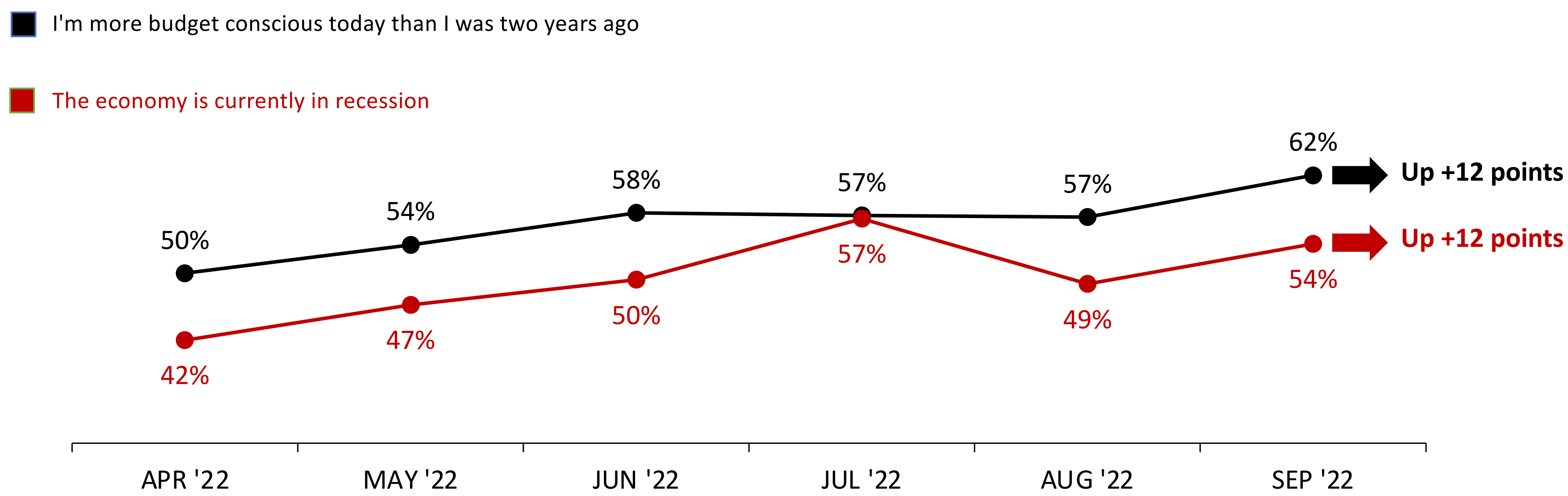

REGIONAL SUPPORT STRATEGY SUMMIT
WORKING BETTER TOGETHER
GOLF ONTARIO
The Post Pandemic Golf Boom Meets an Uncertain Economy: A LOOK AHEAD
SPORTS& LEISURE RESEARCH GROUP

People are More Budget Conscious as Recession Perceptions Escalate

Thinking about the current situation, please indicate how much you agree or disagree with each of the following statements.

