Golf Inc.™
Strategies Summit

A Fresh Look at Golfers as Customers

New Definitions • New Segments • New Strategies

Prepared by: SPORTS& LEISURE RESEARCH GROUP

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Population Trends—An Aging America

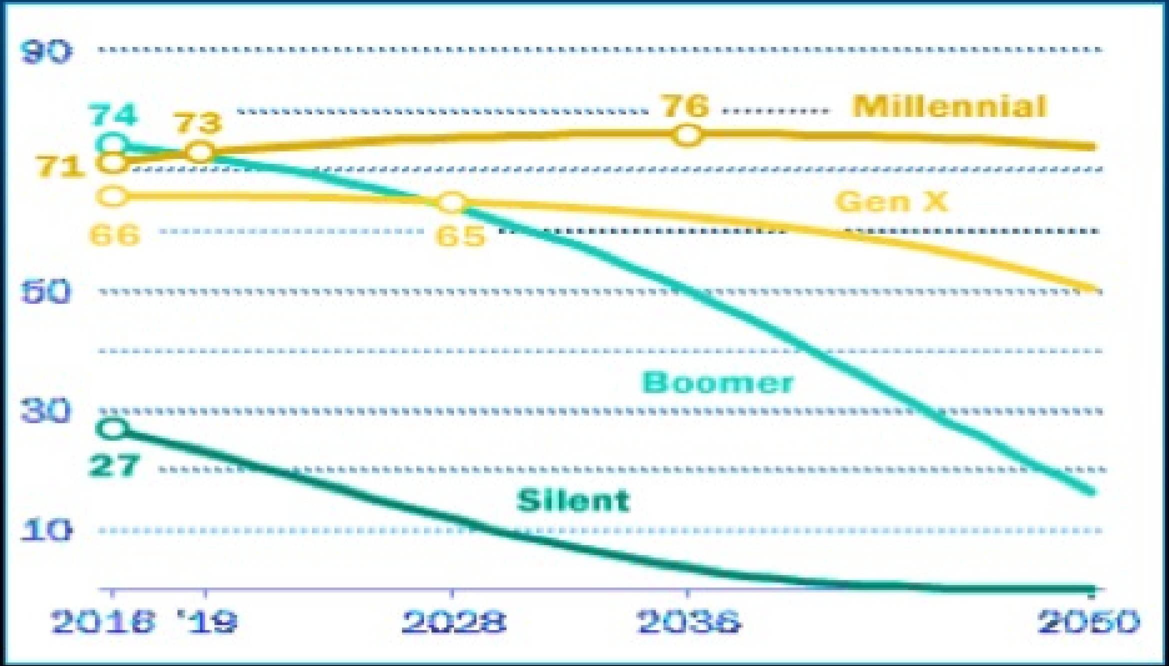
The Millennial Generation
Born: 1984 to 1999
Age of Adults in 2019: 23 to 38

