



**GOLF**  
BUSINESS  
CONFERENCE  
**2024**

# VITAL SIGNS

## 2024 Golf Business Pulse Report Takeaways and Key Trends



NGCOA

SPORTS &  
LEISURE  
RESEARCH GROUP

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### *NGCOA's 2024 Golf Business Pulse Report*

The latest in a proprietary insights program in partnership with Sports and Leisure Research Group, initiated in 2022.

- In depth interviews conducted with NGCOA members
- comprehensive and empirical survey of facility owners and operators

### *SLRG's Ongoing Consumer Optimism Barometer*

Nationally recognized tracking study of consumer attitudes and perceptions

- Initiated in April 2020 with representative U.S. population sample and oversample augment of golfers and sports enthusiasts

### *SLRG's Golfer Omnibus Study*

Golfer Tracking Study Initiated at Golf Digest Companies in 2002

- Consistently gauging golfer attitudes, perceptions and behaviors
- Reported annually each January





## A Deeper Dive into Three Key Operating Areas:

### OPERATIONS



### MARKETING



### AGRONOMY





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### MACRO CONTEXT

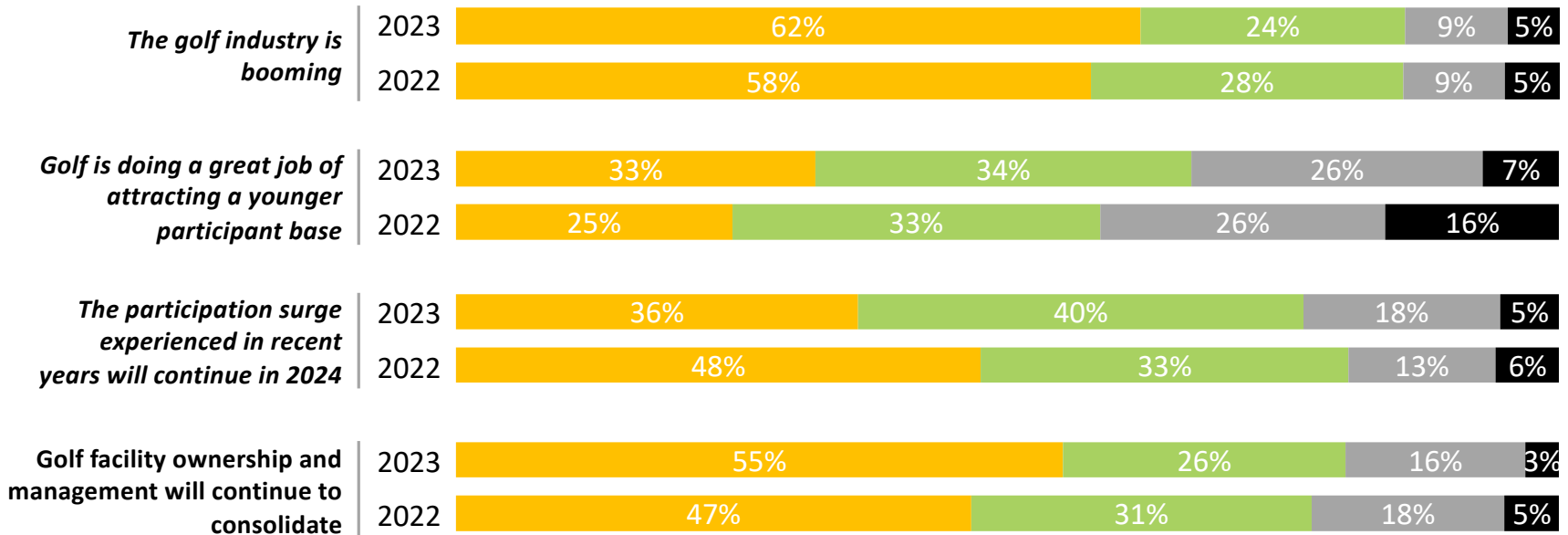
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## Tempered Optimism Prevails Among Facility Owners and Operators

■ TOP 3 BOX AGREE ■ 6-7 (NET) AGREE ■ 4-5 (NET) AGREE ■ BOTTOM 3 BOX AGREE



## But.... Competing Leisure Activities Bounce Back from their COVID Losses

*Other leisure activities that were slow to recover from the COVID pandemic, are now a greater threat to golf facility revenue than they were last year.*