TOP 3 BOX AGREEMENT

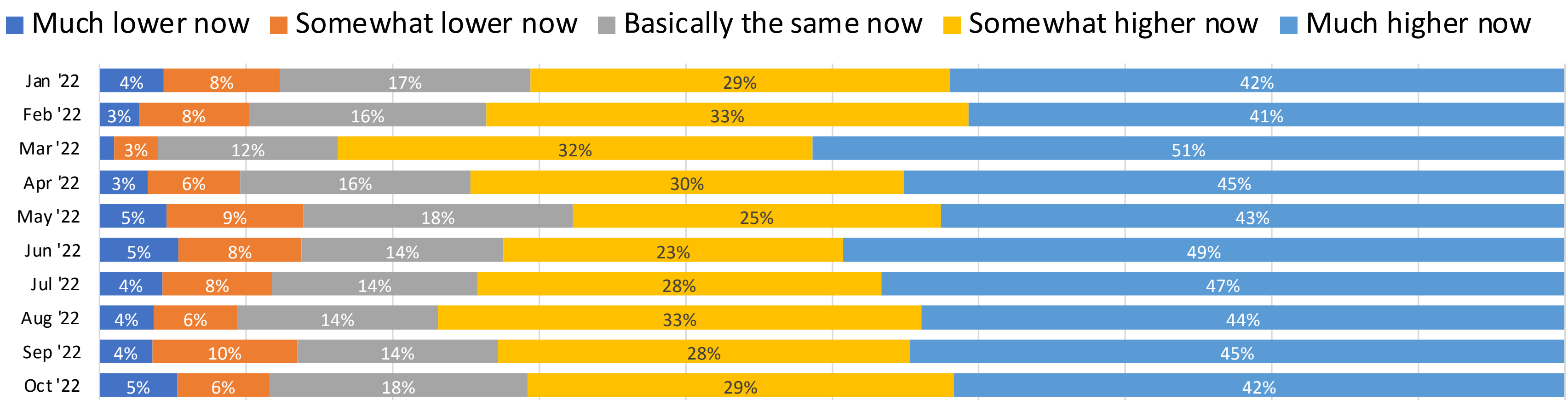


Perceived Inflation Persists into Q4

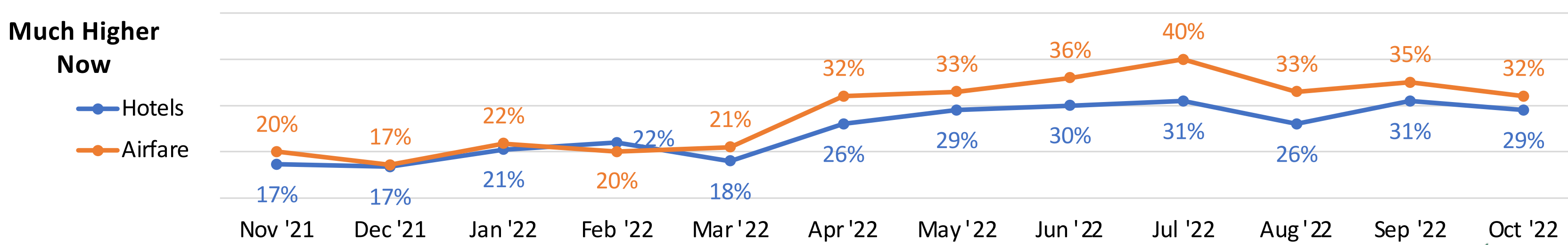
- Travel rates see some improvements

Compared to the six months prior to the pandemic, would you say that prices are…

Consumer Items



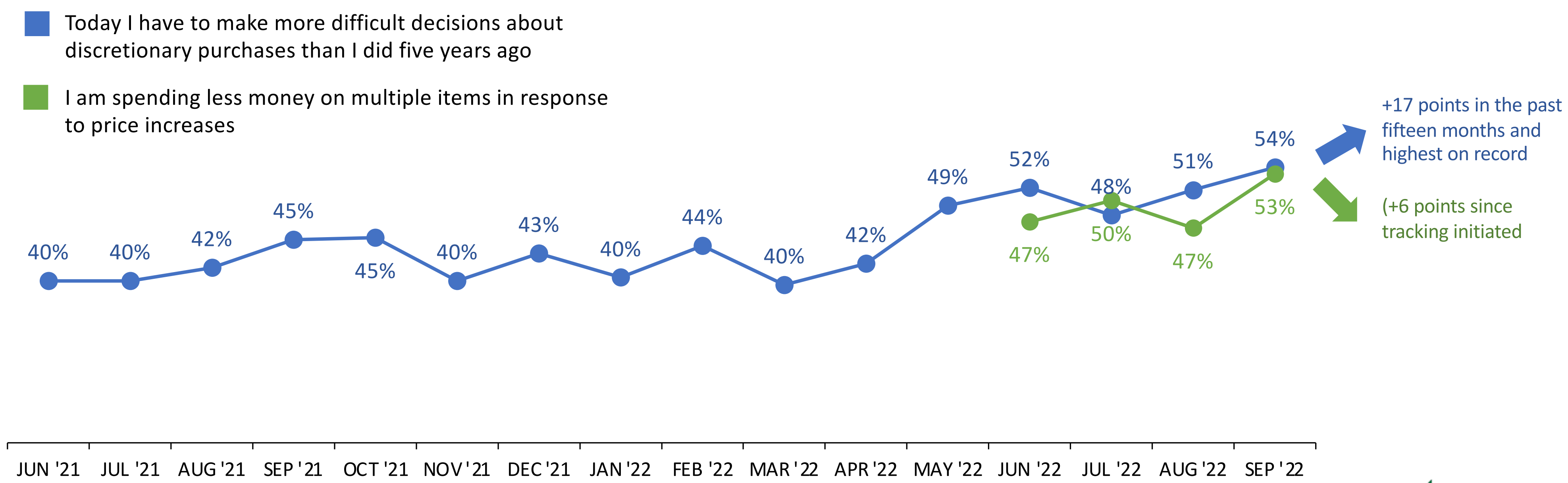
Travel



…And the Difficulty of Discretionary Spending Decisions Hit a New High

Thinking about the current situation, please indicate how much you agree or disagree with each of the following statements.

TOP 3 BOX AGREEMENT



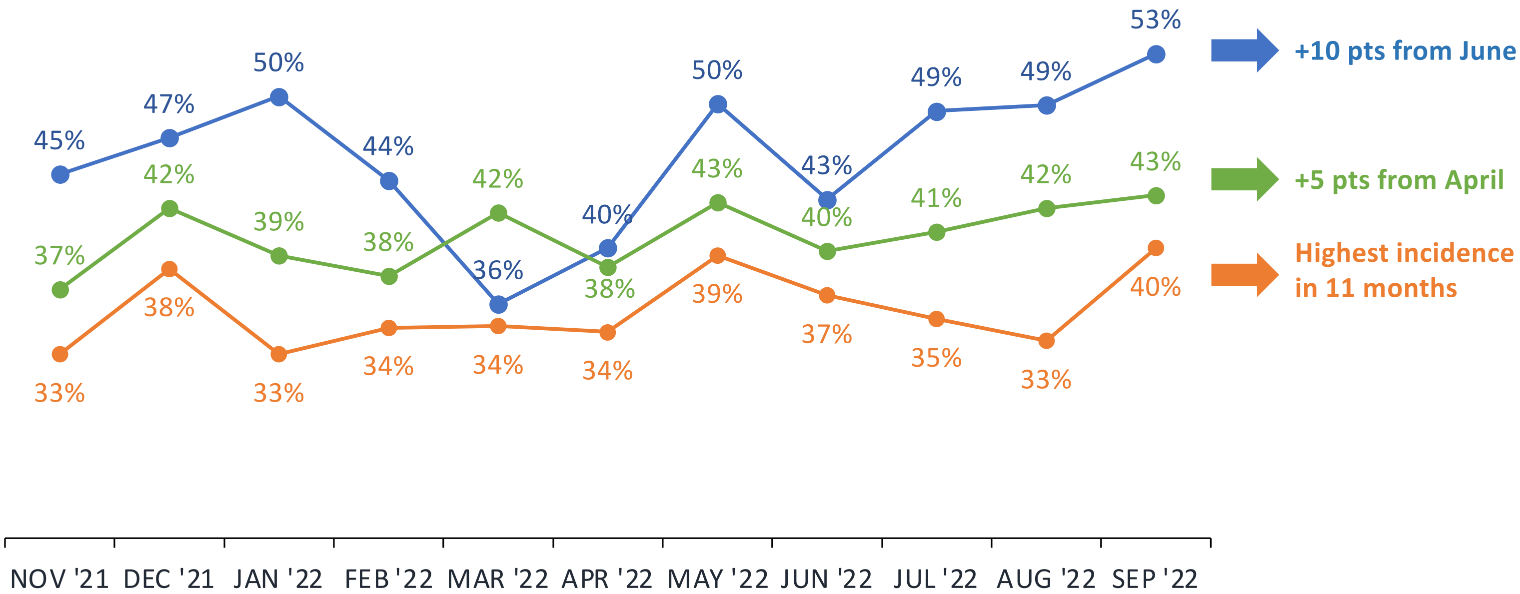
Bucking the Trend: Travel Demand Continues to Hold on

TOP 3 BOX AGREEMENT

I plan to take the same number or more business trips over the next six months as I did in the six months prior to the pandemic

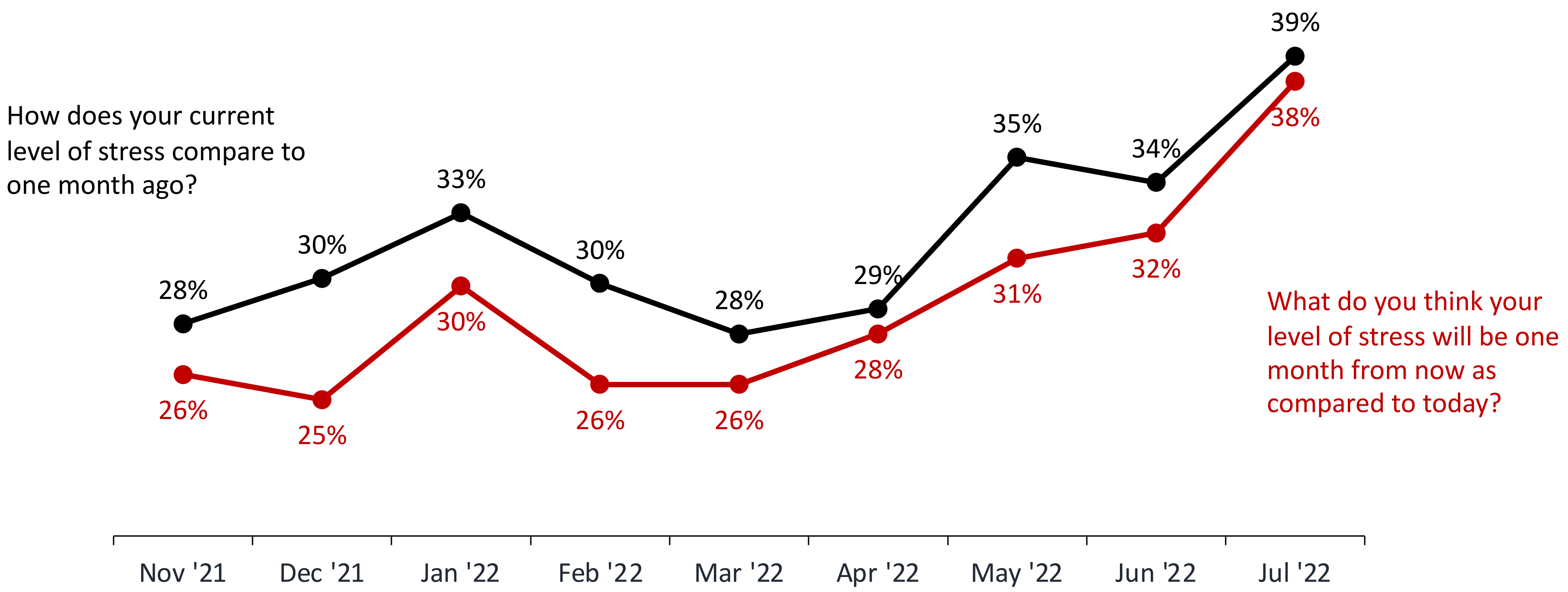
Taking a vacation of over 500 miles or more is a priority for me and my family in the next 12 months

