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# The Changing Landscape of the Golf Business

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## AGENDA

- Pressures on Lifestyle
- Participation
  - UK Participation
  - The European Picture
- Role of the Club / Pro
- Golf on TV



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# Pressures on Lifestyle



# Leisure Fragmentation

Golf is competing for our time...

» Changing consumption patterns

- more leisure choice everywhere
- more sports to play
- increasingly specialist pursuits
- more choice of tourism destinations (low-cost airlines)
- Internet (social networking / e-commerce)
- Computer gaming
- Gardening / DIY / cinema / "eating-out"





## 'Cash-Rich' & Time-Poor Society

» 43% of Europeans believe they have less time than they need

» One third in the UK agree that:

*"There are so many things I have to do, I don't have as much leisure time as I would like"*  
(UK Player & Fan Study 2008)

» The impact of economy & debt will exacerbate





# The Image of Golf

## » Only.....

- 13% of adults see golf as “healthy”
- 5% of adults see golf as either “dynamic” or “modern”
- 2% of adults see golf as “young”

## Golf takes time

- » Regular golfers believe that they ought to be able to complete 18 holes of golf in a 4-ball in an average of 3hrs 50mins
- » 10% of them still take 5hrs or more
- » Family pressures and expectations have created a need for golf to be:
  - quicker to play
  - more accessible to families

...but is it ?



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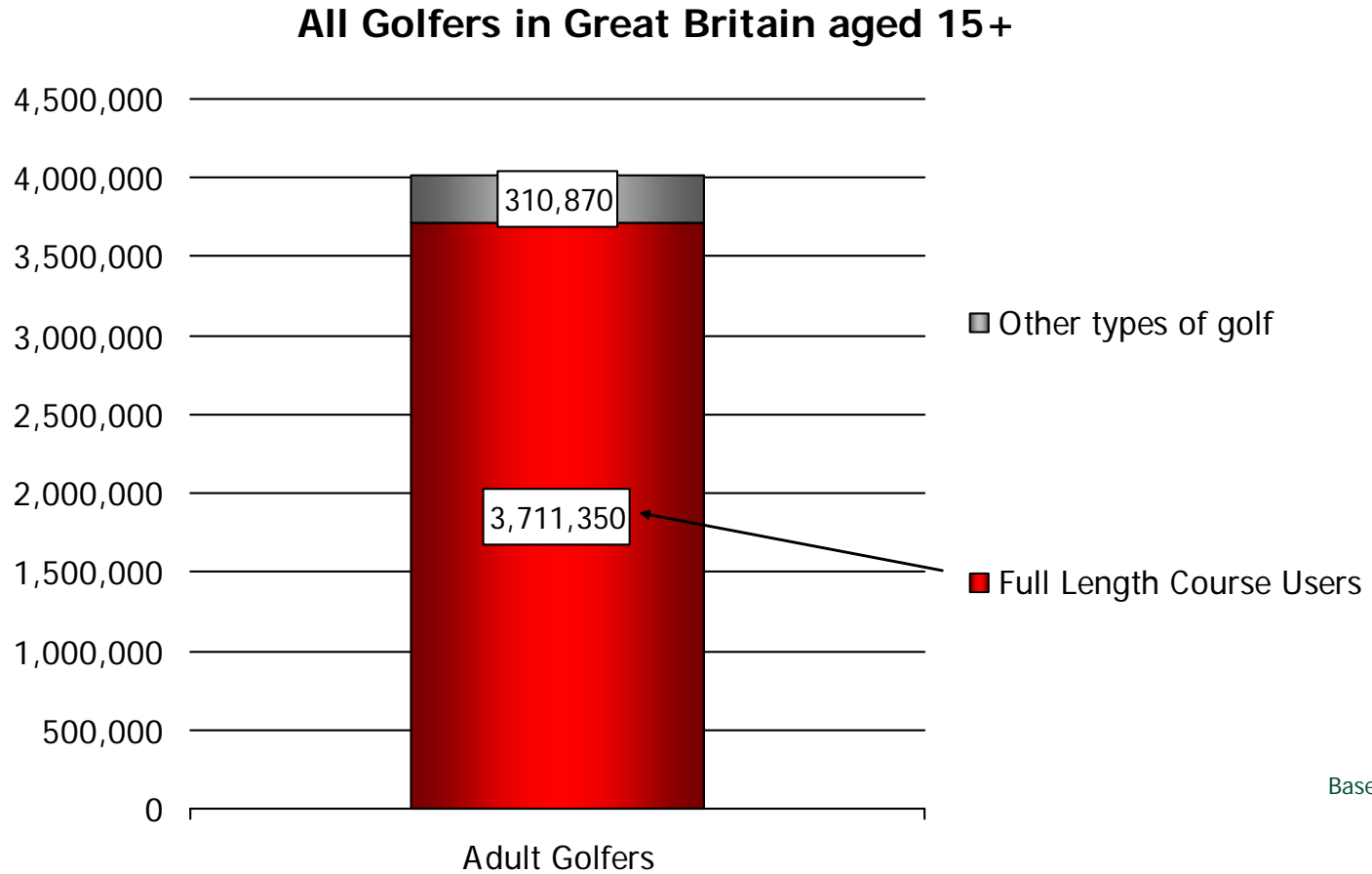
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# UK Participation



