

Golf Inc.™

Clubhouse of the Future

Interrupted and Re-Envisioned

Prepared by:

**SPORTS&
LEISURE**
RESEARCH GROUP

The State of Private Clubs

A NEW WORLD—BUT A STABLE ONE

55% feel that clubs in general **NEED TO MAKE AGGRESSIVE CHANGES** (down from **57%** YAG and **60%** in 2015)

- **37% FEEL THEIR CLUB SHOULD** (unchanged but down from 40% five years ago)



51% HAVE MADE CONCERTED EFFORTS TO GET YOUNGER (unchanged) but down from 57% in 2014



Meaningful one year uptick in those whose club has put more **EMPHASIS ON WOMEN'S PROGRAMS** (30% vs. 25% YAG and **ALL TIME HIGH**)

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The State of Private Clubs

A NEW WORLD—BUT A STABLE ONE

25% have recently initiated a variety of new **NON-GOLF PROGRAMS TO ATTRACT FAMILIES**...slight uptick from 23% YAG but flat from five YAG

LESS CONCERNED ABOUT THE FINANCIAL STABILITY
of their club



MEMBERSHIP COSTS ARE STABILIZING

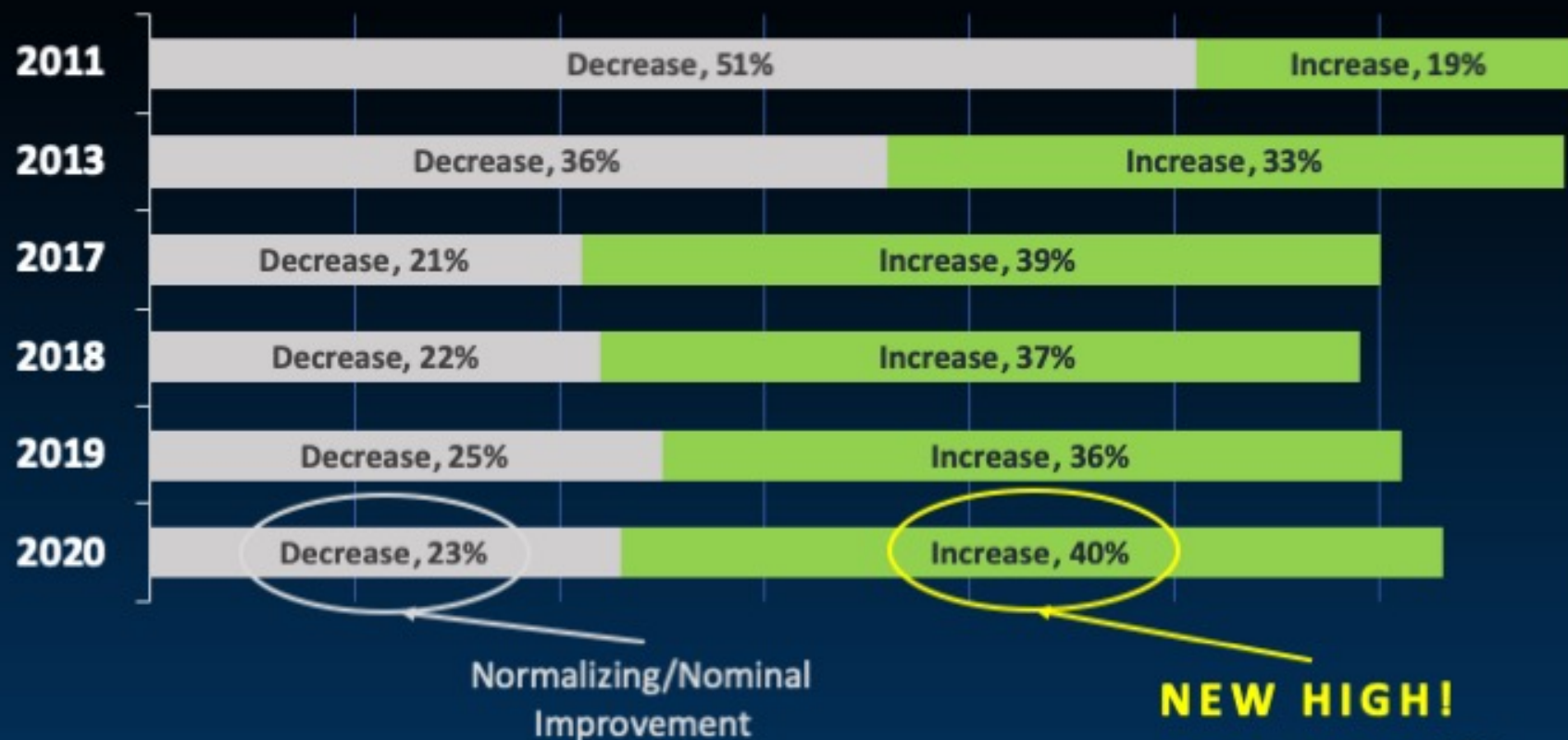
% WHO HAVE Aggressively Reduced The Cost Of Membership In Recent Years