I plan to spend just as much or more money on travel in the next year as I did in the past year



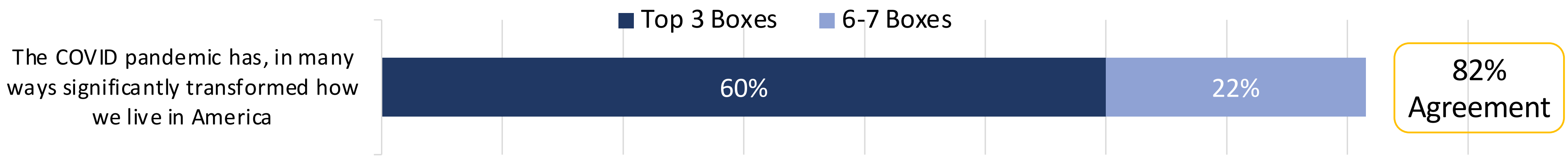
Consumer Stress Levels are Highest Since December of 2020

TOP 3 MORE STRESSED



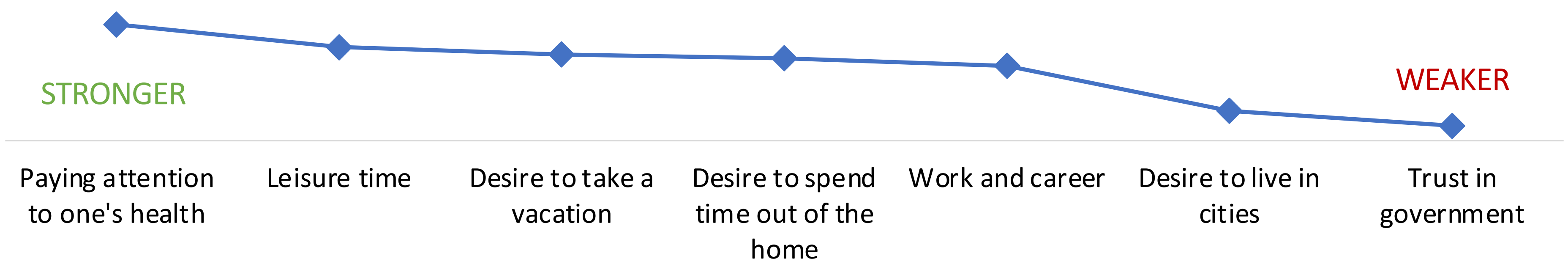
The COVID Pandemic Has Significantly Transformed How We Live In America

Looking ahead, please indicate how much you agree or disagree with each of the following statements



We've Shifted Our Focus

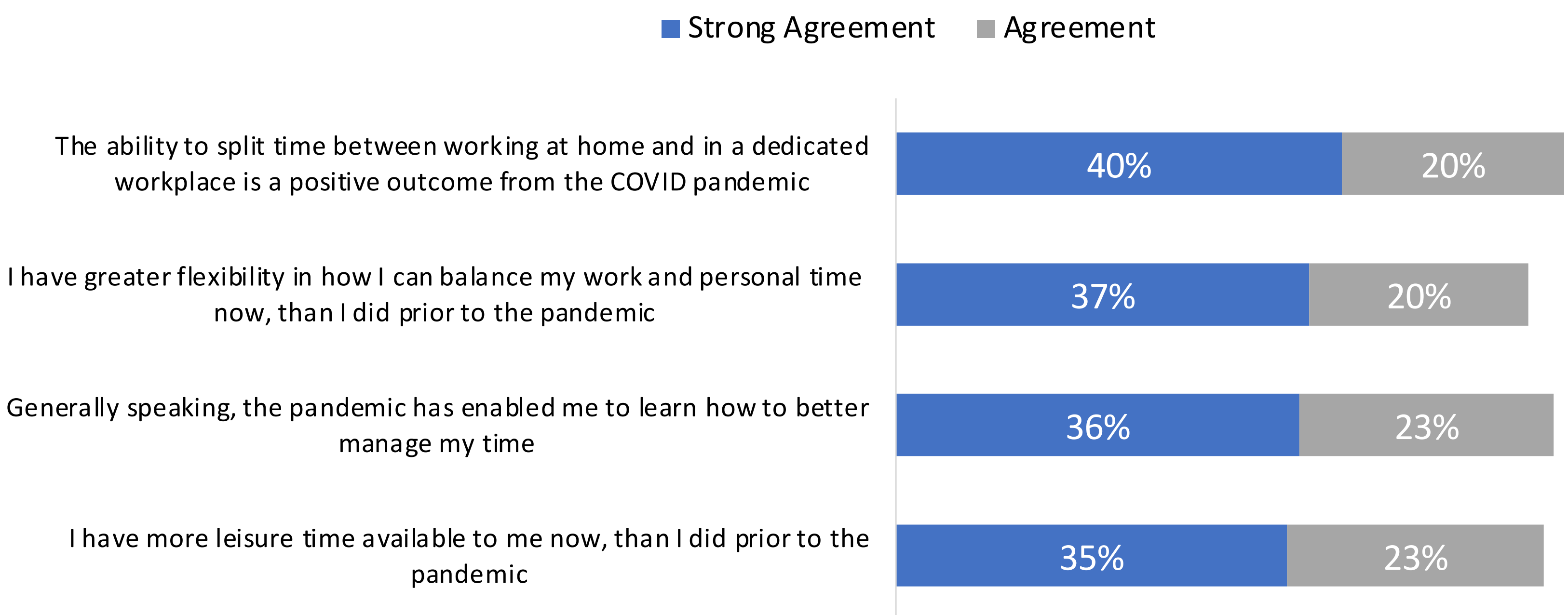
Please indicate the impact, if any, that the COVID pandemic has transformed the way that we live in America



- 70% agree that *"Since the start of the pandemic, I have been even more active in finding new ways to improve my personal wellness."*

The Pandemic Helped Us to Re-Prioritize Time Allocation

Please indicate how much you agree or disagree with each of the following statements

