Take-Aways To Optimize Your Golf Marketing



- 1 Understand How to Tip The Attractor/Detractor Scale In Your Favor
- 2 Go Beyond Golf's Two Crutches and Provide Consistent Value
- 3 Embrace Family-Centric and Multi-Generational Marketing
- 4 What about Those Millennials?
- 5 When Will we Truly Embrace Women?
- 6 Boomer Values Meet New Definitions For Retirement
- 7 The Private Club of The Future—Adapting To New Realities
- 8 It's About Customization and Personal Touches
- 9 Building a Brand Community Through Golf
- 10 Deliver a 2C2R Experience
- 11 Database Mining for Customer Insights
- 12 Media Proliferation: More is More



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