The State of Private Clubs

A NEW WORLD—BUT A STABLE ONE

Membership
Growth
Update



Facility Operations and Design Trends



MOST COVETED FACILITY IMPROVEMENTS

Would be of significant interest SUMMARY	PUBLIC			PRIVATE		
	2020	2019	2018	2020	2019	2018
Golf course renovation	41%	39%	40%	46%	47%	37%
An enhanced food and beverage experience	35%	33%	31%	37%	36%	33%
Expanded Junior golf programs	31%	30%	36%	31%	37%	33%
Family programming	14%	23%	27%	42%	31%	28%
9-hole golf outing followed by a casual dinner party	24%	20%	31%	31%	21%	32%
Club house renovation	31%	25%	30%	26%	29%	32%

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Facility Operations and Design Trends



ARCHITECTS ON WHAT GOLFERS WOULD VALUE

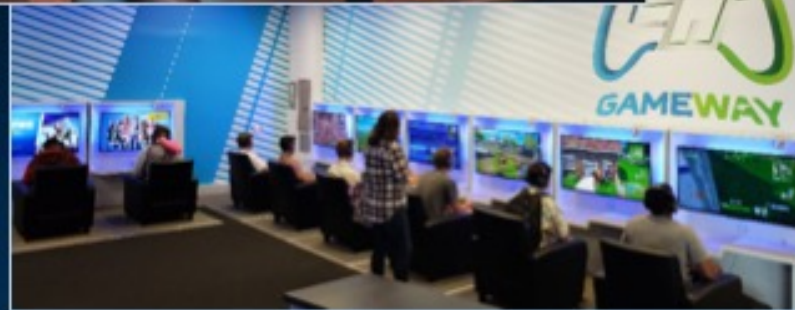
ARCHITECTS Top 3 Box Agreement	2020	2019	2018
Additional tee box options that allow for a shorter golf course	83%	81%	81%
A dedicated short game practice/learning area	78%	83%	85%
An enhanced practice range	76%	81%	81%
A re-design of one or more holes on the golf course	58%	63%	61%
A state of the art fitness facility and gym	49%	52%	50%
Additional, dedicated outdoor event space	44%	54%	48%
A newly designed, more modern and trendy bar area	42%	50%	45%

The Continued Evolution of Private Clubs

BUT MORE CHANGE IS LIKELY AHEAD:

57% still believe that private clubs must make aggressive changes to remain relevant in the years ahead...unchanged from 2013

- “Gamification” to join in diversified programming and focus on family, juniors, women, younger members and convergence of home, office and club



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The Private Club of the Future:

ADAPTING TO NEW REALITIES

Trust

Unique
opportunities
offering
better value

Personalized
and dedicated
“go to” people

Real time, easily
accessible
communication



Creating a home
away from home...
even on the road

Unexpected
pleasant surprises

Appreciation
for the family

Consistently
exceptional
service delivery

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



Other Sports Venue Models Inform the Golf Facility of the Future



The Club's Juxtaposition Between Home And Office

A REFUGE

...and an **EXTENSION**



Omnibus data shows correlation of greater private club focus on family, women and juniors with stability of **member retention**