Generation X
Born: 1968 to 1983
Age of Adults in 2019: 39 to 54

The Baby Boom Generation
Born: 1949 to 1967
Age of Adults in 2019: 55 to 73

The Silent Generation
Born: 1931 to 1948
Age of Adults in 2019: 74 to 91

Projected Population by Generation
In millions



Source: Pew Research Center

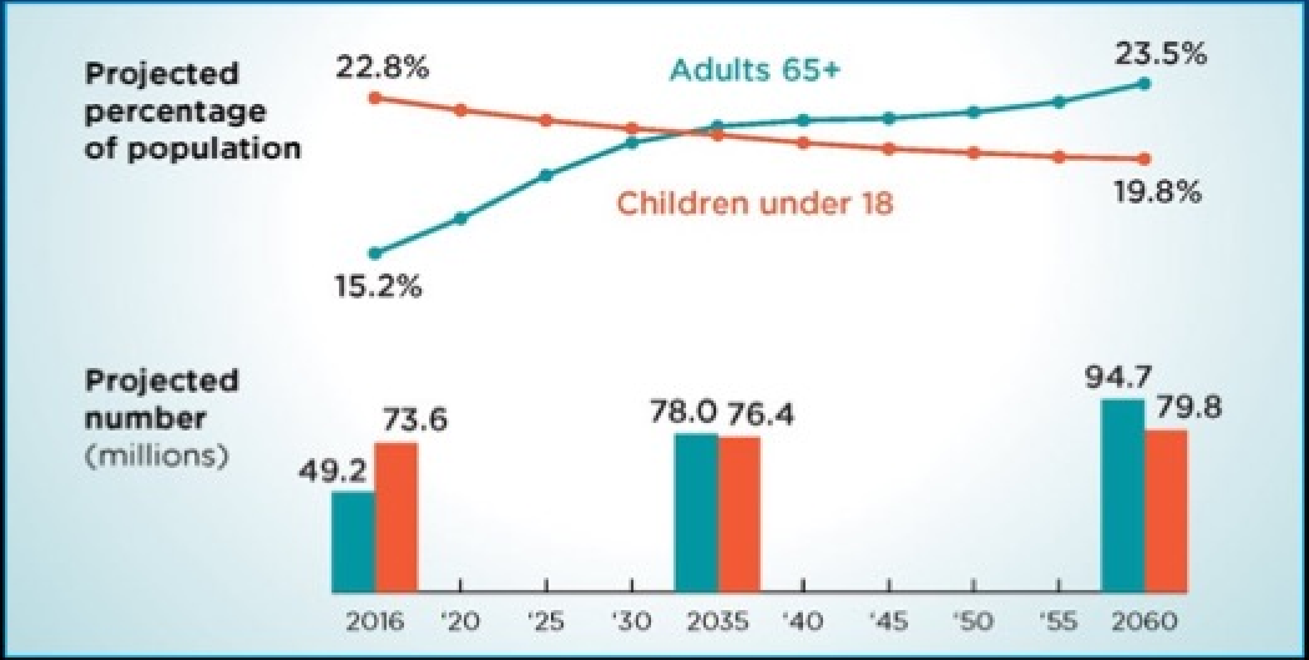
“By 2035, there will be 78.0 million people 65 years and older compared to **76.7 million (previously 76.4 million)** under the age of 18.”

The 2030’s are projected to be a transformative decade for the U.S. population. The population is expected to grow at a slower pace, age considerably and become more racially and ethnically diverse.

An AGING AMERICA

For the First Time in U.S. History Older Adults are Projected to Outnumber Children by 2035

