



Focus 2004

Separating **your course** from
the crowded field”

FOCUS

IF YOU CHASE TWO RABBITS,
BOTH WILL ESCAPE.

- ANCIENT PROVERB -

You can advance the presentation at
your desired pace via the PgDn or
down arrow keys. Average time to
review: 10 minutes

What will be covered...Business of Golf

1. **Risk** - PGA Industry Conference, Crittenden, ING, Golf 20/20, NGCOA Solutions Summit
 - 2.1 Macroeconomic Trends
 - 2.2 The Game of Golf
 - 2.3 Seven Trends Creating a Time Crunch Conversion
3. **Think Change** – Five year predictions
4. **Challenges** – Adapting now to benefit tomorrow
5. **Leading Through the Storm**
 - 5.1 Growth in the Internet
 - 5.2 Growth in the E-Golf Network
6. **Making it happen** – **A program to create loyal customers**
7. **Excellence** – Getting started is as easy as 1 – 2 – 3

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Golf: A Business in Turmoil

RISK

A SHIP IN THE HARBOR IS SAFE...BUT THAT'S
NOT WHAT SHIPS WERE MADE FOR.

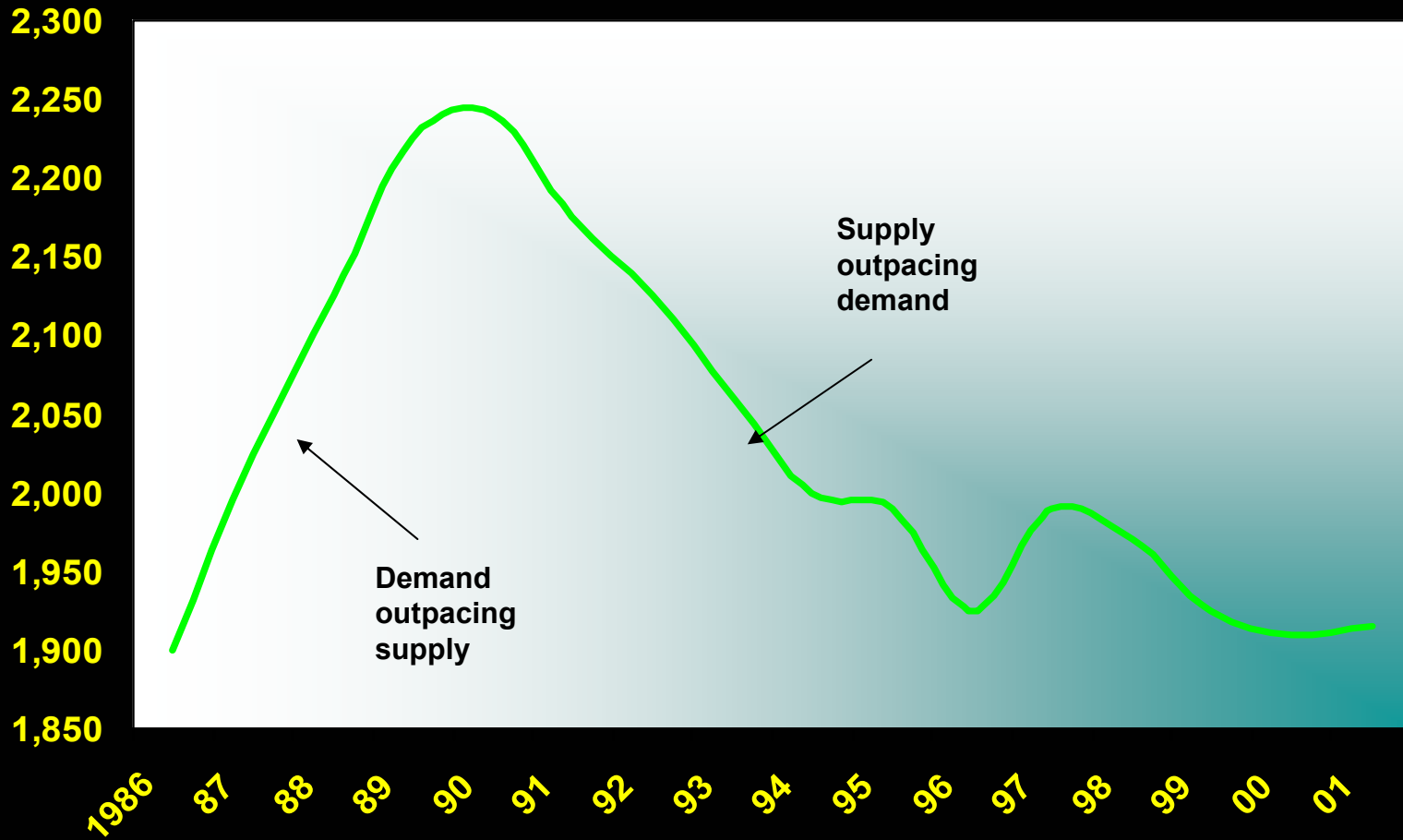
Where do your customers come from?