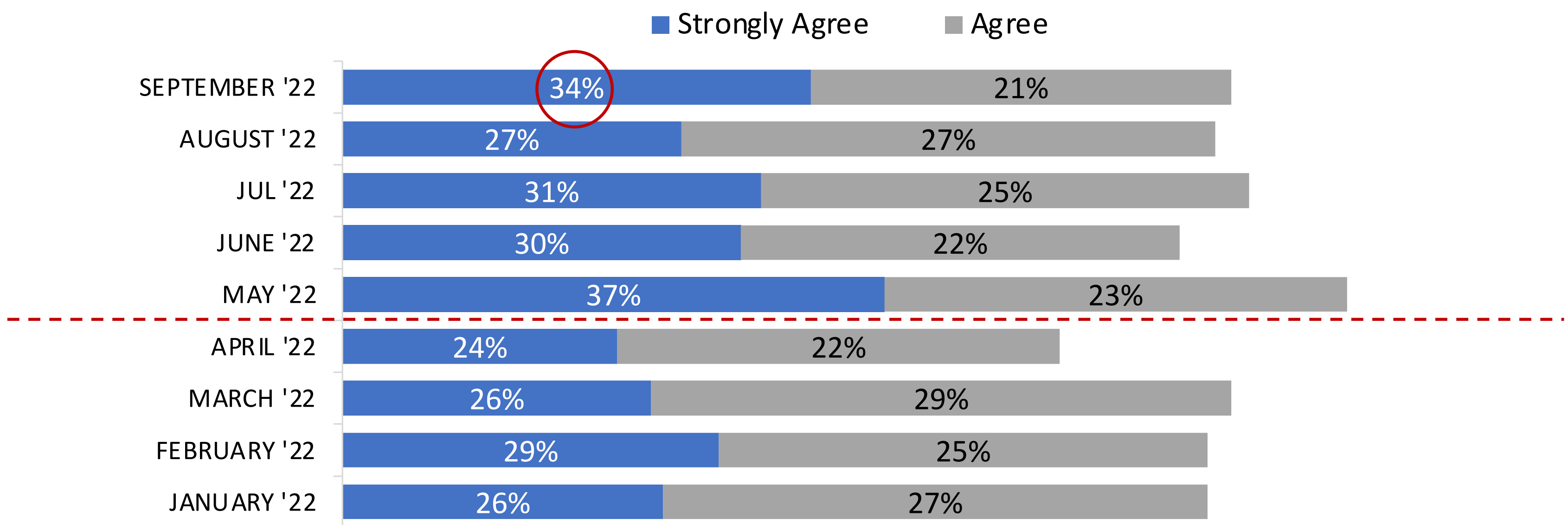


 Source: Golf Market Trends 2022

…Though, the Resumption of Normal Activities Have Been Particularly Underwhelming Since Spring

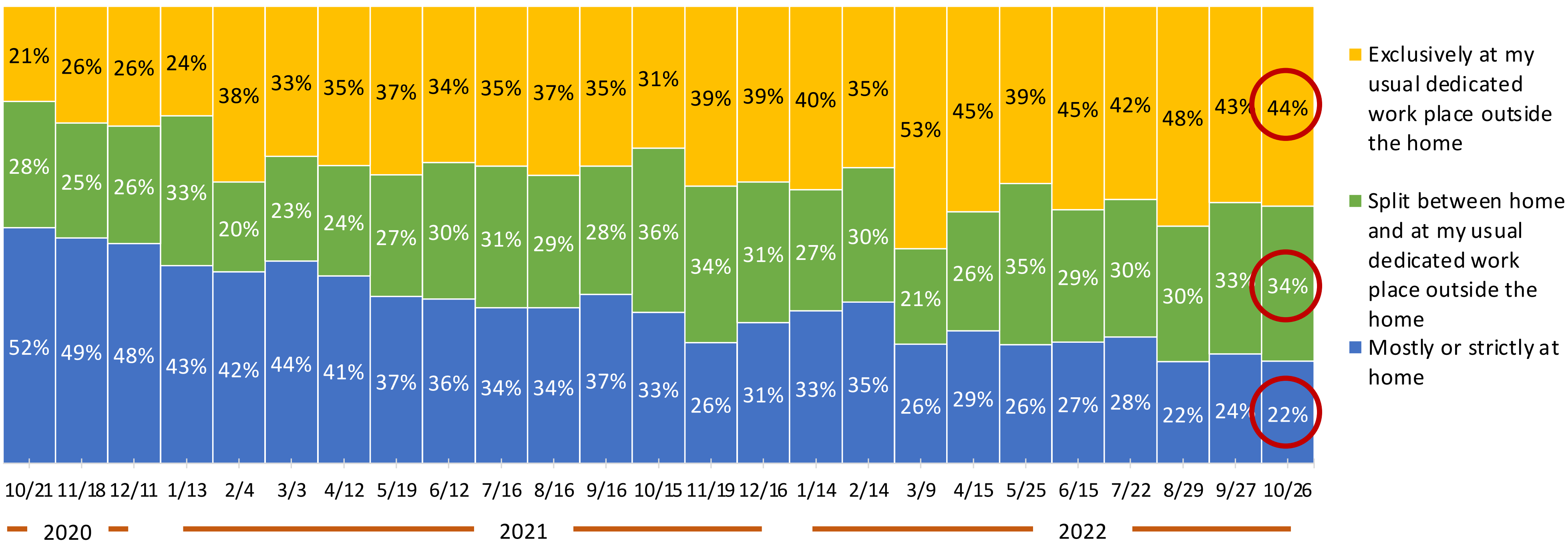
In general, the resumption of normal activities, that were limited during the height of the pandemic, has been underwhelming relative to my expectations and recollections of them, pre-COVID

% AGREE



Hybrid Work at Second Highest Incidence Since November'21

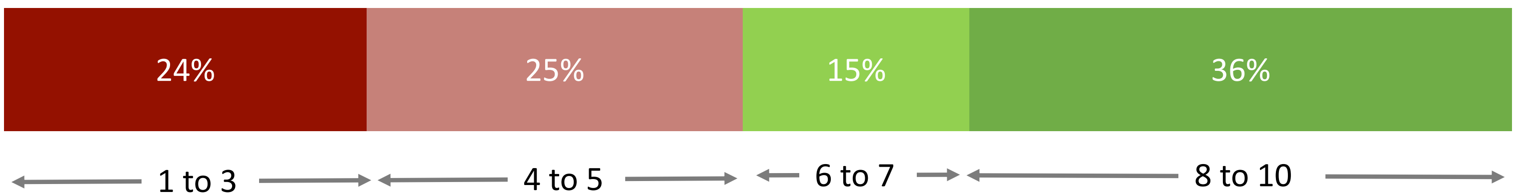
Are you presently working from home or in a dedicated work place?



- Those back to work exclusively at home slips to the lowest levels of the tracking (tied with August), maintaining the downward trend.