Club Corp Touchdown Rooms



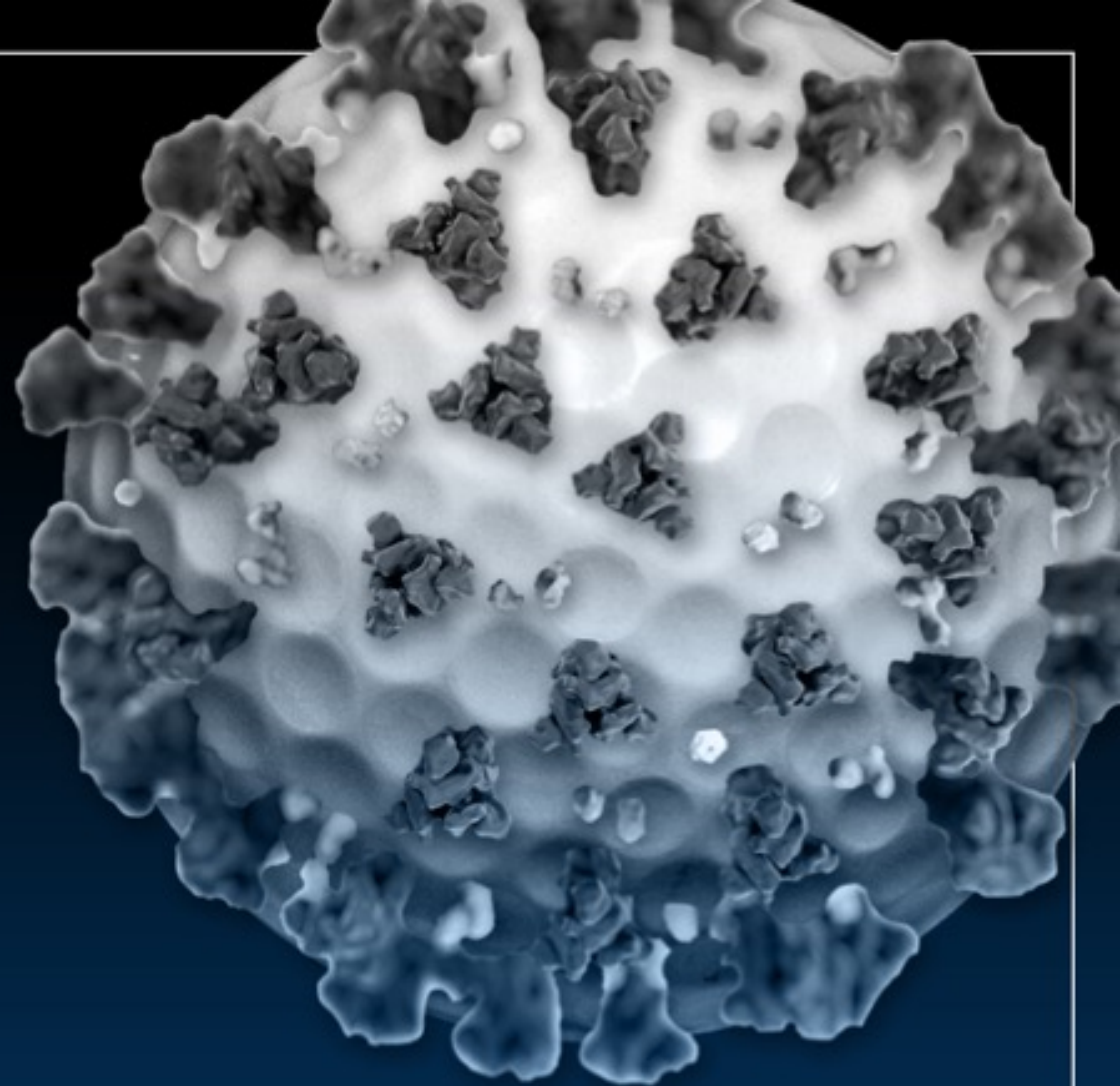
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We Were Millennial Obsessed...But Don't Overdo It...Gen Next Is Not That Different From Today