Projected Number of Children and Older Adults



Source: U.S. Census Bureau

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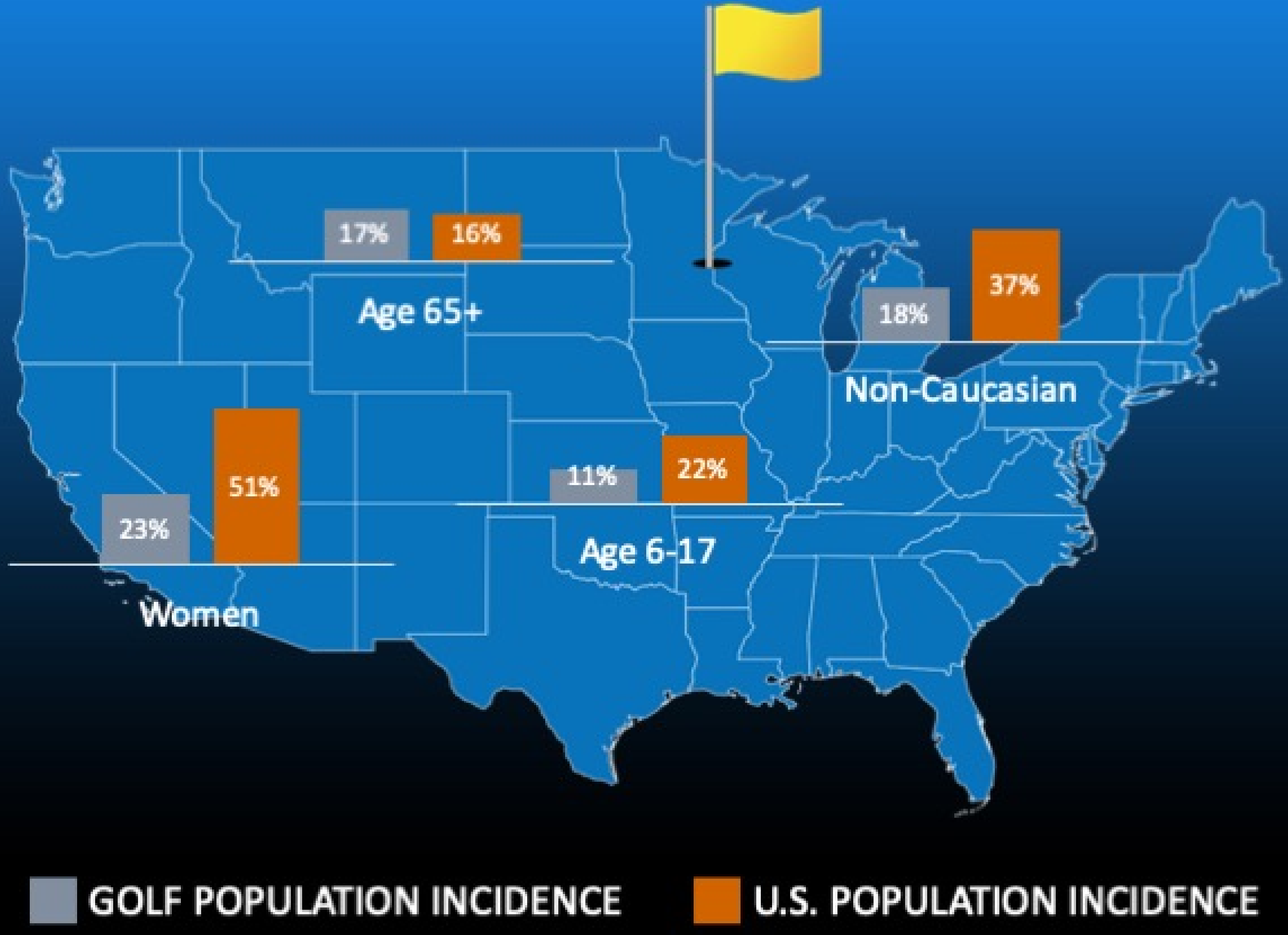
Does Golf Look Like America?



Source: 2019 NGF Golf Participation Report; U.S. Census Bureau

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What's a Participant?

Note: Includes women and juniors.
Source National Golf Foundation, Golf Participation in the U.S. 2019

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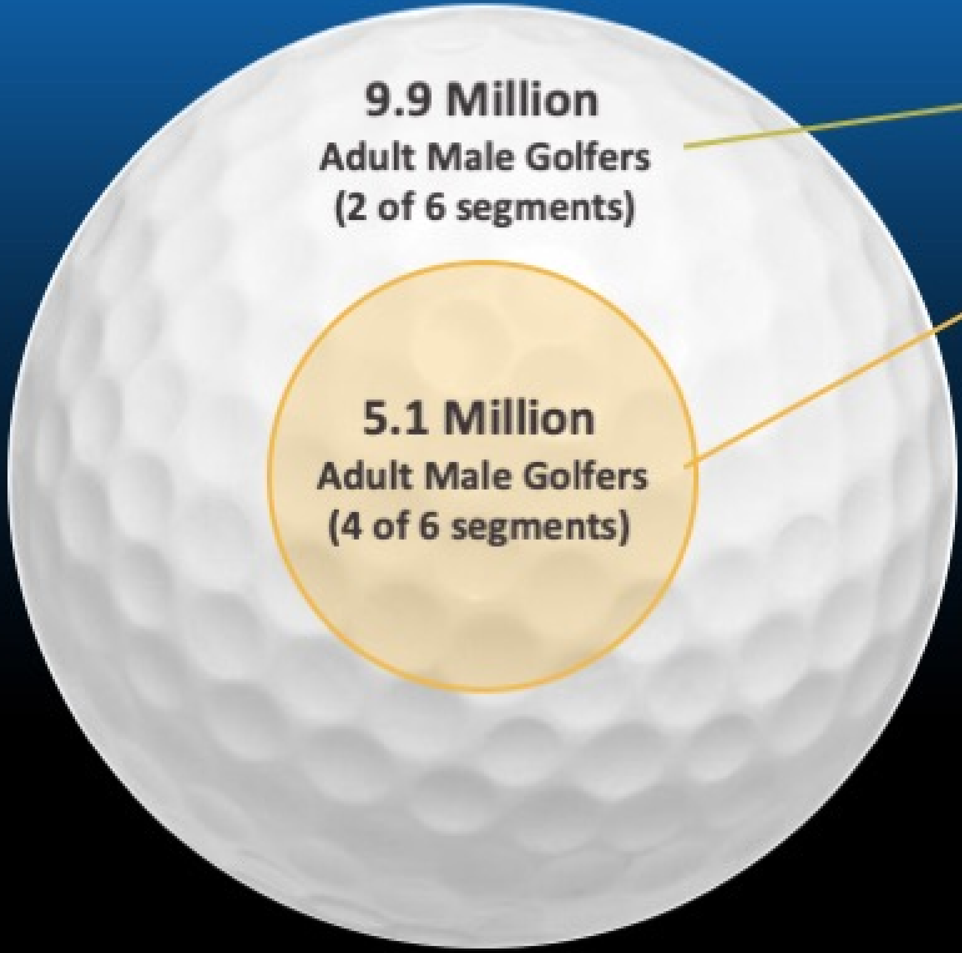
Driven by Commitment, Spending Levels and Avidity