About Half of the Unemployed are Not Willing to Take Jobs That Do Not Offer the Opportunity for Remote Work

- One in four are strongly opposed to taking such work



Q. *How willing would you be to take full time work that did not afford you with any opportunity to work remotely? Please use a scale from 1-10, where "10" indicates that you would have no hesitation whatsoever to take a job that does not allow for any remote work and "1" indicates that you would definitely not take a job that does not provide for a remote work opportunity.*

 Source: USCC COVID Unemployed Wave III

A Significant Majority of Americans Feel Isolated

59% of Respondents Agree with the statement: "*Compared to before the start of the COVID pandemic, I feel more isolated from the world around me.*"

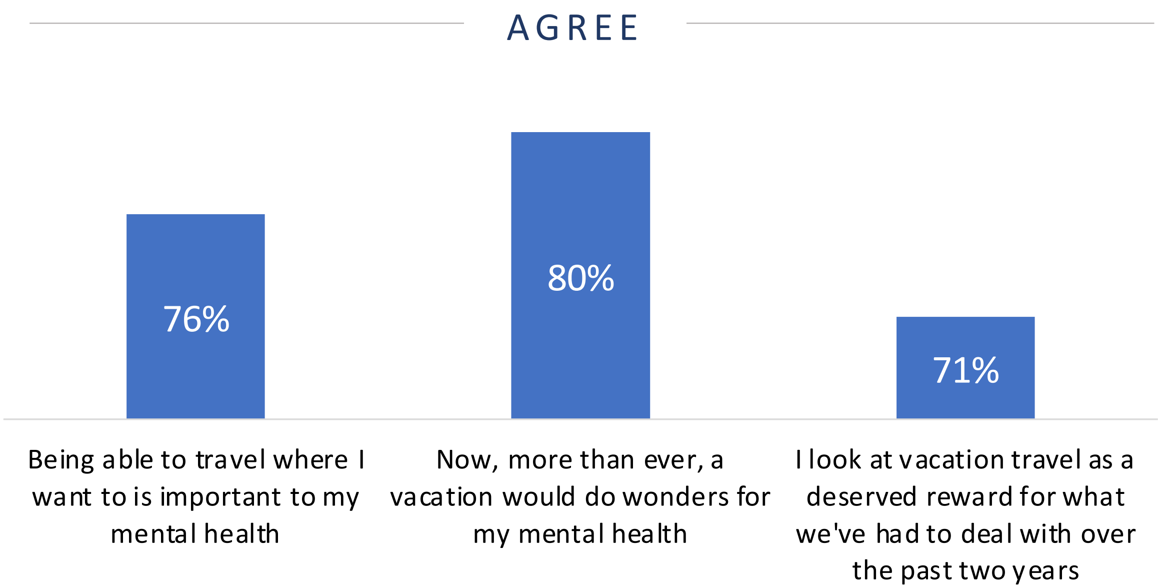
FEEDS:

- Partisan divisiveness
- Mistrust on who and what to believe
- Dearth of and redefinition of socialization opportunities

 Source: Golf Market Trends 2022

People “Need” a Vacation

Q. Please indicate your agreement with each of the following statements



 Source: ASTA 2022 Summer Consumer Travel Pulse

But Golf Still Enjoys Two Strong Points of Competitive Advantage

1. The Failure of Competitive Recreational Activities to Adequately Seize Upon the Latent Demand

2. The Transformation of the Work Experience Yields New definitions of work/life balance and utilization of time

 Source: Golf Market Trends 2022

REGIONAL SUPPORT STRATEGY SUMMIT
WORKING BETTER TOGETHER

The Latest Insight's from SLRG's Golfer Tracking Research

64% feel that clubs in general **NEED TO MAKE AGRESSIVE CHANGES**...A new 10 year high

- **61%** feel **THEIR CLUB SHOULD** (up significantly from 38% in 2020


61% HAVE MADE CONCERTED EFFORTS TO GET YOUNGER (Up from 51% in 2019 and 55% last year)

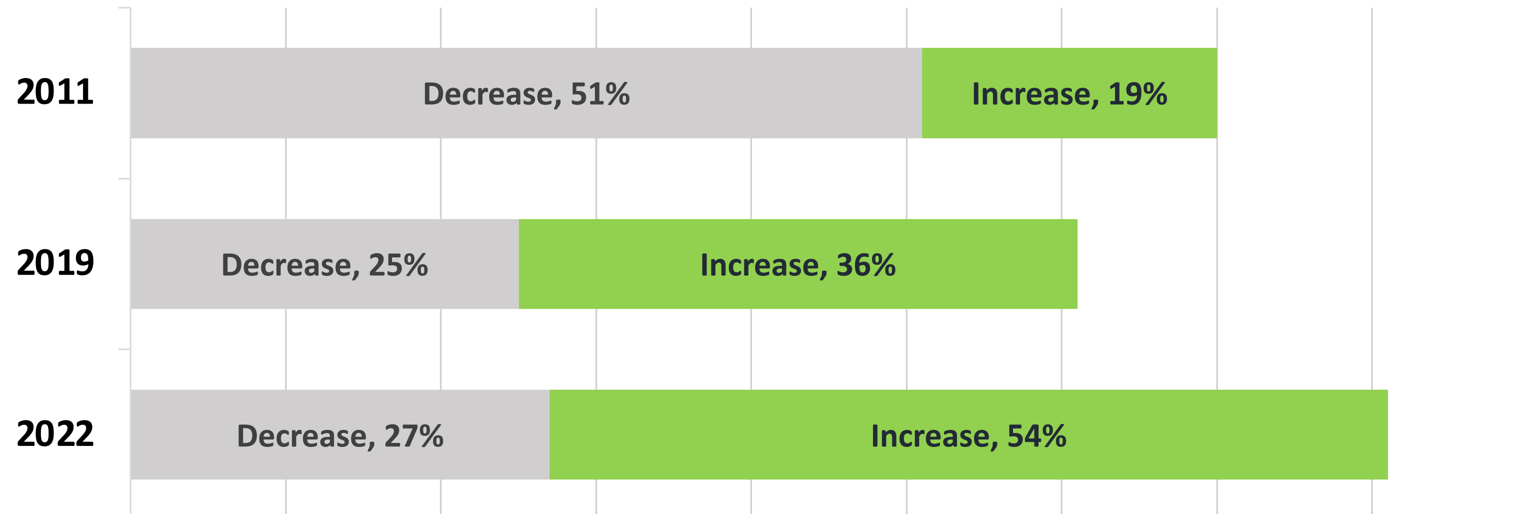
Significant upticks from YAG in those clubs who have put more **EMPHASIS ON:**

- Women's Programs— 62% (49% in '21)
- Non Golf Family Programs— 61% (49% in '21)