- **Individual Local Golfers:** Comprise about 60 – 65% of a golf courses customers.
- **Group Golfers & Planners:** On average, tournament, league play and ladies/men’s club comprise 20 – 30% of total rounds.
- **Corporate Golfers:** A declining segment comprising perhaps as much as 5 – 10% of current customers for a golf course.
- **Destination Golfers:** A direct correlation exists between the green fee and the percent of their golfers which might be classified as “destination golfers.”

Supply and Demand Balance

Y Axis: # of players per hole



Current statistics

- Rounds 01 – 02
- Rounds 02 – 03 (Datatech, Jan 04)
- Revenue
- Demand exceed supply
- Avid golfers
- Women golfers
- Private Clubs
- ▼ 3.0%
- ▼ 2.6%
- ◀▶ 1.0%
- 1990
- ▼ 2.0%
- ▼ 3.0%
- From waiting lists to resignation lists

Current statistics

- Courses (18 hole equivalents) • 14,903 (01.2%▲)
- Total Participants • 36.7 m (01.1%▼)
- Total Golfers • 26.2 m (01.6%▲)
- Occasional (1 to 7 rounds) • 13.6 m (04.0%▼)
- Core Golfers (8 – 24 golfers) • 6.8 m (20.0%▲)
- Avid Golfers (25+ rounds) • 5.8 m (02.8%▼)
- Junior Golfers • 6.1 m (38.6%▲)
- Alternative Users • 1.3 m (35.0%▼)
- Range Users • 3.1 m (36.7%▼)

Two categories of golfers



1. Traditional: (rules, history, respect, Golf Association)

- 17% have handicaps < 20
- 3% have single digit handicaps
- .00068% are scratch golfers

2. Recreational (Fun, social, drinkers, loose knit)

- 83% of all players
- Hitting creates 3 times more pleasure than score. (Ron Drapeau, Calloway, Calloway)
- Golfers play to hit 5 to 15 good shots a round. Less than five shots, they quit. More than 15 good shots per round they become avid golfers. (Ron Drapeau, Calloway)