…OR is it Really This?



70% of Adult Male Golfers

Golf's Most Coveted Audience: 30% of the Adult Male Market

- Plays two-thirds of all rounds
- Outspends all other golfers 3 to 1 on:
  - ✓ Playing fees
  - ✓ Golf equipment
  - ✓ Golf related travel

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Who is Fueling the Golf Facility Economy in the Short Term?

Golf's Most Coveted Audience:

Estimated Market Size: 5,125,000 men

Private Elite:

Meet Brett. He's a **member of an upper echelon club**, plays often and significantly **outspends all golfers** on a per capita basis. His affluence allows him to spend on quality. ***Estimated Market Size: 550,000 men***

Equipment Junkie:

Clint is an avid golfer and **equipment savvy**, he **spends the most** on new **golf equipment**. He's also the **most passionate** about the game and its **core values**. ***Estimated Market Size: 1,100,000 men***

Generation Next:

Chris has **yet to hit 30** - but is **on the fast track** both in terms of his game and career. Although he's not quite an avid golfer, he **takes the game just as seriously** as other top segments – and wants an **authentic experience**. ***Estimated Market Size: 475,000 men***

Golf's Sweet Spot:

Glenn is **golf's workhorse**. He's a committed **core golfer** who loves the game and has made it a central part of his lifestyle. His **golf spending is sizable** but **less than other top groups**. ***Estimated Market Size: 3,000,000 men***

The Public Player:

You'll find him playing regularly, but exclusively on America's daily fee and municipal courses. ***Estimated Market Size: 3,300,000 men***

Priority Juggler:

An occasional golfer who plays a few times per year, while balancing family, career and other higher priority leisure pursuits. ***Estimated Market Size: 6,600,000 men***

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Private Elite

PRIVATE ELITE

The quintessential private club golfer, he's avid and committed to the game and belongs to a club paying average dues in excess of $10,000 annually.

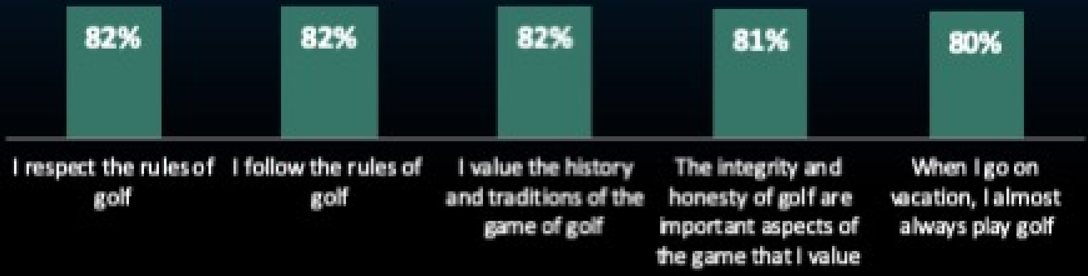
Brett has woven golf into the fabric of his life. He likely owns his own business and has utilized **membership at the finest club** in town to entertain clients and play as much as possible.