GOLFONTARIO
SPORTS& LEISURE RESEARCH GROUP

The Latest Insight's from SLRG's Golfer Tracking Research

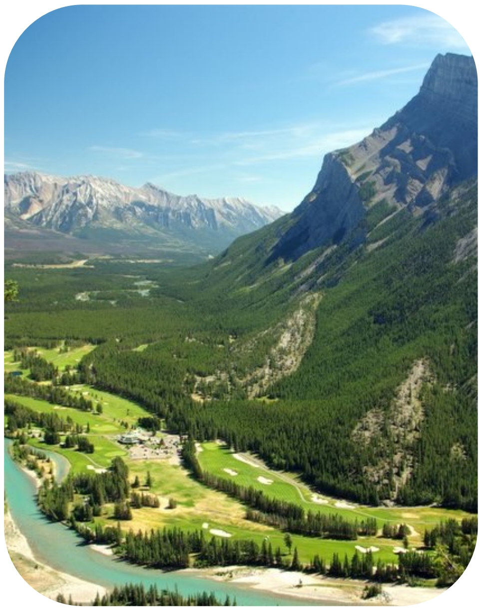
Membership Growth Update

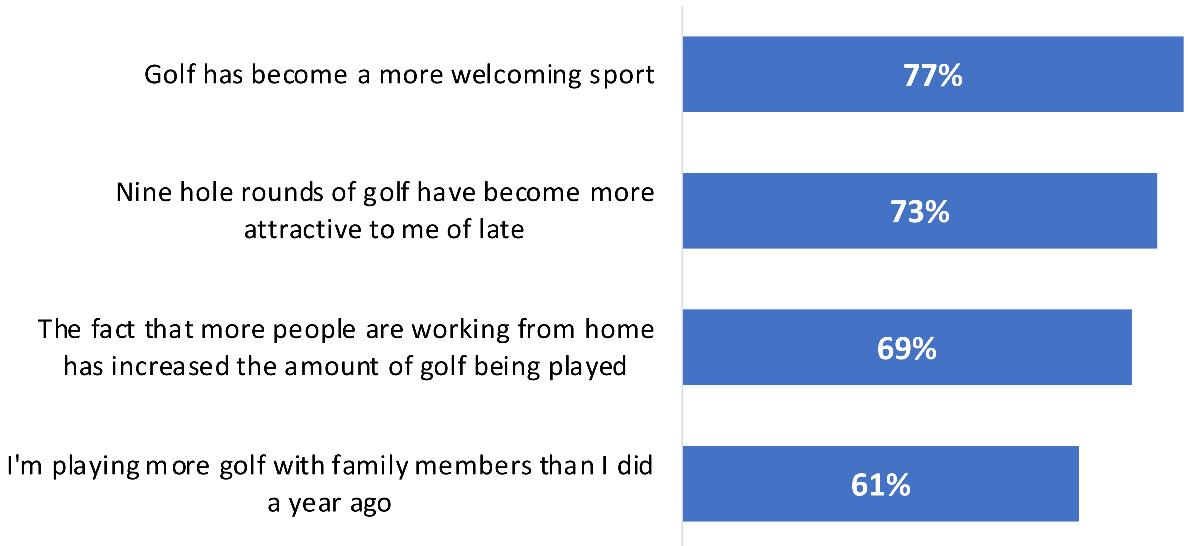


- **43%** report full memberships and/or maintenance of a waiting list for new members

Golf Continues to Evolve in Positive Ways

Club cultures need to align with evolving priorities and demands of the membership





 Source: Golf Market Trends 2022

Inflation and the Labor Market

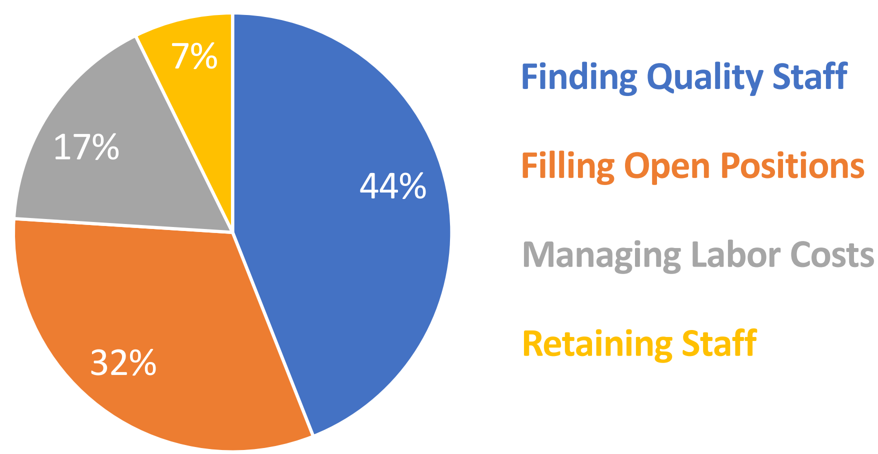
Issues that can impact the sustainability and financial health of a golf facility.

RANKED 1st

- Labor issues
- The overall economy
- Competing priorities for customers' leisure time
- Competition from other area facilities
- Capital project costs and debt
- The local economy
- Maintenance costs (water, inputs)
- Water (availability, cost, regulation)
- Regulatory issues
- Time it takes to complete a round of golf

Thinking about labor issues, please rank the challenges of each of these...

RANKED 1st (Most Challenging)

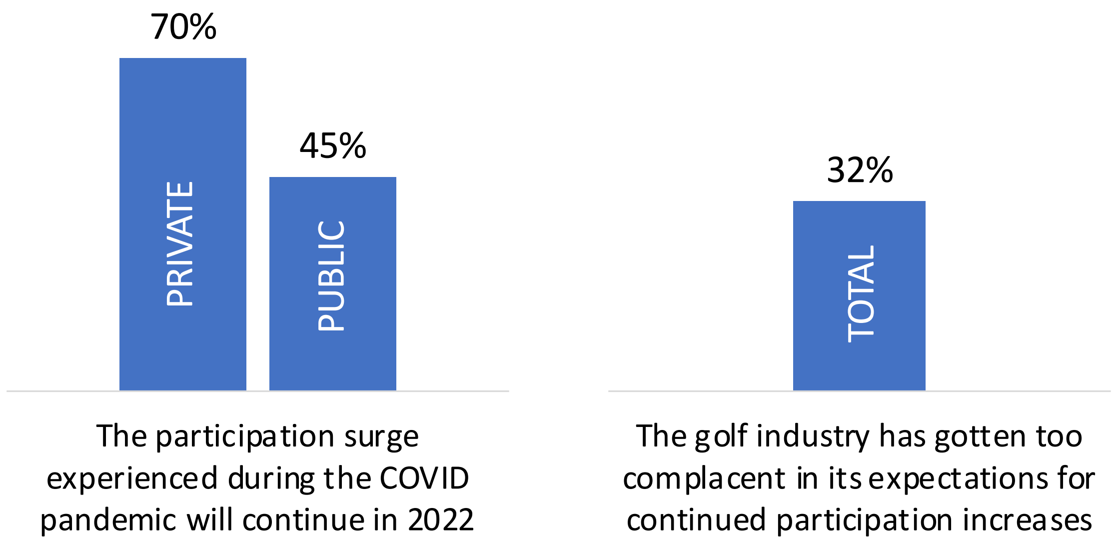


 Source: NGCOA Golf Business Pulse 2022

There is Some Concern that Growth will Abate in 2022…Particularly at Public Facilities

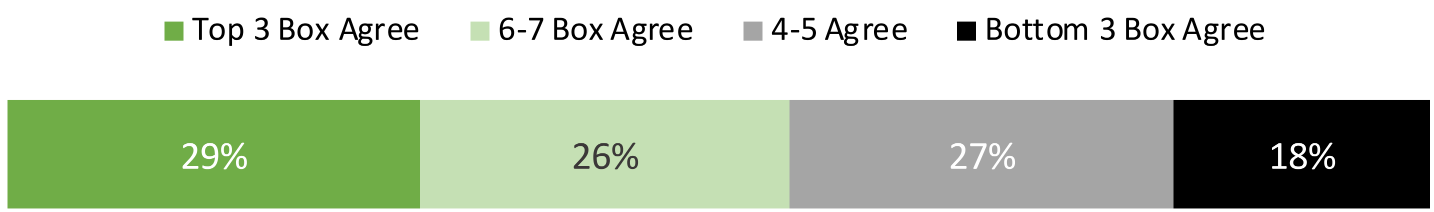
- One-third see flattening profitability and worry about complacency.