STRONGLY AGREE - 30%

AGREE - 36%

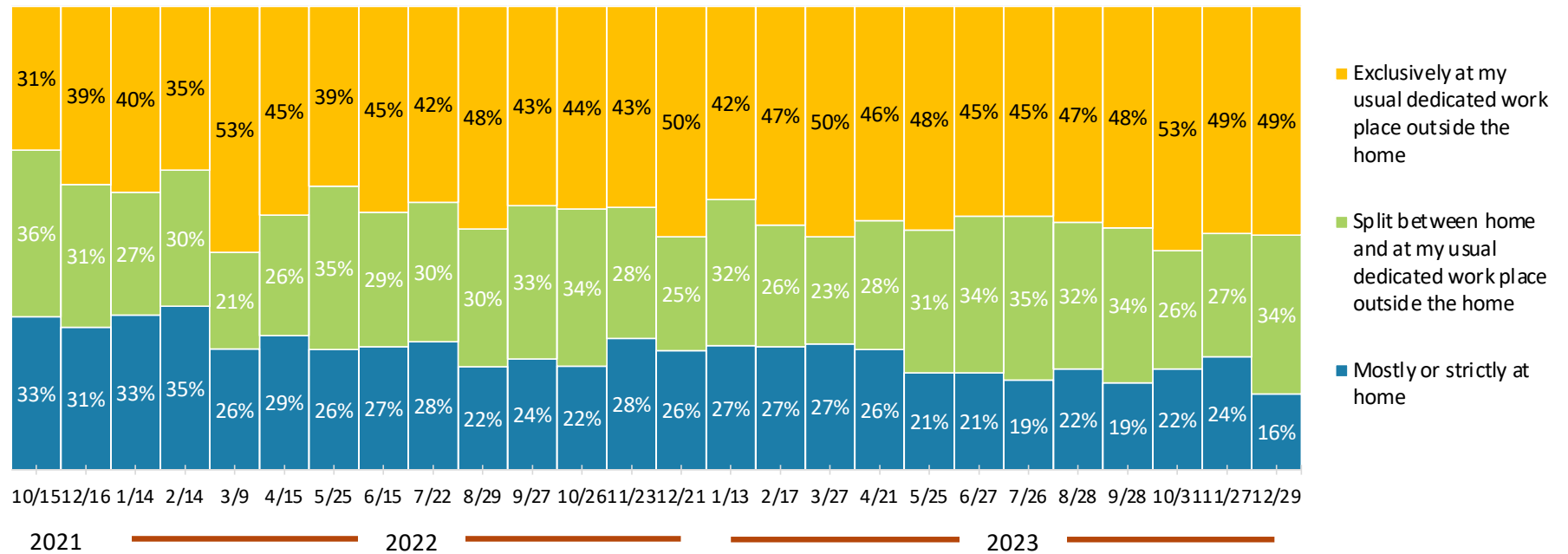
TOTAL AGREEMENT – 66%





## The Foundational Shift Towards More Flexible Work

Are you presently working from home or in a dedicated workplace?



Only Three in ten strongly agree that workers should be required to go into the office five days a week when not traveling

## RATES, FEES AND BUDGETS

- Mean green fees are up 8% as facilities across the country continue to push rate. Only 11% plan to keep rates flat in 2024, with 2/3 seeing 1-5% increases.

Average pricing for  
2023 vs. 2022 for  
green fees/memberships

1%
1%
10%
48%
40%

Reduced by 5% or more

Reduced by 1-5%

Flat or unchanged

Increased by 1-5%

Increased by 5% or more

Average pricing expectations for  
2024 vs. 2023 for  
green fees/memberships

-
1%
11%
65%
24%

- 51% (down from 57%) strongly agree that facilities need to raise their rates in 2024 (76% total agreement). 30% are very concerned that the industry will push price increases too far...57% are concerned.

### *Golf courses need to raise their rates in 2024.*

■ STRONGLY AGREE
 ■ AGREE
 ■ DISAGREE
 ■ STRONGLY DISAGREE



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

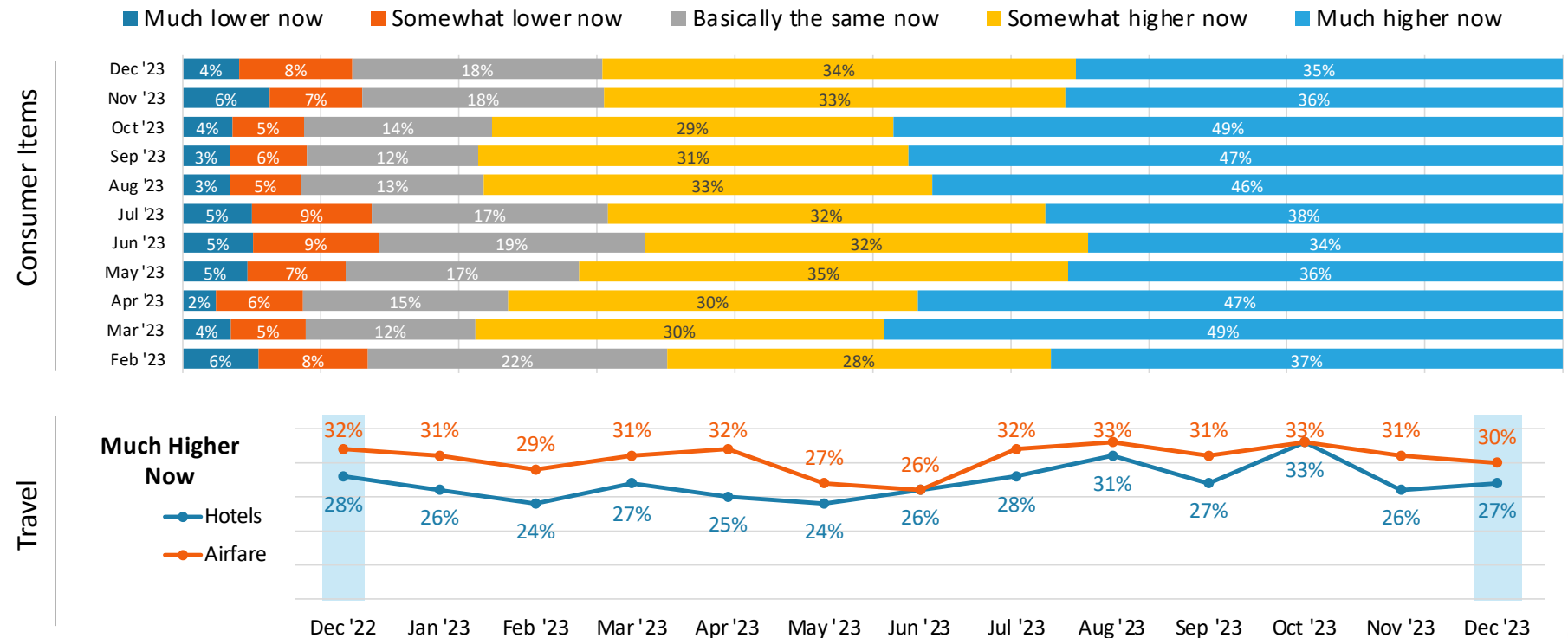
■ STRONGLY AGREE
 ■ AGREE
 ■ DISAGREE
 ■ STRONGLY DISAGREE





## But... Inflation Is Stubborn (Will the Other Shoe drop?)

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



## The Voice of the Owner on Rates and the Need for Price Elasticity Analysis

“

*Fortunately now the golfing public is accepting of higher green fees, not sure how long that will happen. Any kind of recession concerns me and wages you will be asked to pay will make the business far less profitable.*

*Has the industry learned? I don't know if it has. Golf was a beneficiary of COVID because you could continue to do it. I've talked about not hanging your hat on people migrating back to what they were doing before. That's why I think clubs need to be really cognizant of giving them alternative ways to engage with the game.*

”