While not an exceptional player, Brett is **health conscious** and **seeks top of the line equipment** in the hope that he may one day be able to challenge the A-Flight.

True to his affluence and willingness to spend for quality, Brett has all of the **latest digital toys for golf video**, on which he will supplement his strong consumption of traditional golf media to learn of the latest **golf vacations** and tips to improve his game.

Key Attitudes About Golf

(Strong Agreement)



112	118	133	121	268

INDEX⁺

+Denotes INDEX vs Total Golf Market

Estimated Market Size: 550,000 men

He is…

Average Age	42
Retired	14%
Professional/Executive	74%
Owner/Partner/C-Titles	42%
Average Annual Rounds	26
Average Handicap	17
Private Club Member	90%
Median HHI	$172,000
Avg Spent on Last Driver	$328

Median Planned Golf Equipment Spending Over the Next Twelve Months

$675

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Who is Fueling the Golf Facility Economy in the Short Term?

Equipment Junkie

EQUIPMENT JUNKIE

An equipment junkie, accomplished and avid player distinguished by his significant annual spending on all things golf, which is sometimes disproportionately higher than his relative annual income.

Estimated Market Size: 1,100,000 men

Clint is a golfer that **every premium equipment company covets**. Avid, and **passionate about golf and its traditions**, he plays as often as he can and is always trying to stay ahead of the competition by having **the latest and greatest equipment**, which he reads about **across every media channel that he can**.

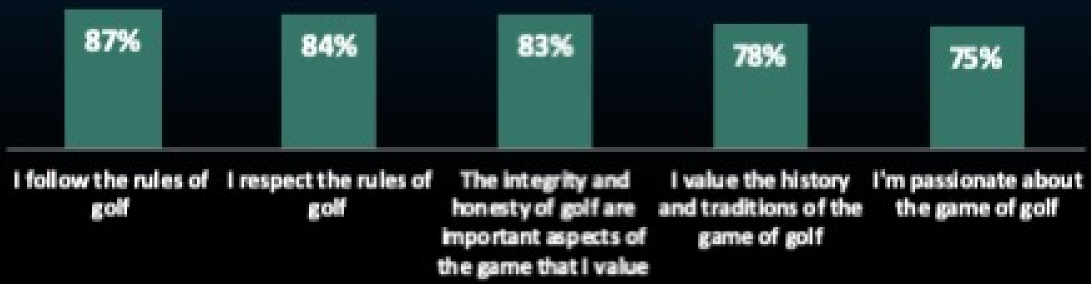
Successful and affluent, Clint will not hesitate to spend what it takes to lower his handicap, and **embraces golf's core values and challenges**.

He is a **golf media junkie**, increasing his time devoted to staying on top of all aspects of the game that is his singular passion.

He is...

Average Age	50
Retired	21%
Professional/Executive	64%
Owner/Partner/C-Titles	30%
Average Annual Rounds	31
Average Handicap	15
Private Club Member	47%
Median HHI	$132,000
Avg Spent on Last Driver	$490

Key Attitudes About Golf
(Strong Agreement)



118	114	124	127	167

INDEX+

Median Planned Golf Equipment Spending Over the Next Twelve Months
$1,283

+Denotes INDEX vs Total Golf Market

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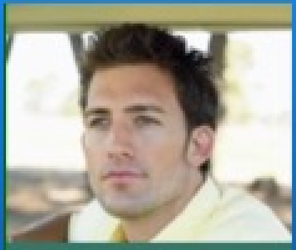
Who is Fueling the Golf Facility Economy in the Short Term?



Generation Next

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.

Estimated Market Size: 475,000 men

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**.