2015 SLRG/SIGG Research identifies Next Generation

- Parallels of the Me Generation and the Look at Me Generation
- Six in 10 golfers disagree that younger adults are less interested in playing golf today than they were a generation ago
 - Only 17% of those under age 45 feel that younger adults are less interested in playing the game
 - Lifestage Realities

...and then the
world changed...



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The Back-to-Normal Barometer

ORIGINS

- **2001 Golf Digest Companies Travel Confidence Index**
 - Measured golfer attitudes vs. the affluent general public
 - Willingness to travel
 - Willingness to spend on luxuries and discretionary purchases
 - Consumer attitudes on personal finance, the prospects for retirement and the U.S. economy
- **2009-Present Sports and Leisure Research Group Golfer Omnibus Work**
 - Presented annually at PGA Merchandise Show Wednesday Breakfast tracks forward looking golfer perceptions on the year ahead in:
 - Overall participation levels
 - Outlook on planned spending across hard goods, soft goods and travel categories
 - Golfer attitudes on personal finance, discretionary spending and the U.S. economy
 - Contemporary issues in golf

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Engagious

R O K K
SOLUTIONS

2020 BACK-TO-NORMAL BAROMETER

The Back-to-Normal Barometer

AMERICA STANDS AT AN INFLECTION POINT

- We just completed the fifteenth wave of a twice-monthly tracking study that listens to the voice of the consumer
 - Survey research
 - In-depth interviews
 - Social media analyses
 - Online dial tests



The
New York
Times



WASHINGTON
Examiner

What's it going to take to bring consumers back?

Where is the greatest pent-up demand?

What will the new normal look like?

How do various sports and leisure activities navigate through these times?



The
Washington
Post

Bloomberg®

The Salt Lake Tribune

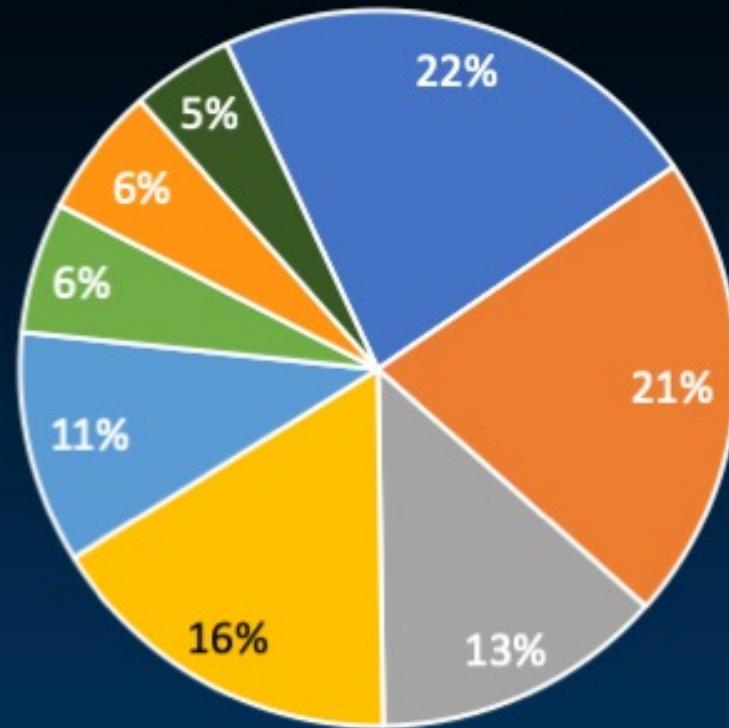
Forbes

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Light at the End of the Tunnel by Spring

WHEN DO YOU ANTICIPATE THAT A COVID 19 VACCINE WILL BE WIDELY AVAILABLE IN THIS COUNTRY?