## Mean Starts Keeping Up with Mean Operating Budgets



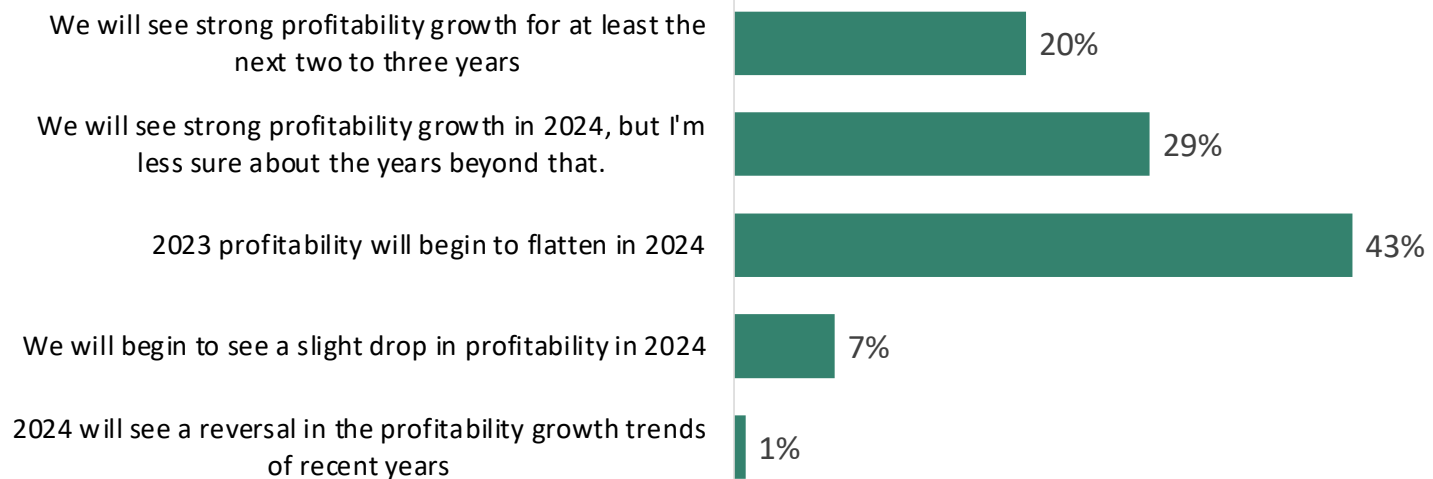
### Mean Operating Budgets

2023 Profitability Relative to 2022		Expectations for 2024 Profitability Relative to 2023
5%	We're down more than 10%	-
3%	We're down between 5% and 10%	1%
5%	We're down less than 5%	3%
10%	We're flat or consistent	21%
14%	We're up by 5% or less	39%
34%	We're up by between 5-10%	27%
30%	We're up by more than 10%	10%

...**37%** expect to be up at least 5% vs 41% last year

Further Attitudinal Data Shows A Plurality (43%) Expect Flattening Profitability Expectations In 2024, Though More See Continuing Growth Than A Short Term Drop.

**Q.** Which of the following do you feel is most true regarding the short term future of the golf course industry?







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### OPERATIONS



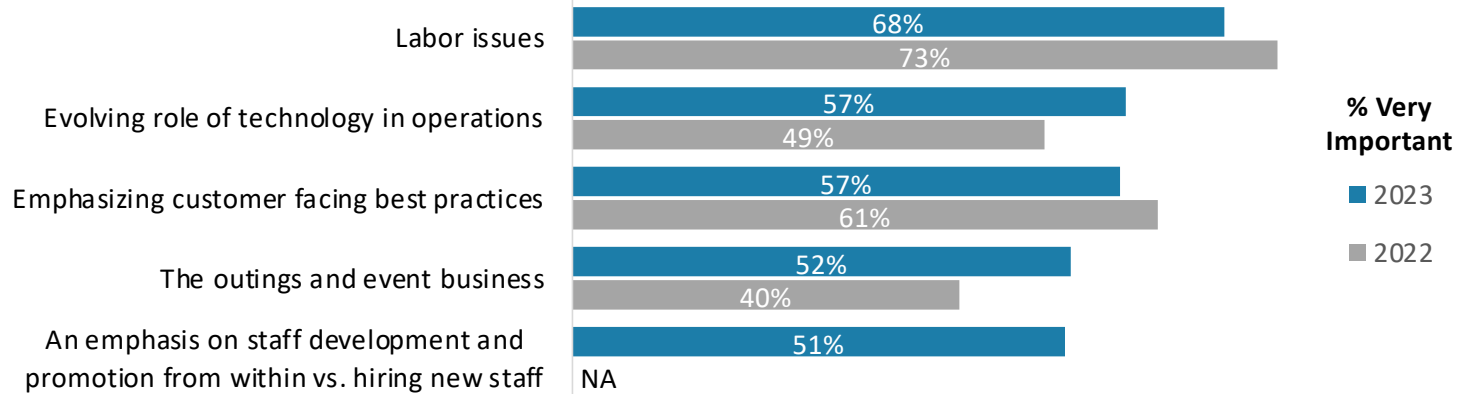
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## TOP 5 ISSUES

1. Labor issues
2. The overall economy
3. The local economy
4. Competing priorities for customers' leisure time
5. (T) Capital project costs and debt (T) Water (availability, cost, regulation)

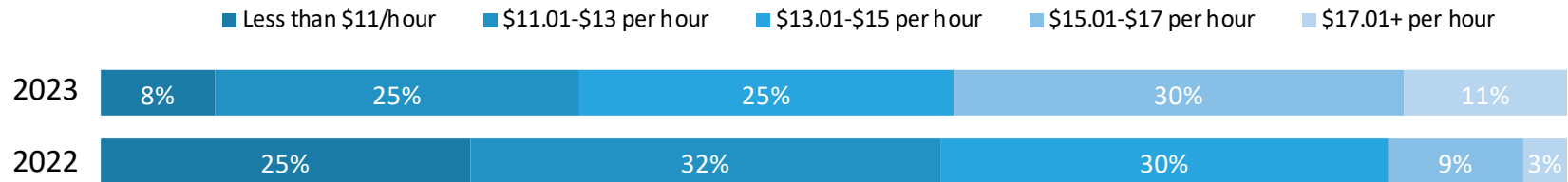
	2023	2022
Finding quality staff	55%	44%
Managing labor costs	23%	17%
Filling open positions	18%	32%
Retaining staff	4%	7%



## Wage Pressures

Wages are up from \$12-\$14/hr on average, with only 8% paying less than \$11/hr compared to 25% last year and 40% at \$15/hr+ compared to 12% a year ago. Wages are highest in the West and Northeast.