Q. Please indicate your agreement with each of the following statements.



How Far can Revenue Enhancement Go?

"I'm concerned that the golf industry will push price increases too far."



 Source: NGCOA Golf Business Pulse 2022

A Heightened Focus on Diversity, Equity and Inclusion

Several owners spoke extensively about how creating a more welcoming environment at their facilities is tantamount during a time of national awakening on diversity, equity and inclusion. Nearly four-in-ten owners surveyed felt strongly that "*a marketing focus on diversity and inclusion efforts*" was critical in the success of their golf facility.

Two comments from prominent leaders in facility ownership, articulated this area of focus:

"DE&I is here to stay. It has been spoken about before, but now the world is in a different cultural space and there are times that you bring it up and it's a hot button for awhile and then you go back to your world and forget about it. It has everyone's attention. This time, it's different."

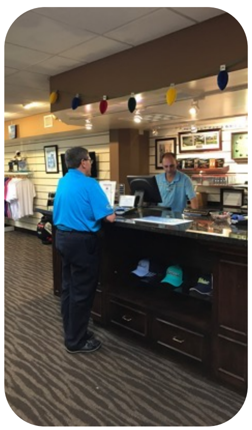
"Culturally I think you have to pay attention to diversity and make sure that your people are tuned in about how they greet and behave, regardless of skin color, sexual orientation or whatever. Some feel that isn't as important so don't get in their face about it, but as a club you have to attract different type of people."