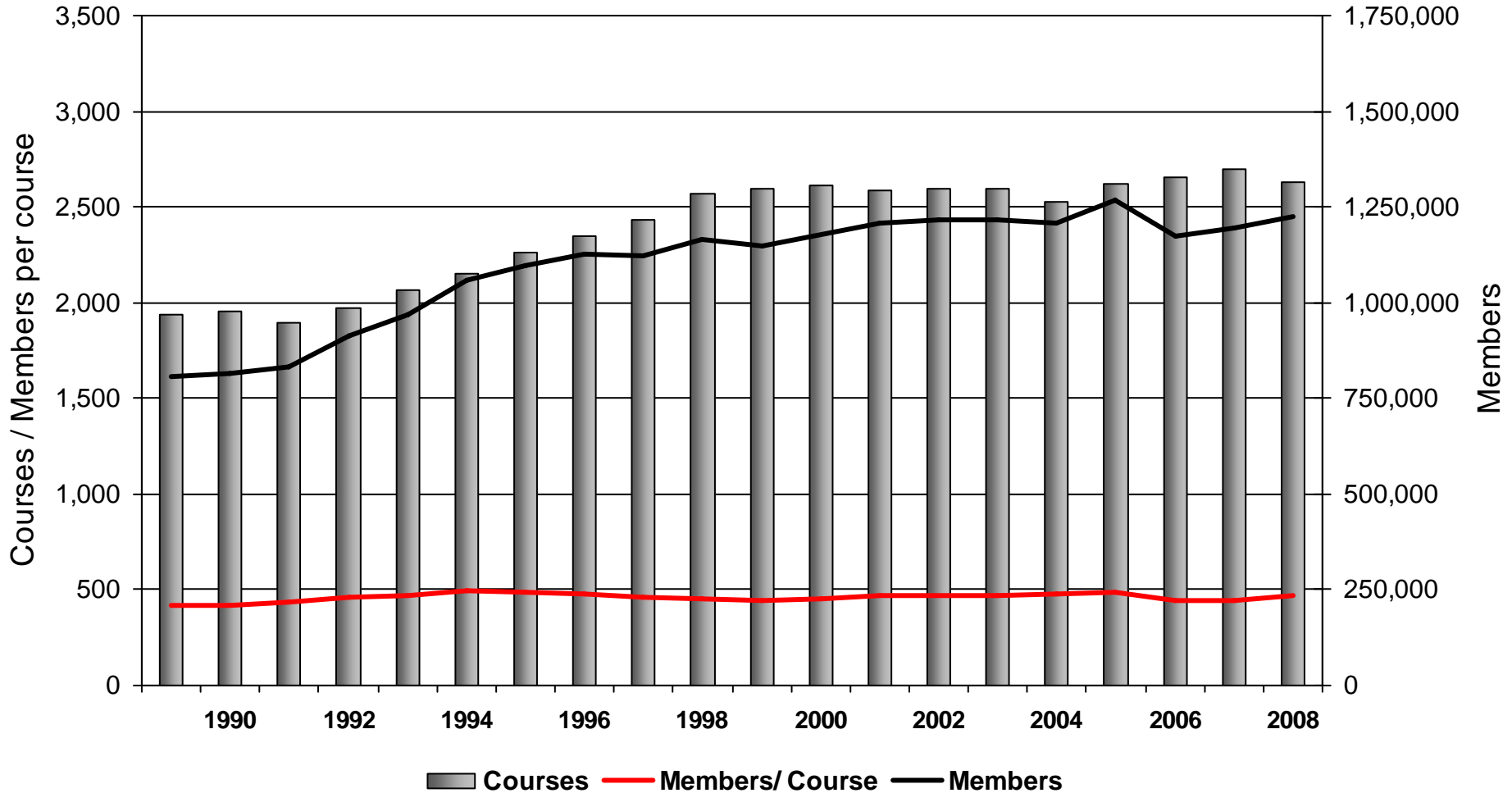
# 2008 UK Participation - All Golfers



- The total number of adult golfers in Great Britain is just over 4,000,000.
- 92.3% of all golfers play golf on a full length course.