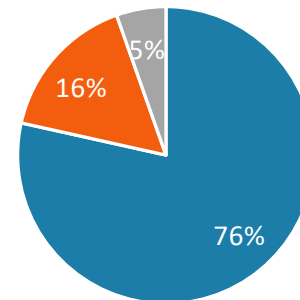
**Q. What base hourly wage do you presently offer?**



**Q. When was the last time that you raised minimum hourly wages?**

- Most did so on their own, but local government mandates were particularly acute in the West.

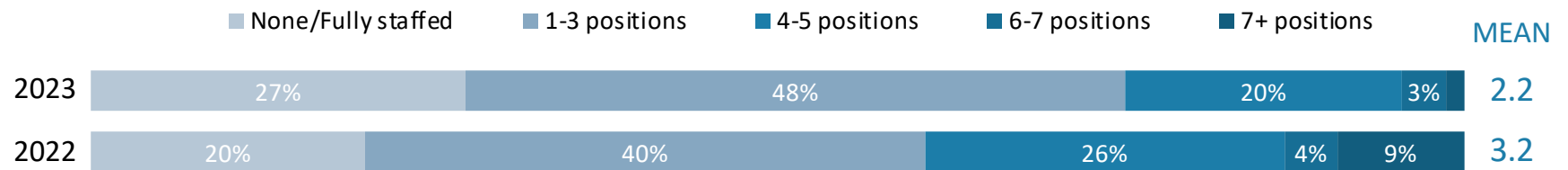
- During or for this past season
- In 2022
- In 2021





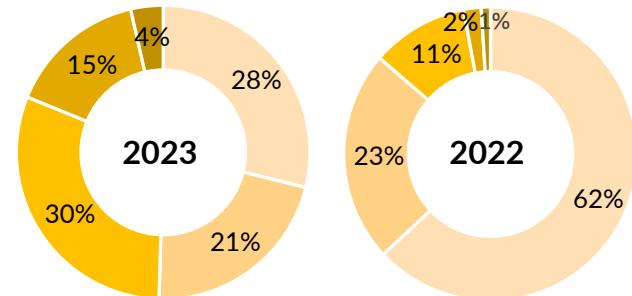
## The Labor Challenge

**Q.** During the 2023 golf season, how many open (unfilled) positions did you average at your facility?



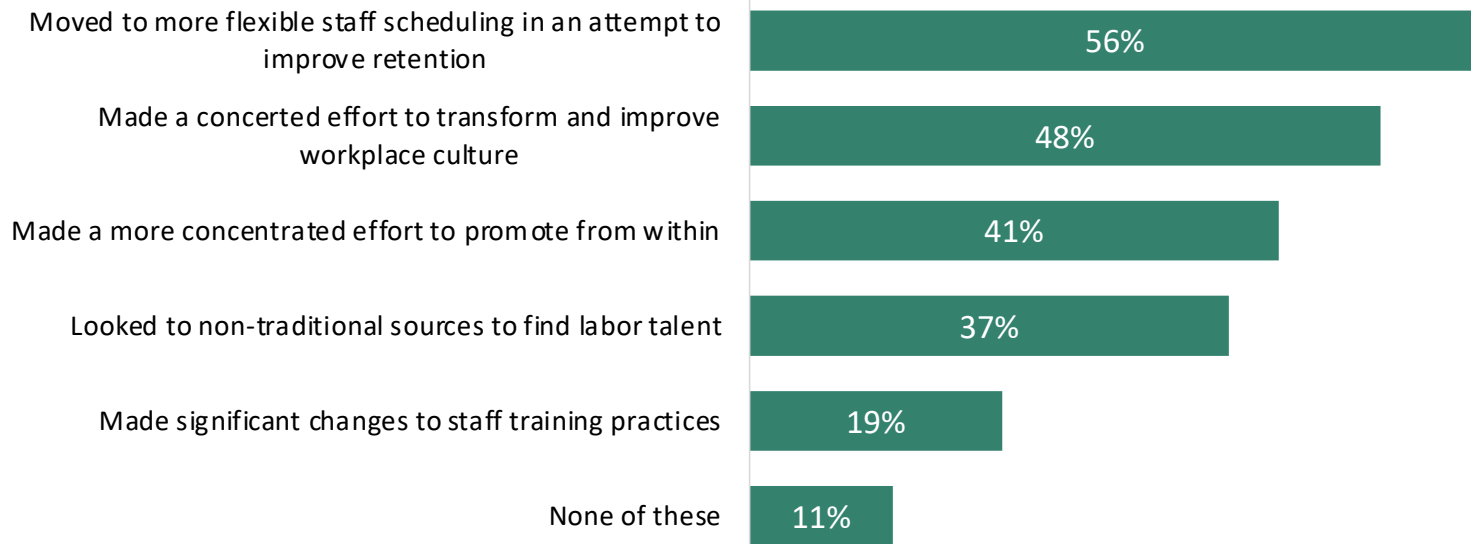
The number of candidates for each position has been...

- Significantly less than a year ago
- Slightly less than a year ago
- Unchanged
- Slightly more than a year ago
- Significantly more than a year ago



## The Labor Challenge

Q. Which, if any of the following, have you done to support your staffing efforts this season?



## Technologies New Frontiers and Old Challenges

### Top Five Most Pervasive Applications

	2023	2022
POS system for golf shop merchandise	94%	95%
Facility website	94%	93%
Electronic tee sheet	91%	87%
Facility Facebook page	85%	85%
Customer database	79%	79%