- Before the end of the calendar year
- In January of 2021
- In February of 2021
- In March of 2021
- In April of 2021
- Between May and June of 2021
- In the second half of 2021
- Not before 2022



Your Playbook: Amidst Worry, YOU Need To Have Their Backs



- Wisdom, certainty, and trust are in short supply
- Americans don't believe others are being as diligent in their adherence to safety protocols as they are
- In the absence of clear guidance, one's confidence to re-engage is tied to an ability to control the health risk of a given experience
- Your challenge: Can you enhance the semblance of personal control? Can you provide the certainty people crave?
 - Message: *"You don't have to worry about others' behavior; we've got you covered."*

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Example of Giving Certainty & Getting It Right

“

At the hotel, they did the extra guidelines and took the effort to have extra cleaning, make sure [there was] spacing. The staff and everyone was wearing masks. It had a pool [at] the place that we stayed, and they had it set up that you would schedule your time there. That way people weren't interacting too much. It's kind of what I was expecting that they would do in a case like that. [Their attitude was,] 'We're going to try and stay open, but we're going to follow the guidelines how we're supposed to.' It was a great experience overall.

– Nick (Male, age 36, California)

”

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WYSIATI: "What You See Is All There Is"



- Customers want more information on what you're doing
- Demonstrate your commitment to cleaning with evidence throughout the business
 - Hand sanitizer stations
 - Cleaning staff
 - Information available on protocols
 - Certificates/checklists posted
- Reinforce commitment at other key touchpoints
 - Website for making reservations
 - Additional reassurance for employee contact that they don't see

Remember *Goldilocks*



- Too much overt prevention is no fun; too little signals danger
 - Customers want companies to take steps that aren't overbearing
 - Yet they may question if the business should be open
- Fear/anxiety impedes enjoyment, especially with kids
- People don't expect returning to normal to be "normal," and some will make their own changes
- Business travelers may accept more inconveniences than pleasure travelers

Implications



- We're at an inflection point
- The country's patience has been increasingly tested as economic and social concerns are at par with health concerns; while public trust is at a low point
- Properties that successfully do the following will prevail:
 - Creatively engage their customers—Eschewing the empty, “We’re in this together,” platitudes
 - Offer hope and clear expectations for a return to normalcy
 - Articulate their efforts to assure a safe and thoughtful return
 - Get the testing protocols right for employees & guests
 - Do their homework so they know who's ready to go, & who's not

What's Creating Greatest Levels of Reassurance?



SOCIAL DISTANCING GUIDELINES

Back2Golf



1. ALWAYS Stay six feet apart from others.		2. STAY HOME If you have a fever or feel sick.	
3. AVOID Large gatherings in the first two driving ranges or after the round.		4. If in doubt, DON'T TOUCH IT.	
5. ALWAYS Mark your ball clearly.		6. RESPECT The game and all involved.	
6. WEAR a facial covering when taking a lesson.		7. AVOID Handshakes and high-fives.	
		8. REMEMBER To wash your hands after playing.	

- Increased and visible cleaning of public spaces
- Facial Covering Requirements Indoors
- Abundantly Available Hand Sanitizer Stations
- Spacing of furniture and fixtures
- Limited capacities
- Temperature Screenings
- Touchless Transactions
 - Including QR Code usage for F&B menus and automated ordering
- Physical/plexiglass barriers