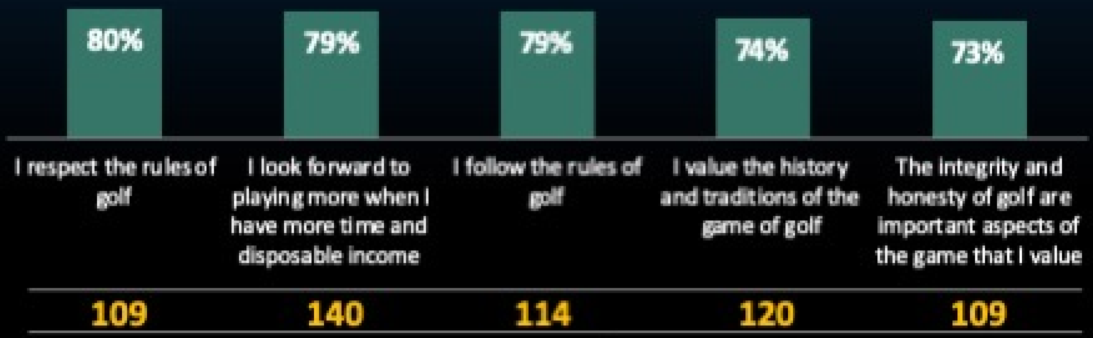
Having grown up in a digital world, **he seeks** an abundance of **golf content across multiple media platforms**, with a particular affinity for video, **while still valuing first tier media**.

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)



+Denotes INDEX vs Total Golf Market

Median Planned Golf Equipment Spending Over the Next Twelve Months

$400

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Who is Fueling the Golf Facility Economy in the Short Term?

Golf's Sweet Spot

GOLF'S SWEET SPOT

Core and avid golfers playing at least eight rounds per year and reflective of the broader segment of active "regular" players. He is golf's everyman.

Estimated Market Size: 3,000,000 men

Glenn has reached a life stage where he has integrated a lot of golf into his lifestyle. While he is **beginning to think about retirement**, Glenn is still **somewhat careful about his spending**, relative to other highly committed golfers.

Glenn tends to be **conservative in his values**, and golf's **integrity synchs nicely with those views.** He has some concern about golf's future, and **does not want to see the sport dramatically change.**

While Glenn **is less likely to embrace digital media** than other segments of golfers, he is making the transition, and golf content is an important part of that experience.

He is…

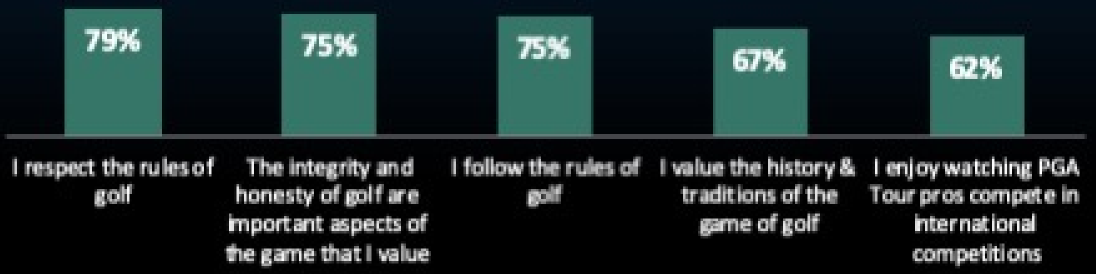
Average Age	58
Retired	36%
Professional/Executive	45%
Owner/Partner/C-Titles	20%
Average Annual Rounds	28
Average Score	98
Private Club Member	24%
Median HHI	$124,000
Avg Spent on Last Driver	$318

Median Planned Golf Equipment Spending Over the Next Twelve Months

$293

Key Attitudes About Golf

(Strong Agreement)



107	112	108	109	116

INDEX+

+Denotes INDEX vs Total Golf Market

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Customer Centricity and The Golfer Experience

62% **would like to play more golf than they presently do.** → **FLEXIBILITY AND CUSTOMIZABLE EXPERIENCES**

PLAY9

Nearly **6 in 10** golfers with a 20+ HCP strongly agree that the idea of playing a 9-hole round of golf is appealing to them

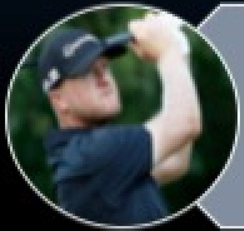
#1 In Importance For Golf Facility Operators:

→ Additional Tee Box Options that allow for a shorter golf course – **70%**

Behavioral/Attitudinal Fusion And Measurement

APP MANIA:

- GolfLogix
- Arccos
- The Grint
- GolfShot GPS
- 18 Birdies



AMBASSADORS/GOLF EXPERIENCE STEWARDS:

- AGAs & PGA Professionals

Source: 2019 SLRG Golf Omnibus; 2019 ASGCA/SLRG Golf Market Trend Watch

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Golfer Perspectives On Critical Issues

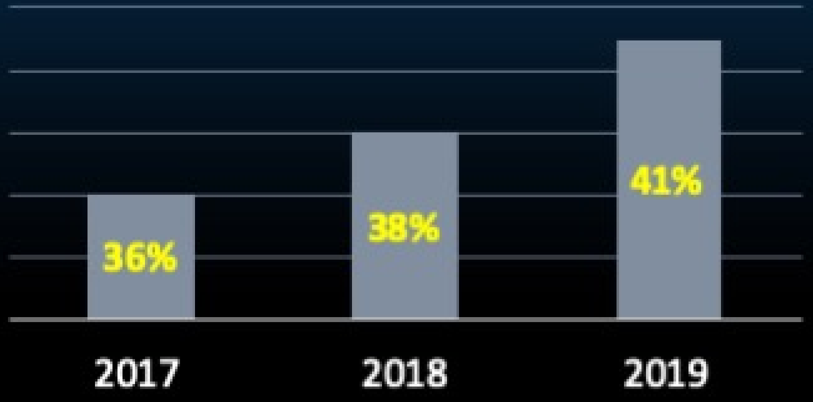
SOME BULLISH ATTITUDES STAY THE SAME!

10 Straight Years that **95%** of golfers expect to play the same or more golf as they did a year ago

Consistent with 2018, We've seen a **-27% Drop** since 2015 in golfers who strongly believe that the game of golf is facing major participation challenges

More golfers continue to see the game becoming **More Inclusive and Welcoming** than it was a generation ago

"Golf has become more inclusive and welcoming than it was a generation ago"



Source: 2019 SLRG Sports Omnibus

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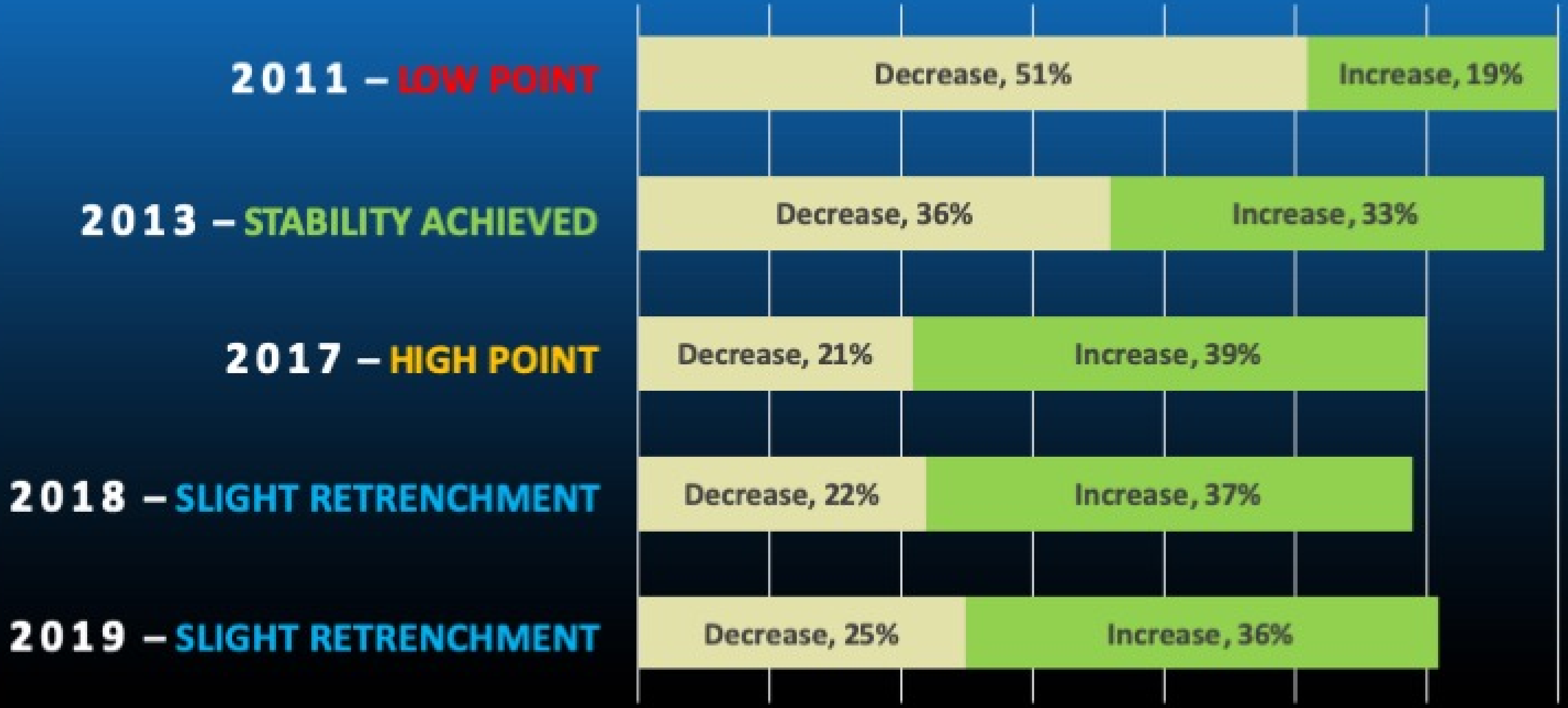
After A Strong Recovery, Membership Growth Has Stalled