# England, Scotland and Wales Members and Courses





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# The European Picture



# European Golf Growth Levels

**European Golf Course and Registered Golfer Numbers  
1985 - 2007**

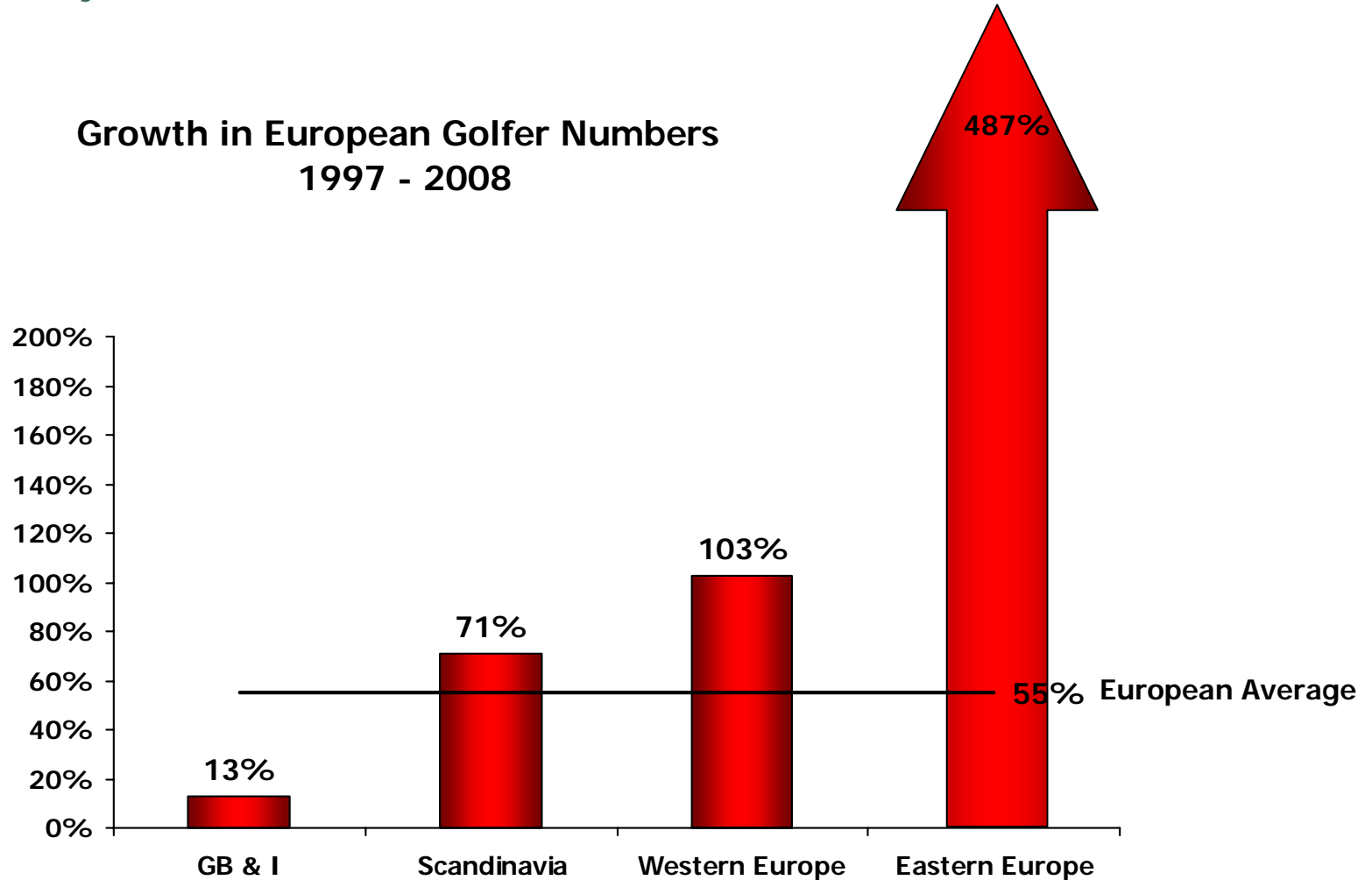


- Up until the year 2000, the number of golfers and golf courses in Europe increased at roughly the same rate
- Since then there have been only 13% more new courses, and 34% more golfers.



# European Golfers

**Growth in European Golfer Numbers  
1997 - 2008**

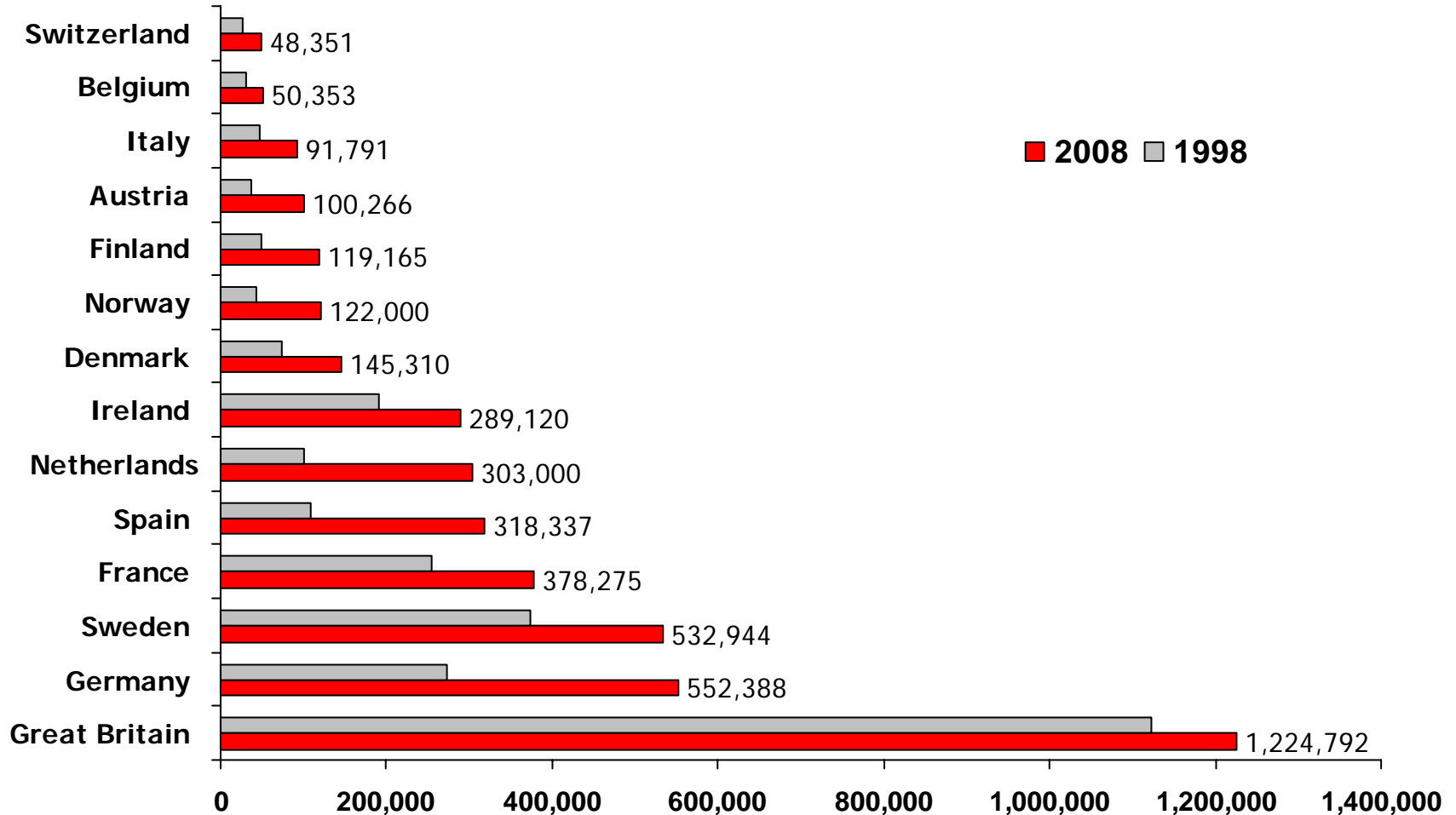


- This increase in golfers is most evident in the less developed golf markets, with the number of Eastern European golfers increasing by 487% since 1997.