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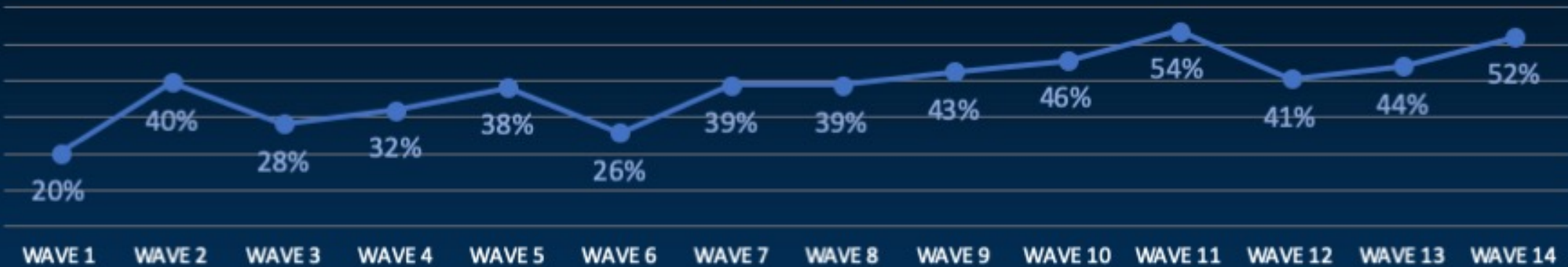
Growth in Participation and Anticipation Continues its Positive Trend

Played Golf Within The Past Two Weeks



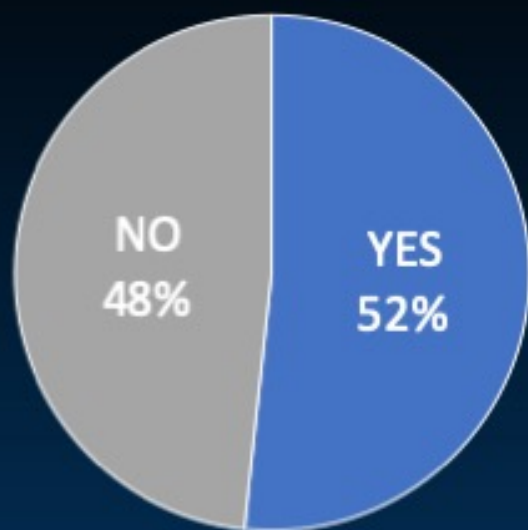
Planning to Play Within The Next Week

Top 3 Box Summary

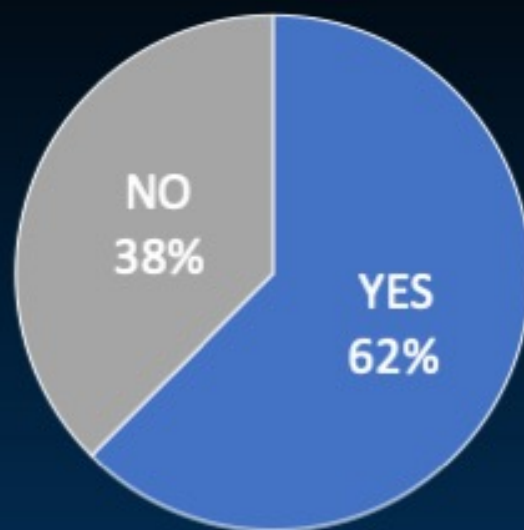


The 80/20 Rule—Our Most Engaged Golfers are More Apt to be Playing

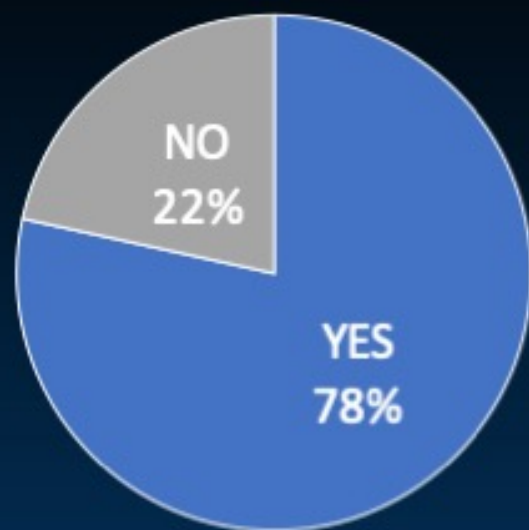
HAVE YOU PLAYED GOLF WITHIN THE PAST TWO WEEKS?