The excuses for the downturn



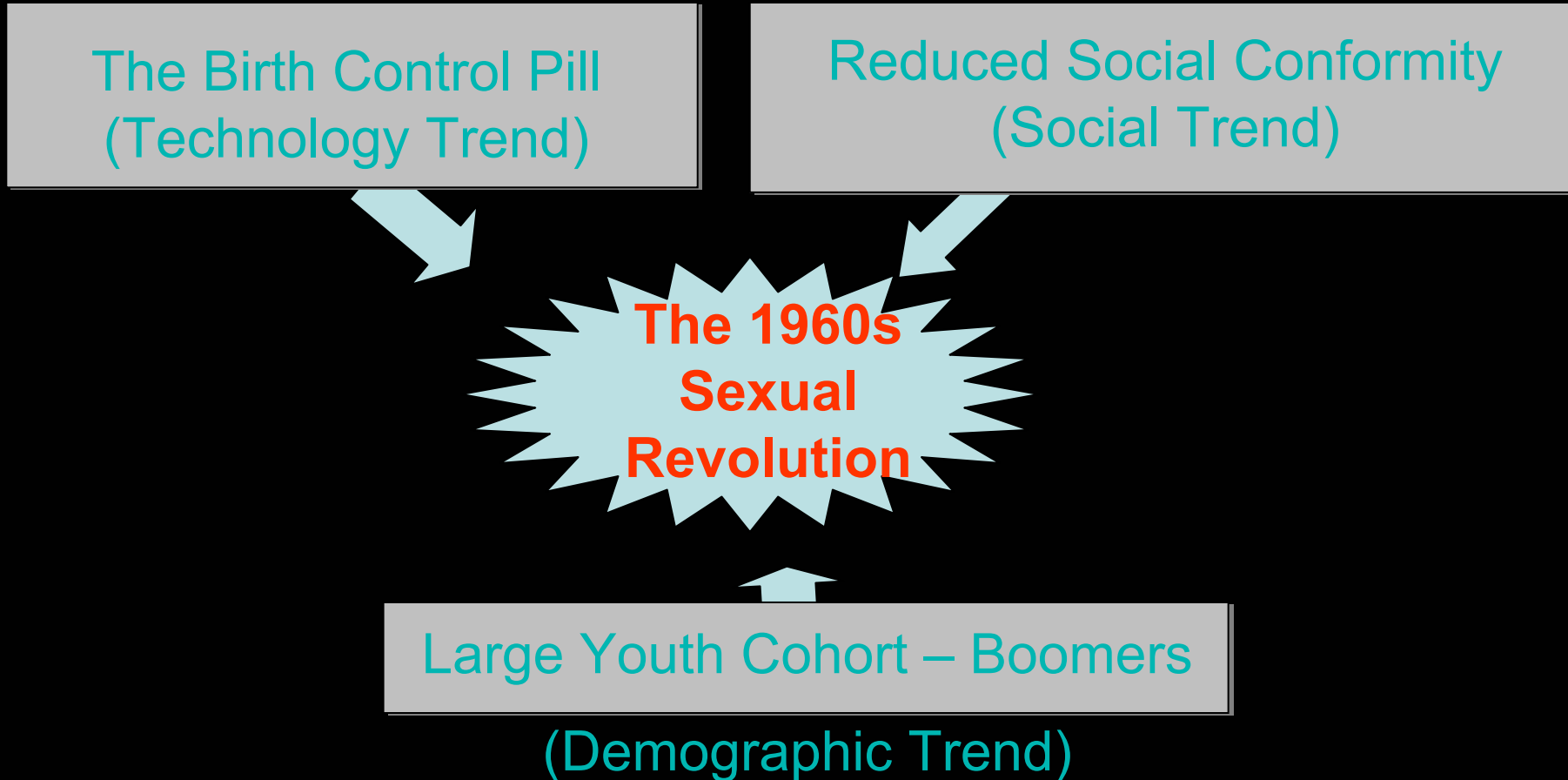
- 2000 • Accessibility, Stock market crash
- 2001 • Market overbuilt by 18%, 9/11
- 2002 • Economy/affordability
- 2003 • Time crunch, weather, price cutting strategies

August 2003: “Is Golf Dying” UAL Hemispheres – Art Pollard
September 2003: “Golf Course Contraction” Key to Economic Recovery” Golfweek – Brad Klein

The problem we face will not be solved in the short term.
It is a long term problem that will take 5 to 7 years.
Dana Garmany, Troon Management

The impact of societal changes

DYG, Inc. gave a compelling presentation at Golf 20/20 about impact of societal changes on our society. The example below was used to introduce the topic:

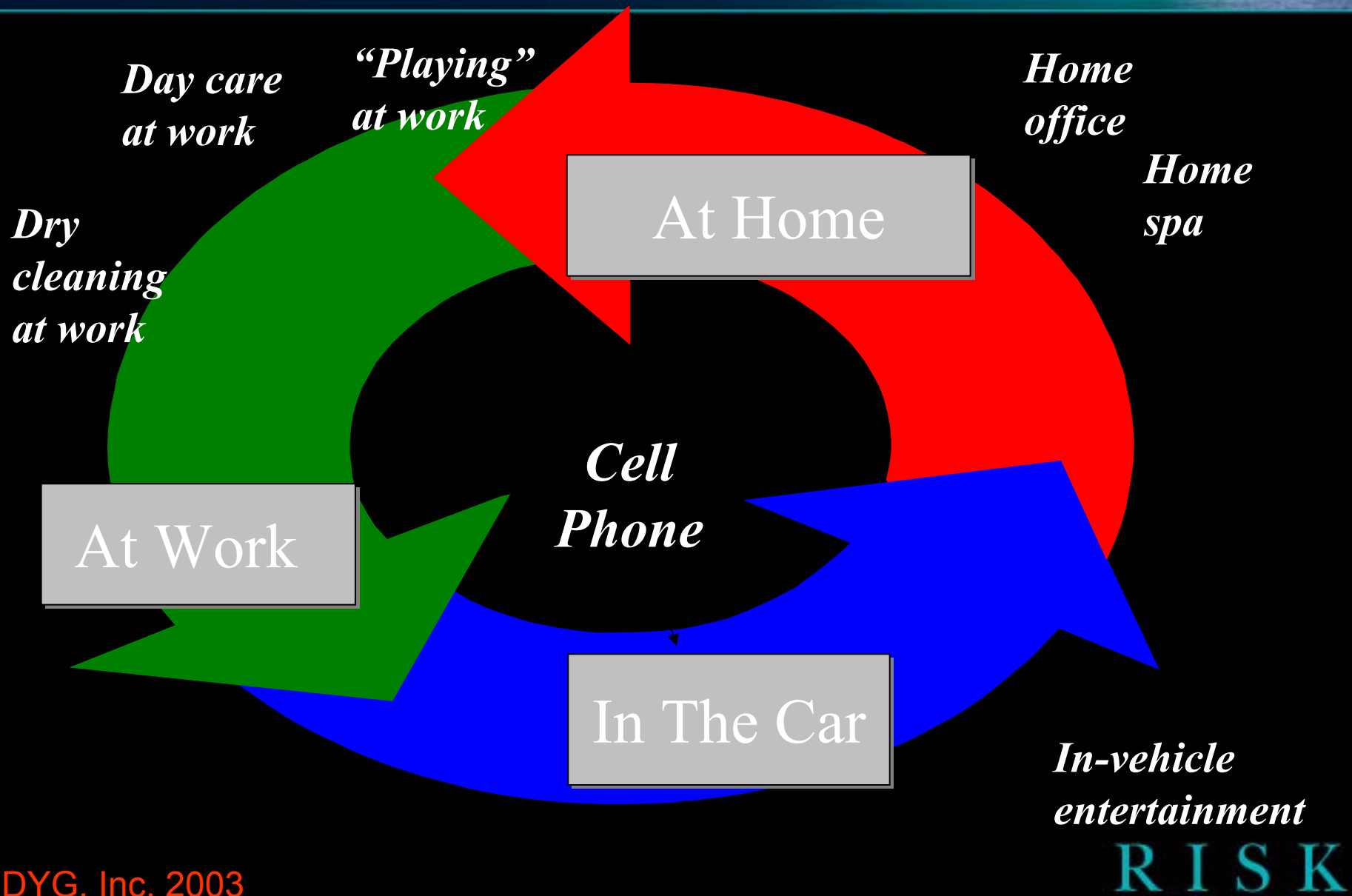


7 Trends Creating A Time Crunch

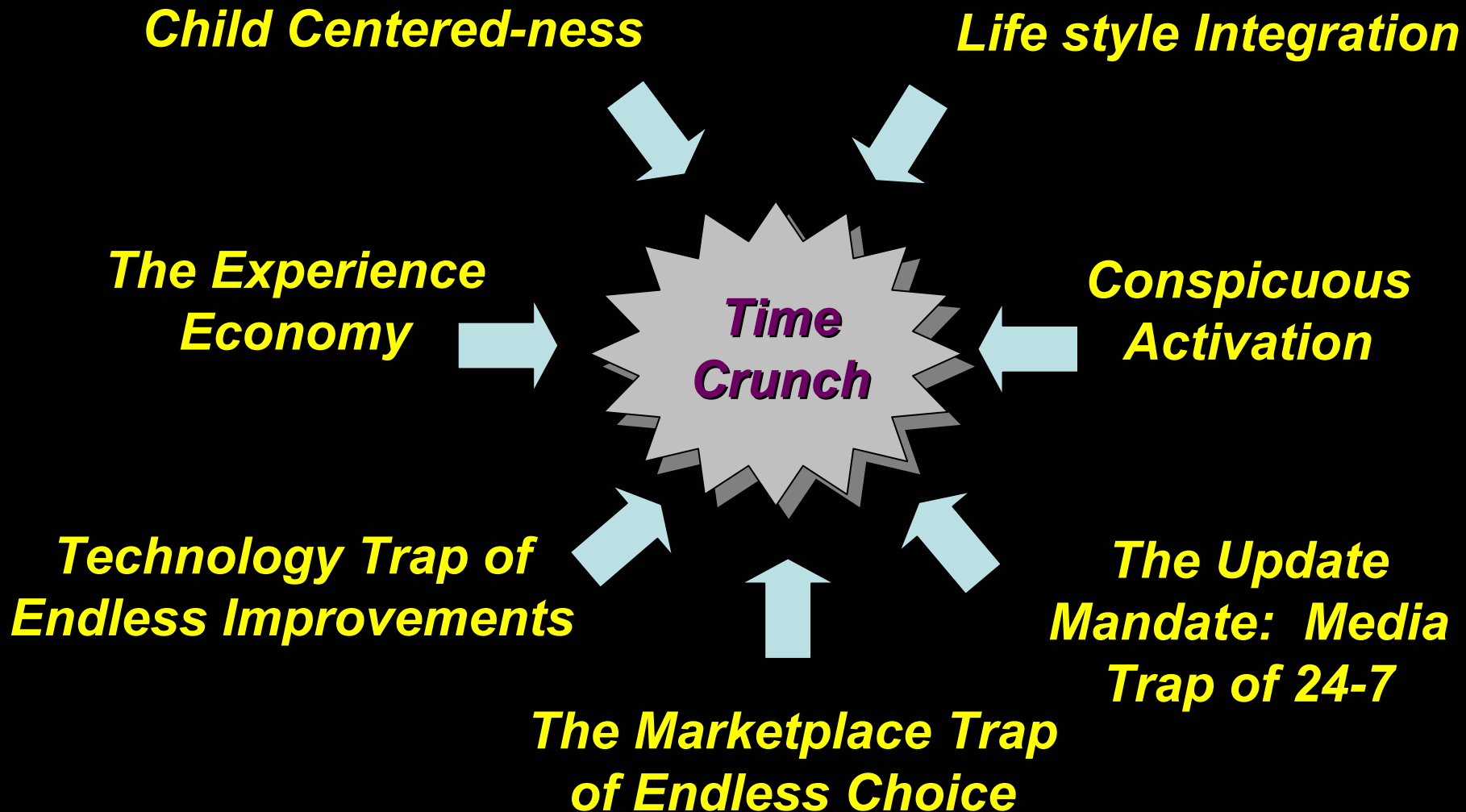


1. The **technology trap** of endless improvements: the more empowered technology makes you, the more you are expected to do.
2. The **update mandate**: We must be constantly updating our information: our devices (phones, email), our knowledge (events, educations), our values (tolerance to risk, work, etc.). We have dramatically increased our “work cycles.” Employee productivity is up 24.2 in the past ten years.
3. The **marketplace of endless choices** (47 car manufacturers, hundreds of models, 1000 of choices.) Shopping takes a lot more energy, thought and time.
4. We have become **an experience economy**: Starbucks to see it made, Krispy Kreme to watch in bake, Harley to gather on weekends at events to participate.
5. **Lifestyle integration**. Our key value is that everything must be efficient and we can do it at once causing the erosion of the barriers between home, work, and commuting.

24 Hour Daily "Fluidity"



Conclusion – We don't have enough time for golf





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THINK CHANGE

WHAT SEEMS LIKE ONLY A RIPPLE TODAY...
CAN BECOME THE WAVE OF THE FUTURE.

THINK CHANGE

Five year predictions for the business of golf

1. Increased focus on identifying the core customers via:
 - ☀ Driver's licenses at the POS counter
 - ☀ Affinity program reward cards
 - ☀ Internet customer registration and renewal
2. Marketing dollars will be allocated to retain existing customers rather than attract new customers.
3. Email programs to contact customers with specials will become a required module.
4. E-money will be issued for gift certificates, rain checks (Starbucks card)
5. Hand held I-Paqs will be used by starter's
6. Emergences of debit/credit card based touch screen kiosks to allow customer to check themselves in

THINK CHANGE

Five year predictions for the business of golf

7. Geographic Information Services (GIS) will become popular for mapping customer profiles.
8. The role of Golf Associations will dramatically change.