# Number of Registered Golfers

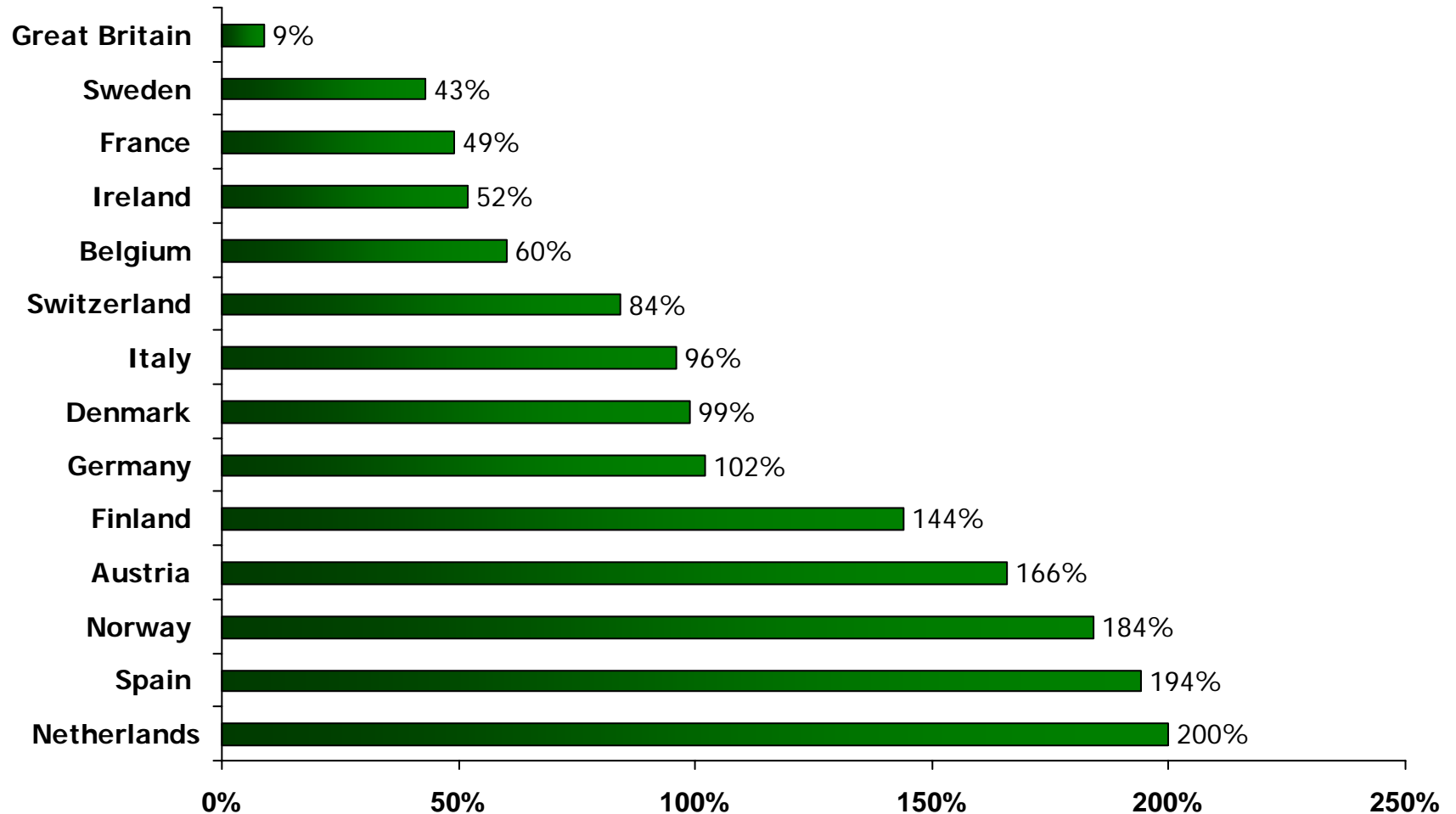
## Number of registered golfers 1998 v 2008





# Growth of Registered Golfers

**Growth of registered golfers from 1998 - 2008**





# Female Golfers

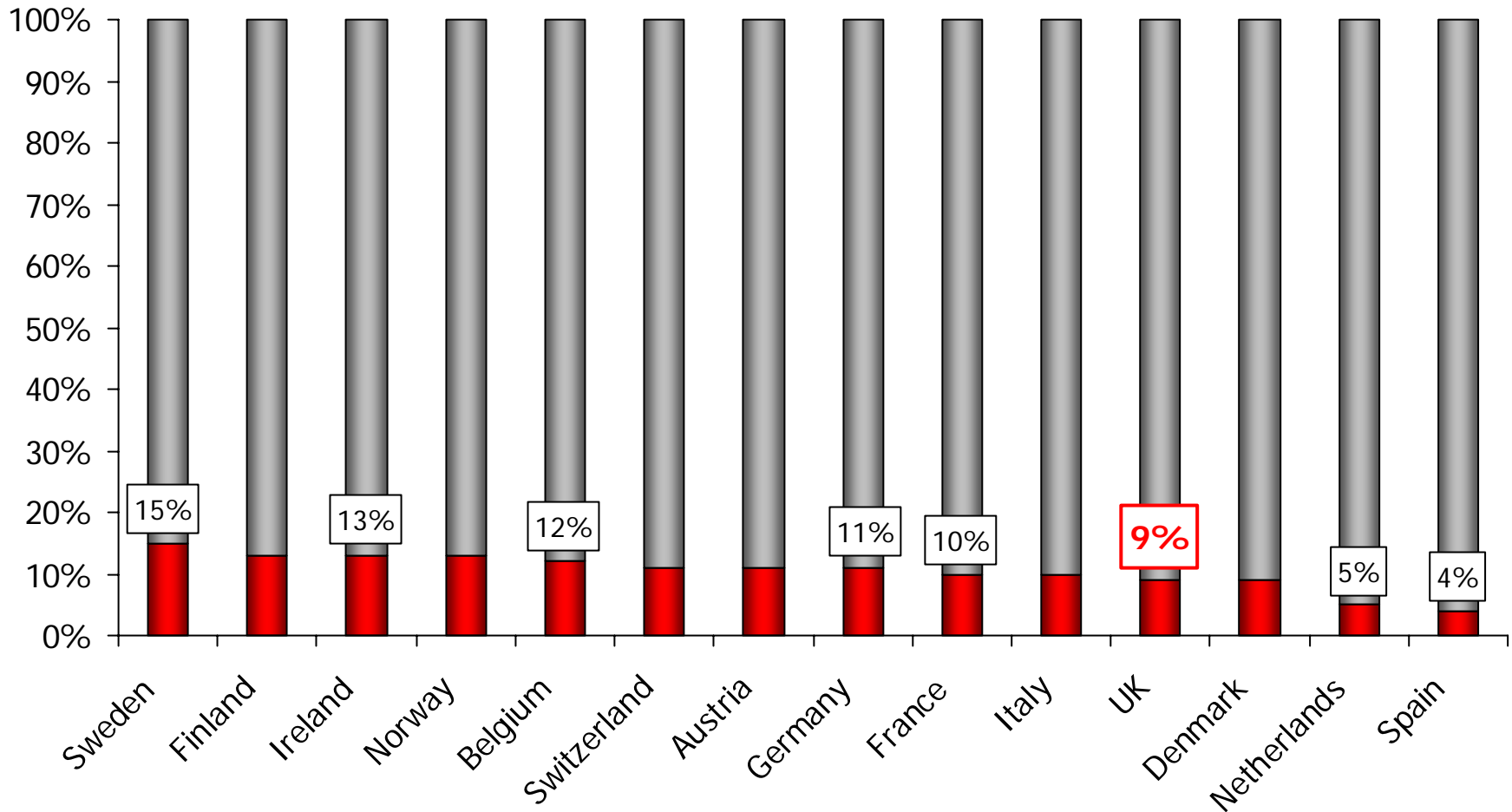
Percentage of Female golfers in European golf markets