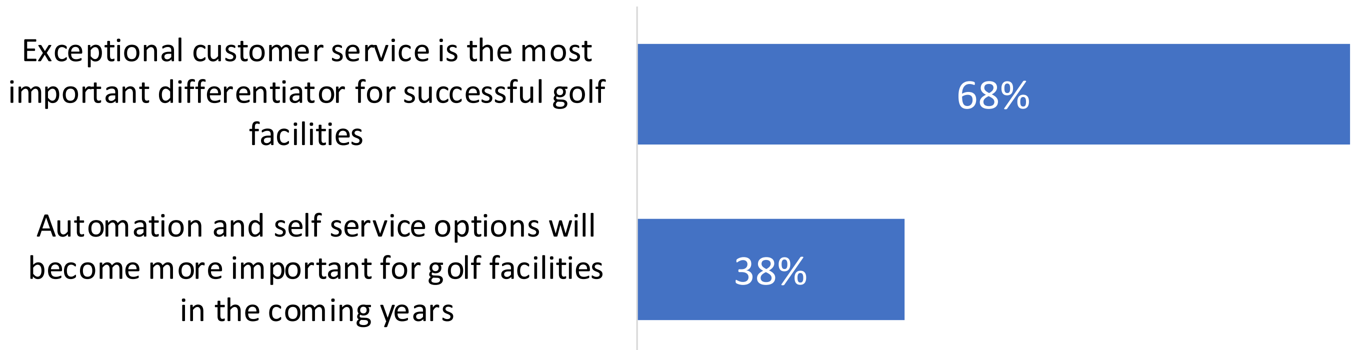
 Source: NGCOA Golf Business Pulse 2022

Personalized Service Vs. Automation

Q. Please indicate your agreement with each of the following statements.

TOP 3 BOX AGREE

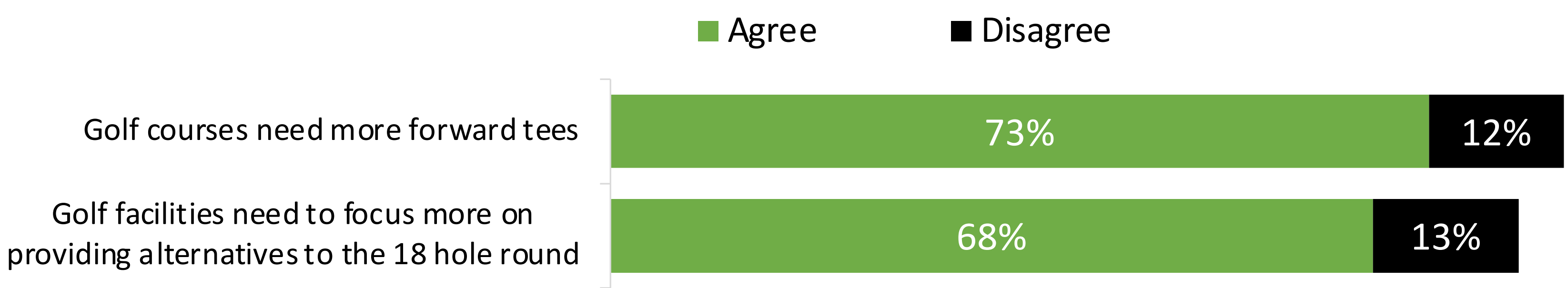




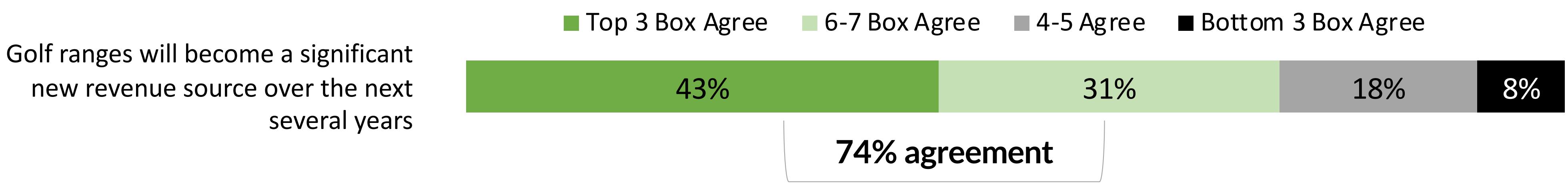
Source: NGCOA Golf Business Pulse 2022

The Focus on Golf Alternatives and Amenities

A continued emphasis on more forward tees and "non-traditional" rounds



Heavy Investment in Simulators and Gamified Ranges



 Source: NGCOA Golf Business Pulse 2022

Most Coveted Amenities

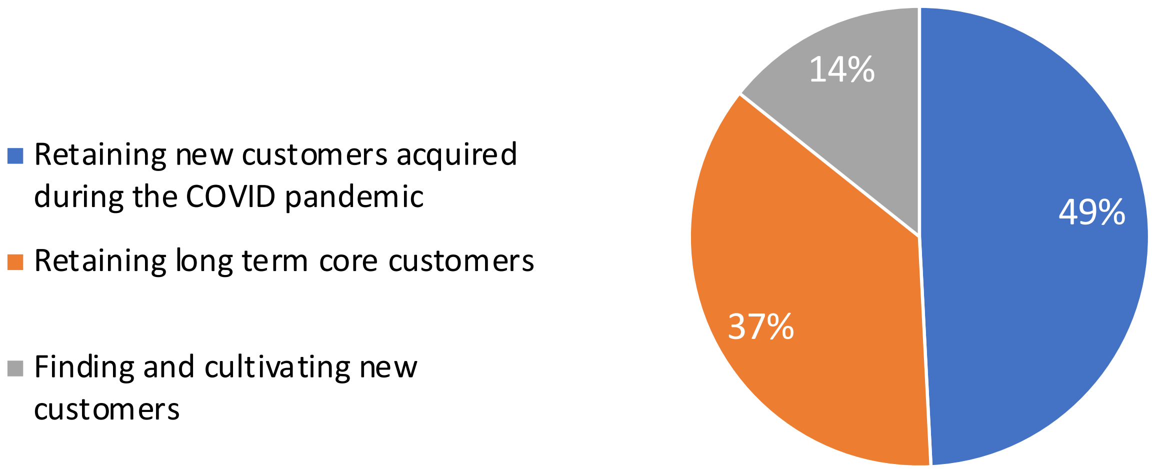
- A newly designed, more modern and trendy bar area
- An enhanced practice range
- A dedicated short game practice/learning area
- A state of the art fitness facility and gym
- Additional dedicated outdoor event space
- More casual living room space for social interaction

 Source: NGCOA Golf Business Pulse 2022

Extending the "Upswing" in Participation

Over the next two years please rank the importance of the following marketing efforts or objectives.

RANKED 1st



- **87%** of owners agree that *"Golf needs to do a better job of managing the customer journey of golfers once they complete their initial introduction to the game."*

 Source: NGCOA Golf Business Pulse 2022

WHERE DO WE GO FROM HERE—IMPLICATIONS

- Golf's Evolution continues to be driven by flexibility and meeting the customer where he or she wants to engage
- Seize the competitive advantage presented by product and service shortcomings in other leisure verticals
- Economic thunderclouds must be navigated around:
  - Labor Stresses
  - The allure of "Aggressive" price increases amidst rampant inflation must be sensibly managed

 Source: Golf Market Trends 2022

The Three C's

A NEW ERA OF CUSTOMIZATION, CONVERSATION AND COMMUNITY BUILDING

- Behavioral data meets Attitudinal Data
- Critical Initiatives:
  - — Optimizing database integration
  - — Pulsing consumer attitudes—cultural member audits
  - — Customer Segmentation
  - — Manage the Golfer Lifecycle beyond Onboarding
  - — Take the stigma out of forward tee utilization
  - — Loyalty Marketing programs
  - — Gauge Price Elasticity

 Source: NGCOA Golf Business Pulse 2022

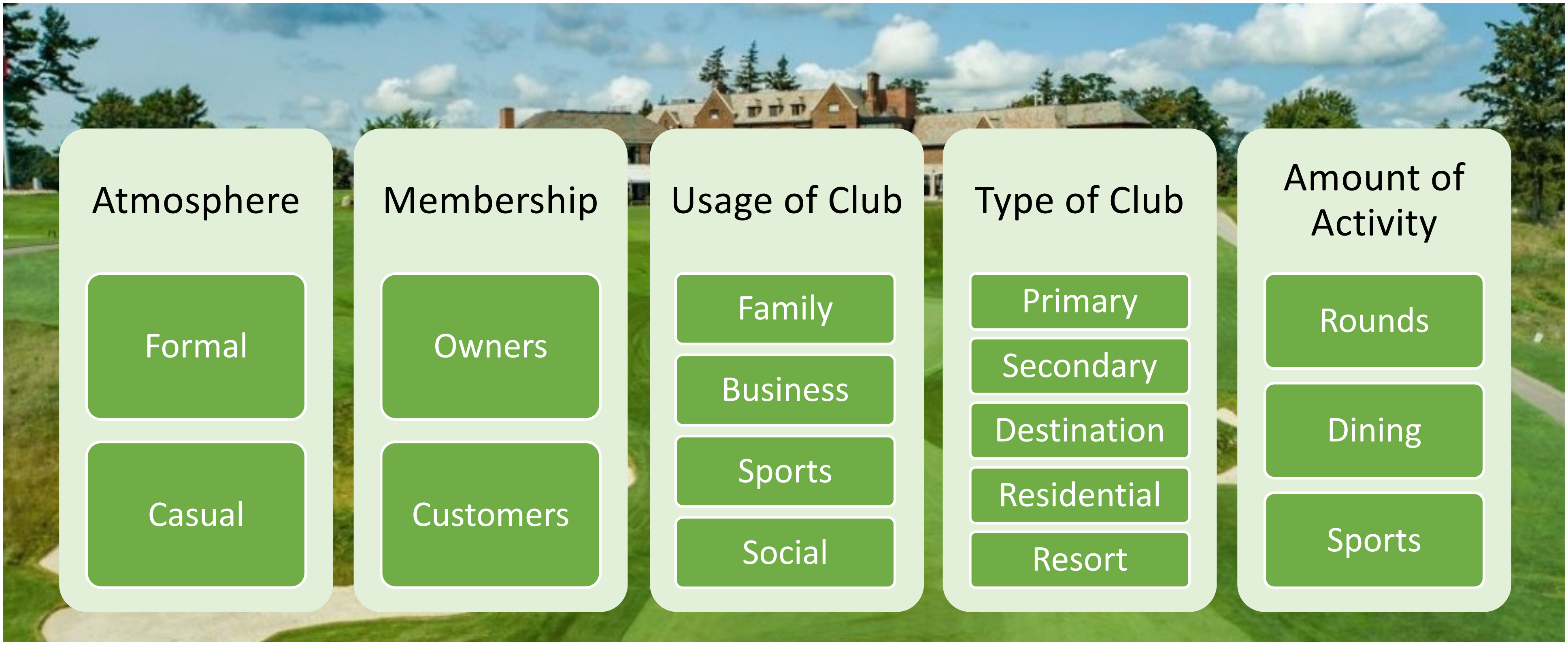
Key Areas of Inquiry for a Club Culture Audit

Member Perceptions of:

- Cost/value
- Amenity mix
- Club atmosphere
- Club reputation
- Utilization patterns
- Interpersonal dynamics and cliques
- Member composition and diversity
- New member onboarding
- Club leadership and member inclusion
- Club Rules and Bylaws
- Member communications
- Sense of community
- Member development planning and attrition

- Utilization distribution (recency, frequency, monetary)
- Net Promoter Scores/Advocacy
- Share of Customer across amenities
- Longevity/Retention Measures
  - Churn
  - Average member tenure
- Desired enhancements to evaluate priority alignment or lack thereof
- Broad measures of satisfaction and attrition risk
- Attitudinal homogeneity vs. diversity of attitudes
- Homogeneity vs. diversity of interests outside of the club

CLUB CULTURE - DEFINED



Atmosphere
- Formal
- Casual

Membership
- Owners
- Customers

Usage of Club
- Family
- Business
- Sports
- Social

Type of Club
- Primary
- Secondary
- Destination
- Residential
- Resort

Amount of Activity
- Rounds
- Dining
- Sports


REGIONAL SUPPORT STRATEGY SUMMIT
WORKING BETTER TOGETHER
GOLFONTARIO
The Post Pandemic Golf Boom Meets an Uncertain Economy: A LOOK AHEAD
SPORTS& LEISURE RESEARCH GROUP