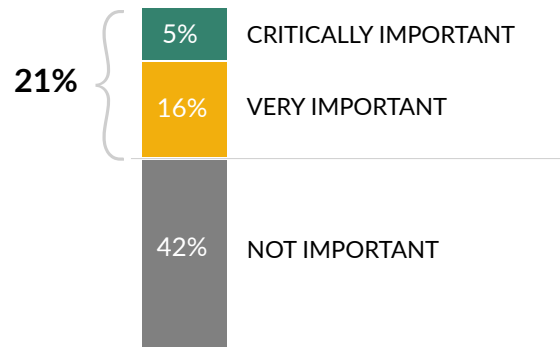


### Biggest Adoption Gains

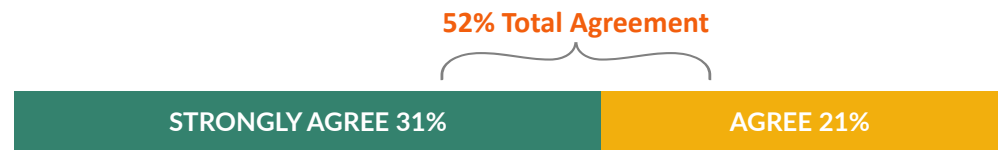
	2023	2022
Food and beverage management system	73% <b>+10</b>	63%
Facility Snapchat or Instagram account	55% <b>+7</b>	48%
Facility Twitter/X account	46% <b>+6</b>	40%
Cart GPS system	45% <b>+10</b>	35%
Staff scheduling software	43% <b>+10</b>	33%



## AI's Potential



***AI's biggest impact on golf will be in back office rather than customer facing functions.***



Owner Skepticism: Those who agree that greater innovation will increase operational efficiency dropped from 89% to 77%

## Productivity Software

### NEEDS TO BE BETTER INTEGRATED AND LESS TIME INTENSIVE



1/3

Strongly agree that *there is an acute need for greater integration of disparate technology solutions in golf facility management*, with 60% overall agreement. A similar 60% feel that *operational software is too time intensive for them and their staffs to master*.

60%

See *self service and automation making a significant impact on the golf business in the next five years*, with 57% saying the same about robotics.

## Finding the Balance Between High Touch and High Tech

“

*There will always be that balance that we have to maintain. But if we can get our staff to not have to do things that can be done on a phone and spend that time talking through the menu or cleaning clubs, or getting people into their cart or on the range...That should never go away.*

*I have this back and forth with my marketing person...Have to segment between tech savvy GPS, app on phone younger golfer, and then that opposite older culture that doesn't want to touch a computer. How do you meet each side in their own place. Some don't want any interaction from car to first tee and others tend to be more old school.*

*I hope that golf always has that top level customer service aspect to it. That's what makes it great. You are treated as a guest, not a number in a grocery store. I'm not sure how it plays in golf, but human aspect will always be there.*

*We at the end of the day are still in the hospitality business and that service is the USP for that course. So you aren't going to replace people with AI...but back of the house could make it easier for that person to do their job.*

”



## Smart Ranges Remain All The Rage



**Q.** Please indicate the importance that you perceive your customers would place on each of the following amenities or services.

VERY IMPORTANT	2023	2022
An enhanced practice range	52%	46%
A newly designed, more modern and trendy bar area	52%	55%
A dedicated short game practice/learning area	38%	38%
A state of the art fitness facility and gym	33%	36%
Additional, dedicated outdoor event space	31%	35%

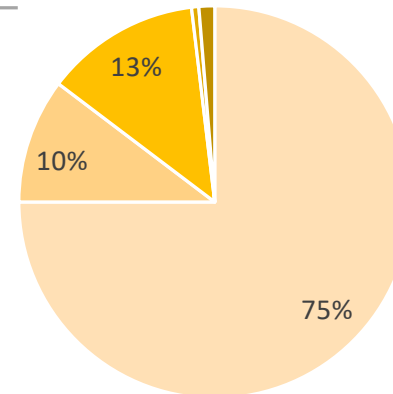
## A Year of Capital Improvements



**Q.** Which best reflects expenditures on capital projects at your facility over the past year?

### EXPENDITURES ARE

- Up more than five percent
- Up but less than five percent
- Unchanged
- Down, but less than five percent
- Down more than five percent



NOTE: NO DATA LABEL=<2%

## FOCUS ON F&B



		2023	2022
<b>+10</b>	Presently utilize a food and beverage management system	73%	63%
<b>+3</b>	Re-imagination of F&B operations very important in the success of your golf facility over the next 2-3 years	45%	42%
<b>+11</b>	Restaurant/grill/bar environment very important in contributing to your customers' overall enjoyment of the game	56%	45%





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Marketing, Customer  
Development and Engagement



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## Facility Owners Evaluate Most Desired Amenity Improvements

### Most Important

	2023	2022
A newly designed, more modern and trendy bar area	52%	55%
A dedicated short game practice/learning area	38%	38%
A state of the art fitness facility and gym	33%	36%
Additional, dedicated outdoor event space	31%	35%
Additional tee box options that allow for a shorter golf course	28%	26%



### Significant Jumps

	2023	2022
An enhanced practice range	73%	63%
A casual all day cafe with tea, coffee and appetizers available	55%	48%
Additional meeting space	46%	40%
Additional small private offices to accommodate one to three person meetings and break-outs	45%	35%

## ...While Perceived Drivers of the Golfer Experience Remain Consistent



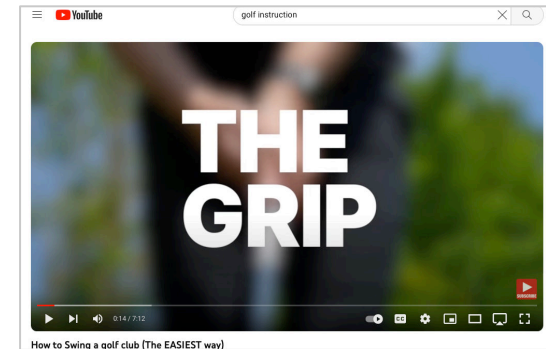
% Very Important	2023	2022
The conditioning of the golf course	95%	95%
A welcoming attitude toward women	82%	85%
Cost/value	80%	72%
The physical beauty and aesthetics of the golf course	80%	77%
Pace of play	76%	84%
A welcoming culture and programming	74%	NA
Golf shop staff readily available to greet and direct them upon arrival	66%	66%
The people that they play with	65%	70%
A welcoming attitude toward juniors	64%	66%
Being able to play with people of their choosing	60%	60%



## Two Marketing Mix Hot Buttons

“Authentic” Video as Critical Marketing Content

Dynamic Pricing is Now “Table Stakes”