Great Britain	12.7%	Spain	31.2%
Germany	39.3%	Netherlands	33.8%
Sweden	31.6%	Ireland	23.8%
France	29.5%	Denmark	31.8%



# Junior Golfers

■ % Junior Golfers





# What do we need to do?

## Working together, encompassing & welcoming

- » European model should be embraced.
- » Golf must become a family occasion and family 'leisure time' opportunity.
- » Need to break the traditional markets profile of a male dominated & socially elite sport  
- UK, USA & Australia
- » Golf has to become more accessible to maximise participation for the future.
  - We have to make sure women and young people are welcome

How can we achieve this?



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## Initiatives to Grow Participation

The future of the game is to get more people to play....more often





# Growing Participation

- » There is a need for a structured development plan
  
- » A programme for participation for:
  - Different ages - adults & juniors
  - Different facilities - for driving ranges & par 3 courses
  - Different locations - inner cities & countryside
  
- » Embracing models that have worked
  - from Government initiatives to The Golf Industry initiatives



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**Sweden - Skandia clubs**

**Scotland - Clubgolf**

**UK - The Golf Foundation**



**GOLF FOUNDATION**  
*Skills for life*



## The Swedish response

- » Golf in Schools
- » Physical Education Teachers
  - A junior kit
    - Clubs
    - Balls
    - Small mats
    - and instructional documentation
  
- » Well over 1,000 teachers trained since 1999





## The Swedish response

- » Exciting & innovative approaches
- » Skandia Junior Club
  - Mobile Driving Ranges
  - Jungle golf
  - Free practice hours at Golf Clubs
  - Junior Golf Courses
  - Summer Camps
  - Confirmation Camps





## The most exciting Junior Golf development programme ever undertaken in Scotland!

“By 2009, we will have created the opportunity for every child in Scotland to have an introduction to the game of golf by the time they are nine years old”

*Henry McLeish, First of the Scottish Executive 2001*





» Clubgolf can be summarised as follows:

- An introduction to golf by age 9 in primary schools
- A customised approach to taking golf into the community, including social inclusion partnership areas.
- A core programme of skills, learning, practice and play for 9-15 year old boys and girls.
- Coaching and competition for the talented golfers at regional and national level.
- Specialist support for our potential international and professional players





- » The Golf Foundation is a charity committed to the sporting and social development of young people through golf.
- » It helps young people to develop both playing and personal skills through school and community projects across the whole of Great Britain.
- » It encourages clubs and facilities to adopt a more 'open' attitude and make it possible for all children, regardless of their background or circumstances, to have a go at the sport.

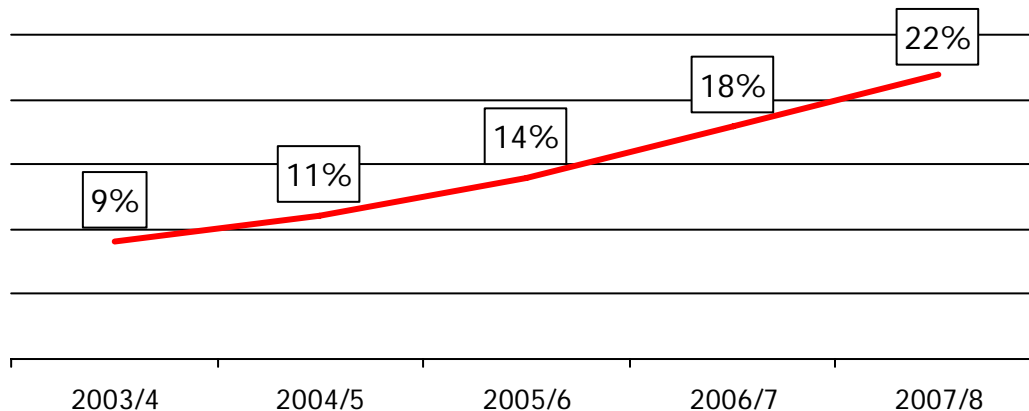
The Golf Foundation is making a real difference to the lives of the children and young people it reaches and is helping to secure a healthy future for the sport by producing the next generation of club members and Open champions.