CASUAL



CORE



AVID

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Golf Facilities Have Done an Excellent Job of Meeting Golfer Expectations for Health Protocols

THE COURSE WHERE I MOST RECENTLY PLAYED, HAS DONE AN EXCELLENT JOB OF FOLLOWING NEW SAFETY AND SANITIZATION PROTOCOLS

TOP 3 BOX SUMMARY

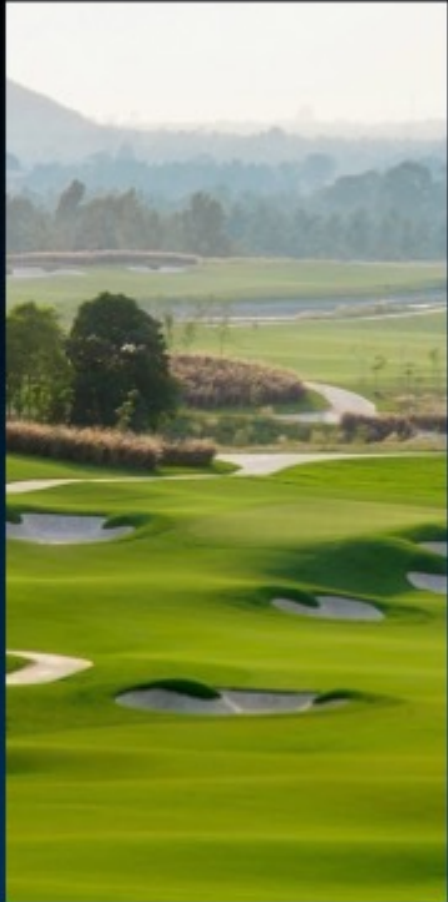


WAVE 5 WAVE 6 WAVE 7 WAVE 8 WAVE 9 WAVE 10 WAVE 11 WAVE 12 WAVE 13 WAVE 14

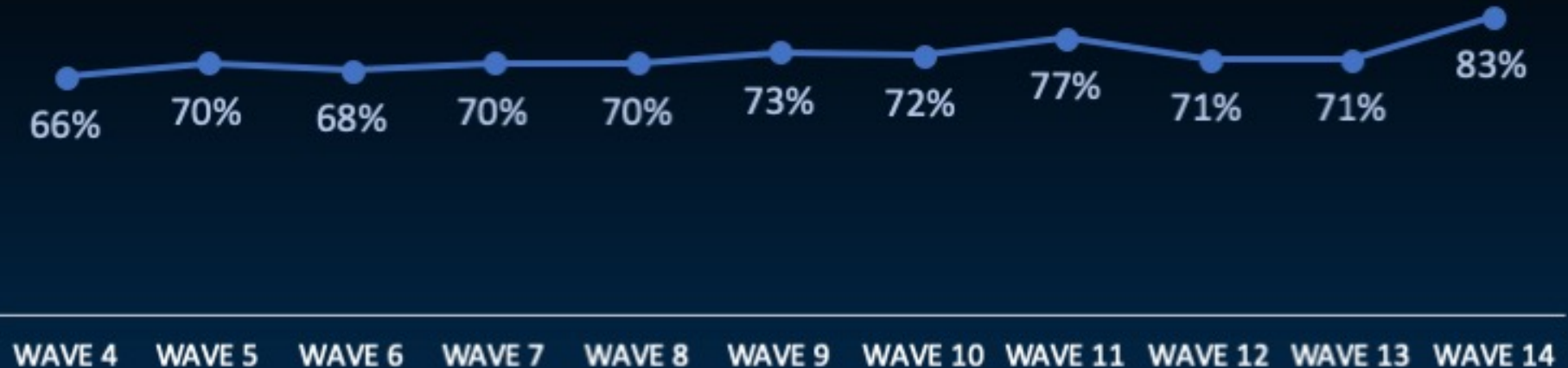


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Golf Has Been An Oasis from the Chaos for a Majority of Golfers During the Pandemic



AGREEMENT



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