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After A Strong Recovery, Membership Growth Has Stalled…

…As We See Evidence of Greater Financial Stability:

The Incidence of Respondents who are concerned about the financial stability of their Private Clubs has dropped in of the each of the past seven years from **36%** in 2013 to **22%** in 2019

- Consistent with observed drop in those who report that their clubs have aggressively reduced the price of membership

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

Evolving Values, Evolving Expectations

The Private Club Environment

Social and Lifestyle Programming First–Golf is one amenity

Special Interest Programming

The Health Club Model

Vibrant, Active Lives for every generation

Melding traditional family values with new definitions of family

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And Public Facilities Compete with Leisure Alternatives

Emphasis on the Range as Gamification

Perceived as Entertainment

Hybrid Memberships/ Subscriptions

More Inclusive and Flexible Access

- Embracement of Yield Management
- 9 Holers
- Pay by the hole
- “Putt & Pub”

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What the “Sandwich Generation” Wants

- Meet demands for value, simplicity and efficiency
- Provide a “Safe Haven” for the family
- Don’t ignore the “greater good”
- Build an enriching “community”
- Make the family a part of the answer

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Changing Values Seen in Golf Life Navigators Analysis

Consumers wishing to live *outside* of a gated community has reached **46%**. . .

The desire for "Full Golf Memberships" has **decreased 6%** over the past 12 months with consumers seeking ancillary memberships including "annual" and "family" memberships options.

Studying consumer motivation, **Golf Amenities rank #4** in terms of consumer hierarchy of importance. Leading motivators are: #3 Beauty of Landscaping; #2 Weather; #1 Friendly Culture.

Source: 2019 Golf Life Navigators

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What We've Learned from Casino Hosts

- Integration of behavioral and attitudinal customer knowledge
- The manifestation of the 2C2R approach to make people feel special

Communications • Community • Recognition • Reward

Golfer Segments Prioritize their Travel Needs in Different Ways

Buddy

- Quality of golf courses
- Weather Conditions/Climate
- Availability of Tee times on Desired Courses
- Value for the money
- Bars/Nightlife

Business

- Weather Conditions/Climate
- Quality of the golf course
- Quality of Accommodations
- Fine dining in the area
- Restaurants on site
- Pool

Spouse/Partner

- Value for the money
- Availability of Tee times on Desired Courses
- Fine dining in the area
- Pool
- Restaurants on site
- Shopping

Family

- Quality of golf courses
- Weather Conditions/Climate
- Value for the money
- Restaurants on site
- Pool
- Access to Beach/River
- Shopping

Moving to the Opportunity:

Golf Travel—Indulgence and Luxury to Escape the Chaos

Source: 2019 SLRG Sports Omnibus

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