## The Success Story:

- » Golf was the fastest growing sport in schools last academic year
  - Now offered by 38% of UK schools
    - Up from 14% in 2003 and by 7% pts year on year
  - Football, Athletics, Cricket, Swimming, Netball, Tennis, Basketball – All **Static**
  - Hockey, Gymnastics, Rounders – All **Down**
  
- » The percentage of schools with links to golf clubs has also increased every year for the last 5 years





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# The Club and the Professional

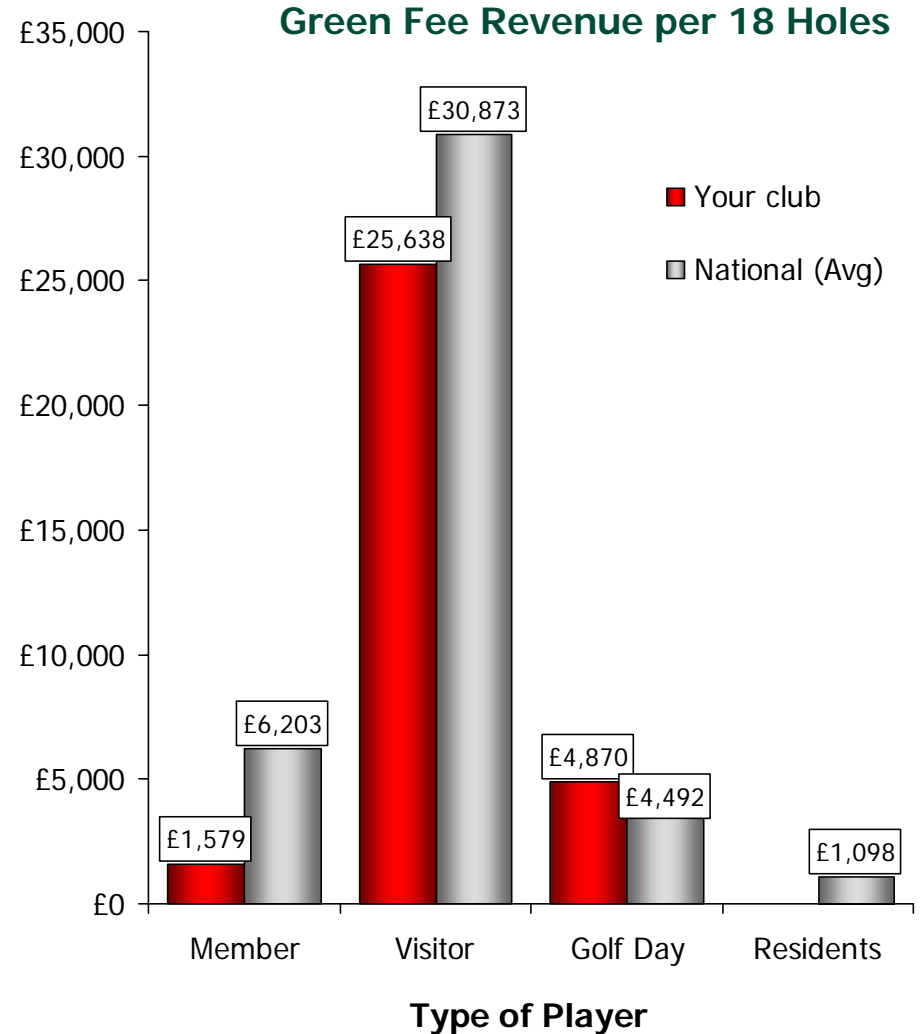
...issues, pressures & opportunities.



- » Trend towards non-membership and playing at multiple courses
- » Clubs need to be managed as businesses
  - Keep an eye on the competition
  - What do your customers want?
  - How can I provide it
  - Where can I generate income?
  - Golf Tourism
- » Important measures to keep abreast of:
  - Green fee revenue
  - Rounds played
  - F&B sales
  - Retail
  - Operational costs

We can help you manage this

## The Club





## The Pro

- » “The Expert”
  
- » Personal role
  - Equipment advice
  - Custom Fitting
  - Golf lessons
  - Non-threatening and non-jargon environment
  
- » Family-friendly and inclusive



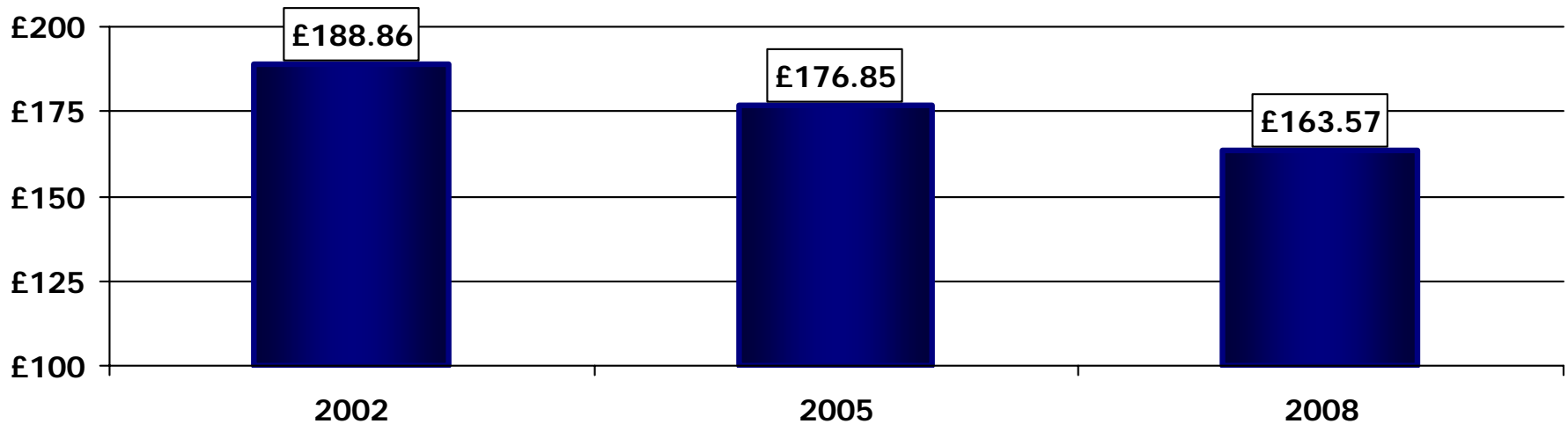
**Build consumer trust and a personal consumer relationship**