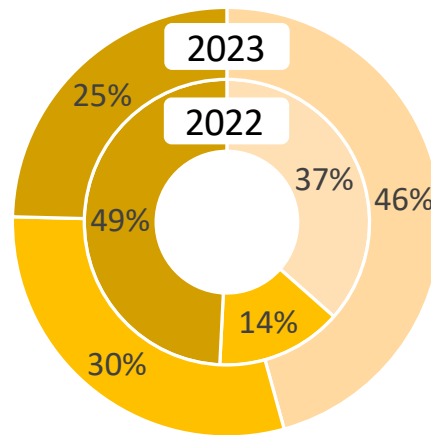


## Marketing Table Stakes



% Very Important	2023	2022
Social Media marketing	59%	NA
Encouraging fun vs. competition	54%	61%
Email marketing	52%	NA
A greater focus on food and beverage offerings	45%	NA
Encouraging proper tee box selection	39%	NA
Use of dynamic pricing	38%	NA
Customer Relationship Marketing (CRM) Systems	37%	39%
The use of short form video in our digital marketing	36%	NA

## A Shift in Customer Focus



### RANKED #1

- Retaining long term core customers
- Finding and cultivating new customers
- Retaining new customers





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## Top Agronomic Practices

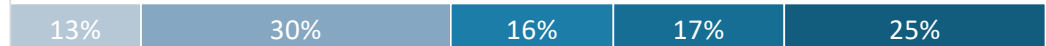


- Initiated in the past 12 months
- Initiated more than 12 months ago
- Plan to initiate over the next 12 months
- Plan to initiate over the next two to three years
- Have no intention to initiate in the next three years

Utilization of evapotranspiration (ET)-based scheduling to manage our irrigation practices



Completion of a formal irrigation audit



Utilization of soil moisture probes to manage irrigation practices



A written nutrient management plan



A written drought management plan



A written Best Management Plan (BMP) for our golf course



Reducing maintained and irrigated acreage



A written water management plan



## Measurement is on the Upswing

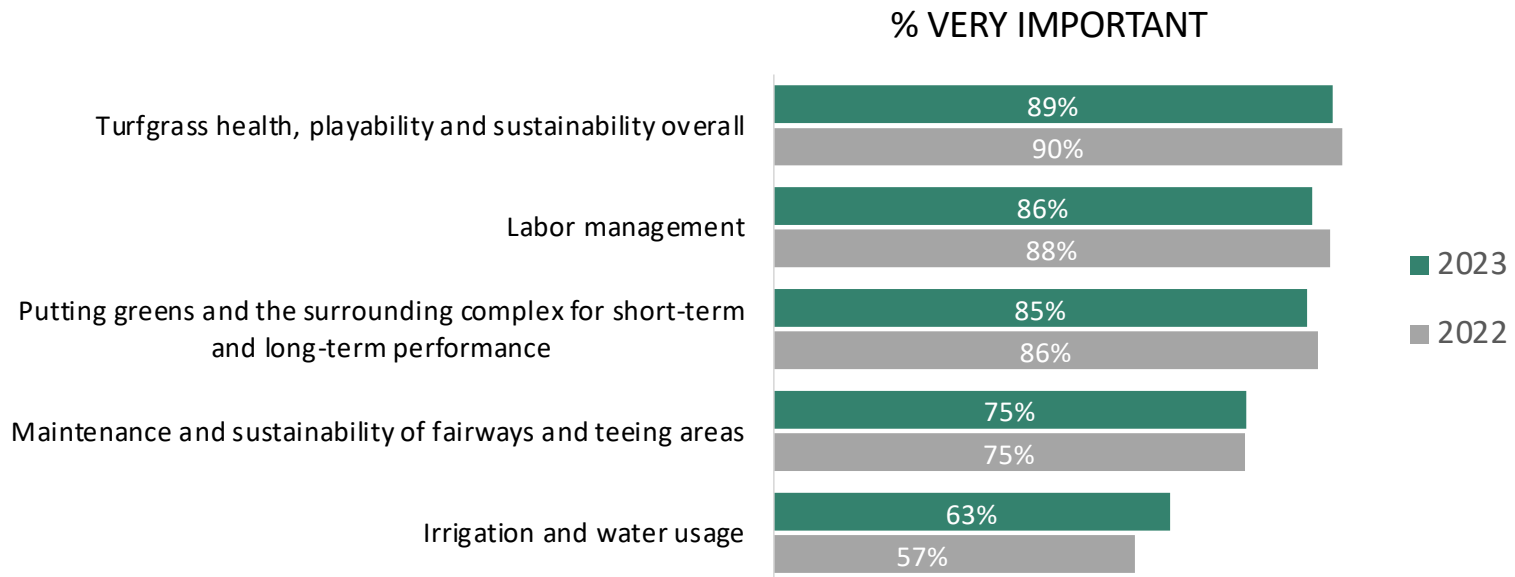


### A Majority Measure Labor and Equipment Usage

REGULARLY MEASURE	2023	2022
Labor	52%	46%
Equipment usage	52%	55%
Resource usage	38%	38%
Other	33%	36%