# Squeeze on price & margin

- » Pressure on equipment prices & margins - income streams have been compromised by new distribution channels
  - Specialist high street golf multiples
  - Sports stores - premium & discount
  - High street supermarkets selling golf clubs
  - Mail order
  - The Internet

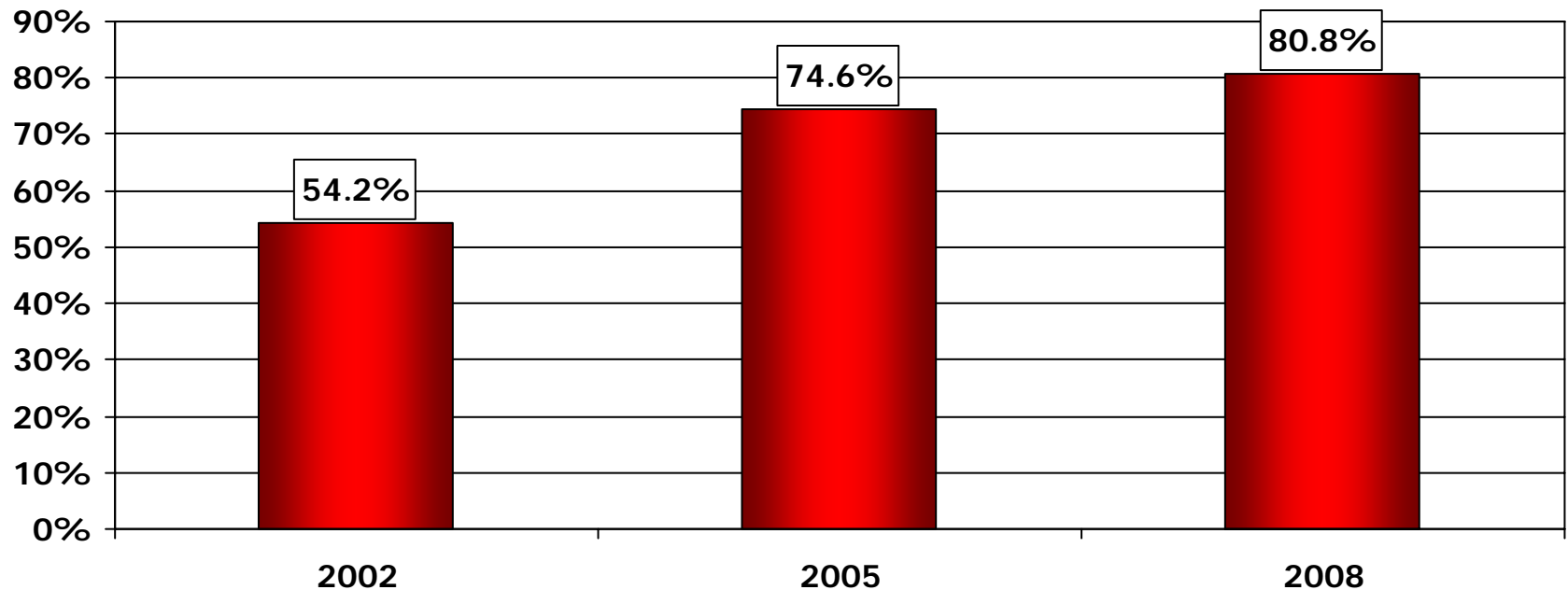
**Average Driver Price 2002 - 2008**





## UK Internet access

- » Golfers are early adopters - and internet usage & penetration exceeds the national figure
  - Regular golfers in the UK access to the Internet has increased from 54.2% in 2002 to 80.8% in 2008



- » Nationally only 68.6% of the total population have access

The Internet is important to the future of the Golf Industry....



# The consumer will purchase equipment...



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Women

Juniors

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*Jan Woosnam  
Ryder Cup Captain*

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Club Exchange



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...reserve tee times...





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...and golf holidays & breaks...





...and even buy golf insurance.

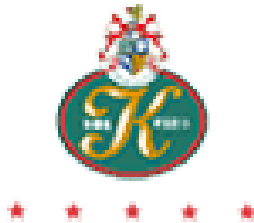




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# Market your club.....



# St George's Hill GOLF CLUB





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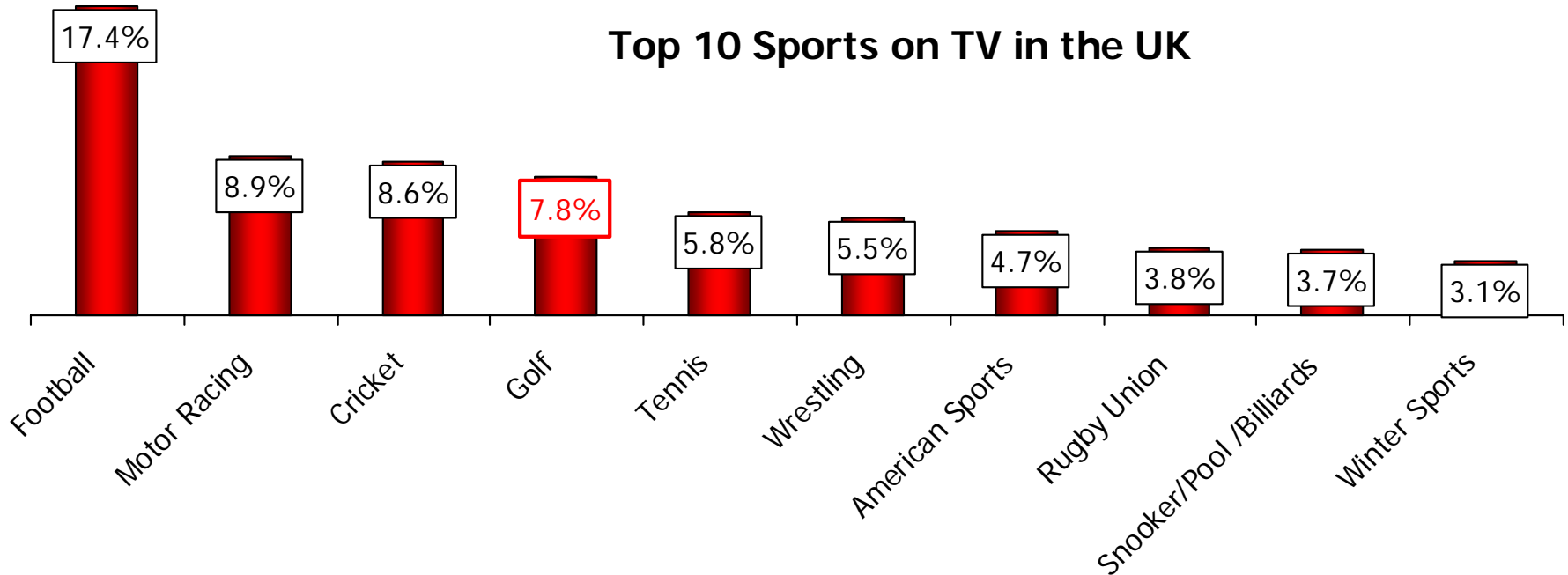


## Golf on TV



# Sport on TV

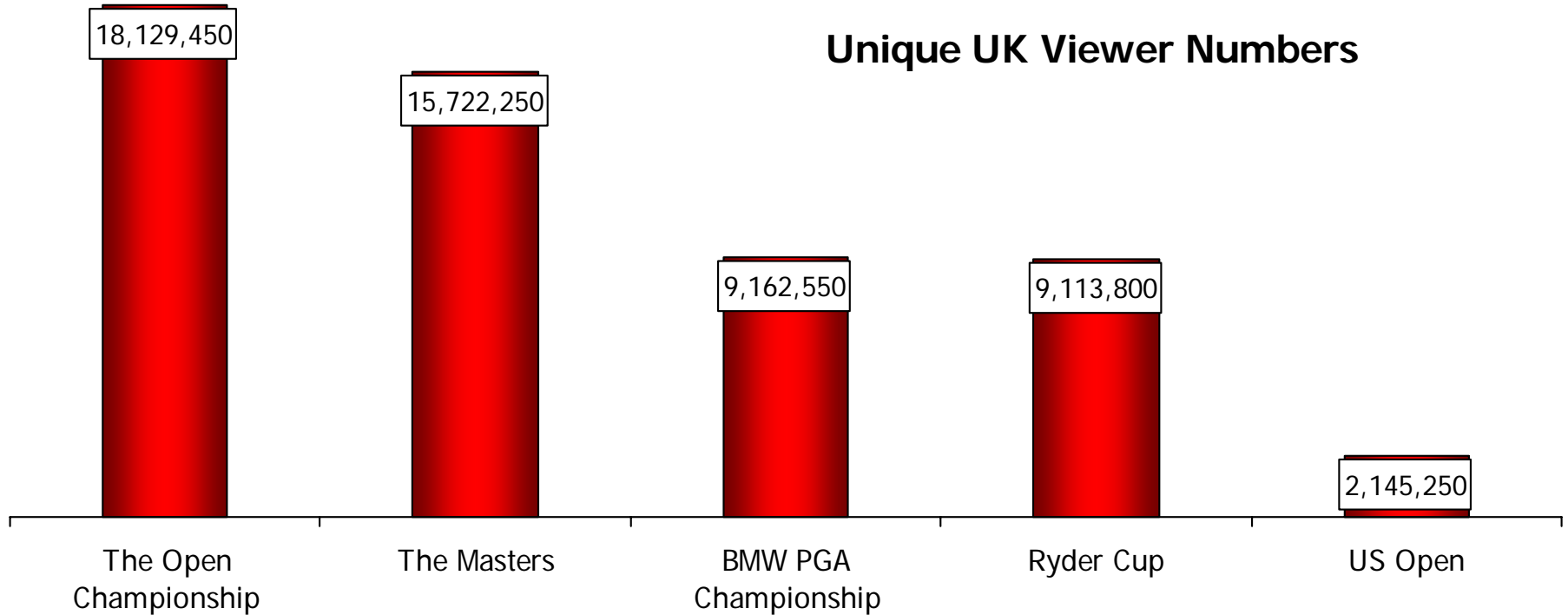
## Top 10 Sports on TV in the UK



- » Over 3,000 hours of golf were shown on TV in the UK in 2008
- » Only 6% of this was available to watch on 'free-to-air' channels



# Golf Event Viewers 2008



- » The 2008 Open Championship attracted more than 18million unique TV viewers in the UK - more than any other golf event
- » 5million of these were new viewers that had not watched any other golf in 2008 prior to the tournament
- » The British public wants to watch golf on TV



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# What do we know?





## Conclusions

- » Golf has competitors for our time and money
- » Club golf is still an adult male-dominated sport in the UK
- » There is considerable interest in golf among the younger population
  - There are programmes in place to encourage and nurture this interest
- » The Internet should be seen as an opportunity rather than a competitor
- » There is still enormous potential for growth



# Sports Marketing Surveys

- » Golfer Profile
- » Participation & Playing Habits
- » Customer Satisfaction
- » Data Pooling
- » Retail Audits & Consumer Trends
- » Economic Benefit & Feasibility Studies
- » Golf Tourism – UK & International
- » Golf Event Research
- » Market Overviews

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