## While the Importance Hierarchy Remains Consistent



- 81% consider “an emphasis on maintaining the green complex” as very important

## Agronomic Hot Buttons



**AUTOMATED  
MOWERS AND  
GPS**



**ORGANIC  
MATTER  
MANAGEMENT**



**WATER  
MANAGEMENT**



**CONDITION OF  
THE GREENS**







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THE VOICE OF THE  
CUSTOMER



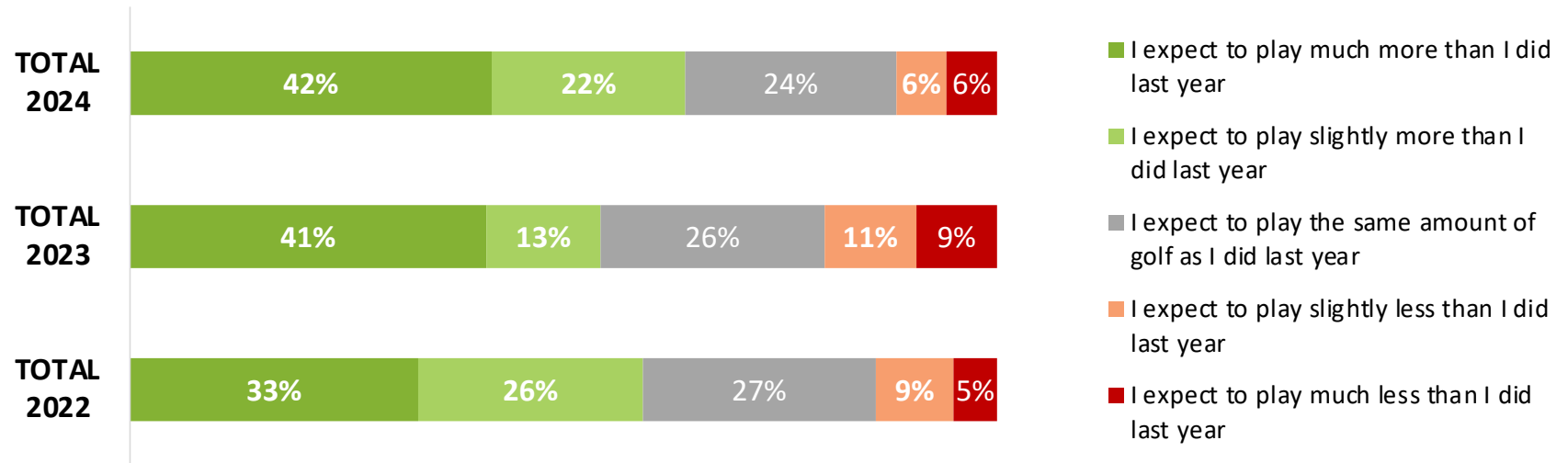
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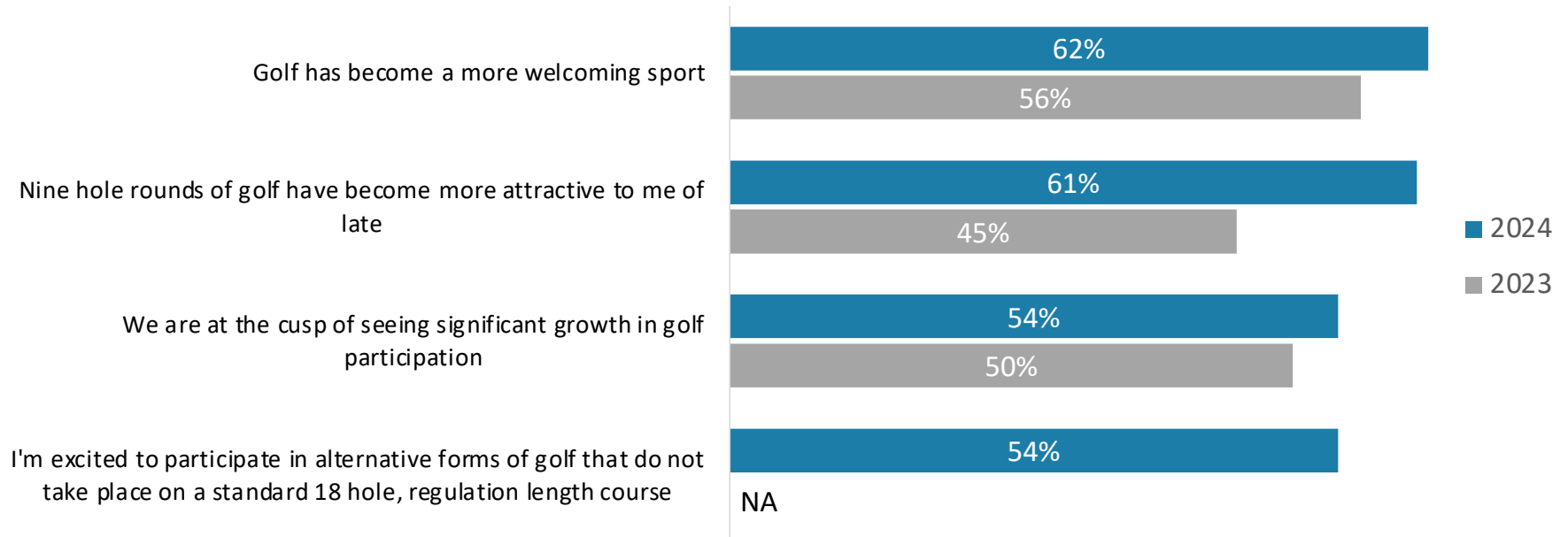
## Another Year of High Expectations

**Q.** Which of the following best describes your anticipated golf activity in 2024?



## ...As The Definition of Golf Expands for a More Welcoming Game

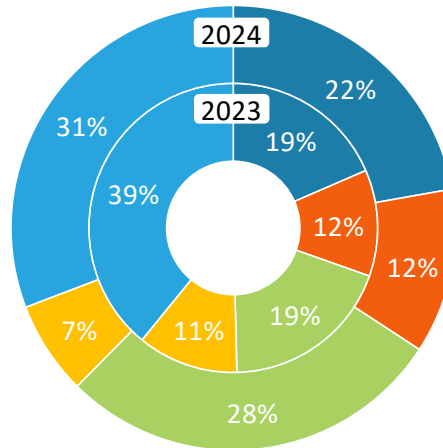
### TOP 3 BOX AGREEMENT



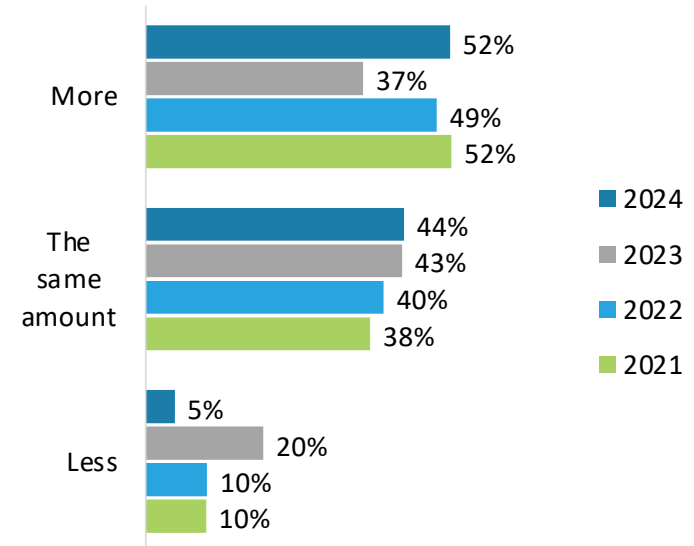
## Golfers are Bullish on 2024 Equipment Purchases



- I did not purchase any golf equipment in 2023 and do not anticipate purchasing any in 2024
- I did not purchase any golf equipment in 2023 but plan to purchase some in 2024
- My 2024 golf equipment purchases will be about the same as they were this year
- I will buy less golf equipment in 2024 than I did this year
- I will buy more golf equipment in 2024 than I did this year



**Q.** Overall, compared to 2023 do you expect that your 2024 total golf related spending for equipment and apparel will be:



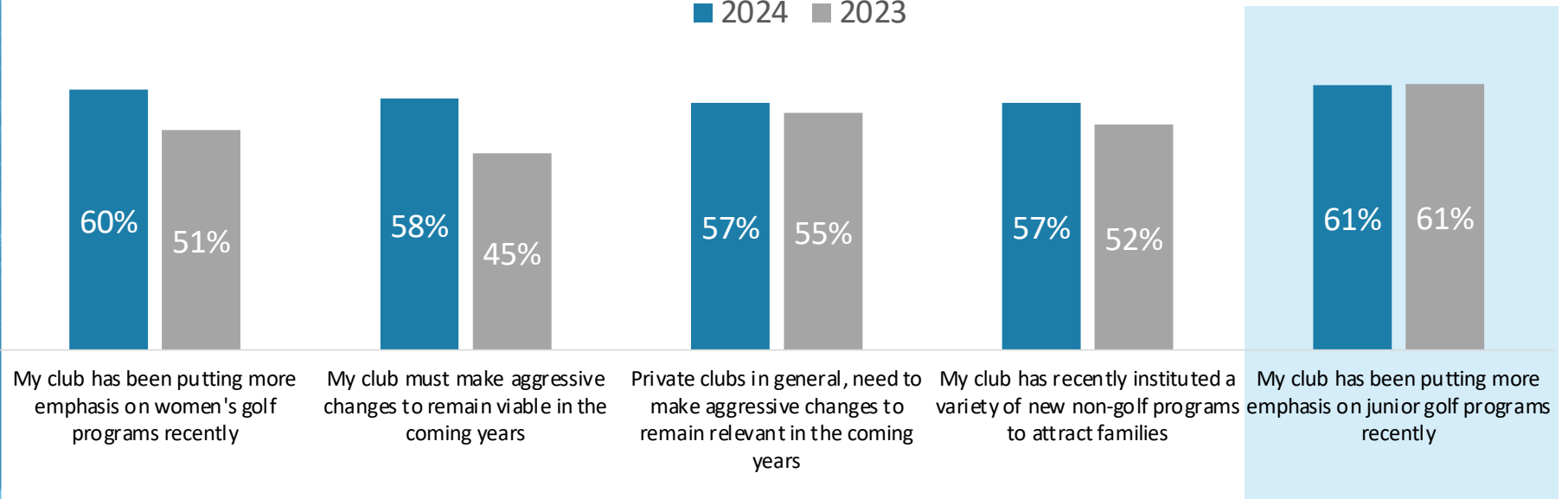


## Private Club Focus: Member Perspectives

**Q.** As a private golf club member, please indicate how much you agree or disagree with each of the following statements.

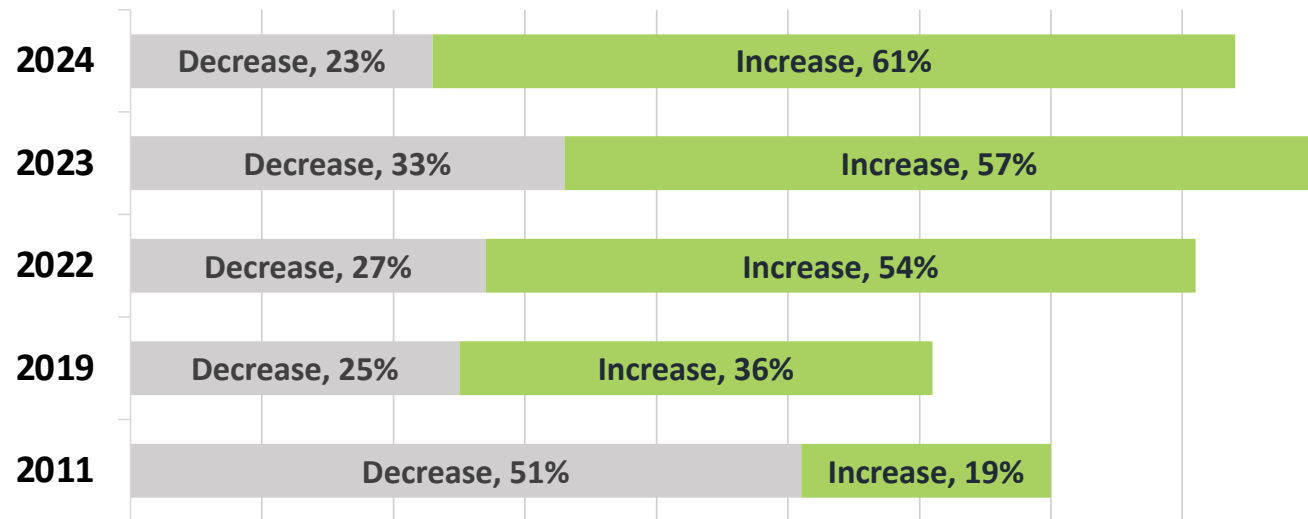
### TOP 3 BOX AGREE

■ 2024 ■ 2023



## And Membership Growth Remains on the Plus Side

### Membership Growth Update



- **52%** report full memberships and/or a waiting list for new members....up from 39% last year!

## Closing Thoughts—The Focus for 2024



- Continuing to meet the evolving needs of a now broader and more widely defined golfer base so as to deliver a golf experience that can meet each, on their own terms.
- Taking a hyper-local perspective on pricing that delivers value, while factoring in competitive forces, inclusive of non-golf leisure activities that have now recovered from COVID driven disruption.
- Embracing technology in a way that creates operating efficiencies behind the scenes without sacrificing customer service imperatives
- Taking an enlightened perspective on staff development, recruitment and retention
- Deploying a customer centric marketing strategy that:
  - continues to view the golf facility experience beyond the traditional 18-hole round
  - Is mindful of and thoughtfully pulsing evolving consumer definitions, perceptions and needs
  - is nimble enough to tell stories through digital media
- Recognizing that golf course conditions, particularly the maintenance of the green complex, continue to be essential