THINK CHANGE

USGA – Growing the Game of Golf



July 25, 2002	USGA On Line Virtual Handicap Club model created
March, 2003	USGA Handicap position paper circulated
September, 2003	IAGA and State Golf Associations Oppose
October 4, 2003	USGA Handicap committee meets and defers
January 31, 2004	Exec. Comm. to review virtual on line clubs
March 1, 2004	Possible commercial Implementation by Clubs

THINK CHANGE

USGA – Why would they change tradition?

Category	Golf Associations	Virtual Clubs
Target Market	Traditionalist (Avid Golfer)	Fun (Casual Player)
Educational Background	High	Reflective of America in general
Income Level	Upper Middle Class or Higher	Middle Class
Tournament Orientation	Player	Plays to hit shots
Rules	Student of Rules	Doesn't know there are rules
History	Respects game	There is a history?
Represents	Less 15% of all golfers	85% of all golfers
Market size	4,000,000 golfers	46,000,000 actual/potential players

THINK CHANGE

Example of Firms Posturing: Golf Serv – Owned by NBC

GolfServ Weekly Newsletter - Message (HTML)

File Edit View Insert Format Tools Actions Help

From: Michael M. Lazerow [admin@lists.golfserv.com] Sent: Wed 10/1/2003

To: Jj Keegan

Cc:

Subject: GolfServ Weekly Newsletter

Home Tour Central Courses & Travel **USGA Handicap** Instruction Games & Contests Golf Market eBay Golf **GolfServ Advantage**

[Score Rounds](#) | [Course Playlist](#) | [Analyze Statistics](#) | [Review Rounds](#) | [Portable GameTrack](#) | [League Play](#)

"In golf as in life, it's the follow through that makes the difference."
(Anonymous)

Enter to win 10 dozen golf balls
Go to Official Golfer Survey

GoGo GOLF.net
INTERNET TEE TIME SERVICE
Book a tee time online and save up to 40%!

* "Handicap Index" and "USGA" are registered trademarks of the United States Golf Association.

Jj's Weekly Newsletter
from GolfServ

GET A USGA HANDICAP NOW!
Join the **GolfServ Advantage Denver club** to connect with other golfers, receive exclusive discounts, and get an official USGA Handicap Index.* Get a handicap card for the first time or transfer your service.

In this issue:

- **What's Hot - [Book Tee Times Online](#)**
- **Tour Central - [WGC American Express Championship](#)**
- **Improve Your Game - [Get Your Hands In Line](#)**
- **GolfMarket - [Golf's Lowest Everyday Prices](#)**
- **GolfServ Travel - [Dominican Republic - Seven-Night Special to Hotel La Catalina](#)**
- **Instant Poll - [Let Us Know Your Opinion](#)**
- **Sweepstakes - [The 2003 Ultimate Las Vegas Golf Giveaway](#)**

What's Hot with GolfServ Advantage

Book Tee Times Online
Tired of waiting on hold or redialing to get through to a course? Book tee times online at more than 3,000 courses nationwide for your convenience. It's fast, easy and provides savings up to 70% off regular greens fees everywhere from Hawaii to Florida to a golf course near you.

Go to featured benefit
Join GolfServ Advantage

Tour Central - [WGC American Express Championship](#)

It's Still a Young Man's Game
The 40-and-older gang made it a clean sweep in

CHECK OUT WHAT'S NEW FOR 2003

5 Items


Book4Golf – NetHandicap

Golf Handicap, Tracking, Analysis and Performance Service - Microsoft Internet Explorer

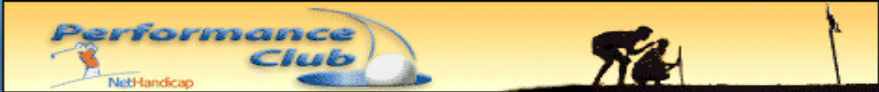
File Edit View Favorites Tools Help

Back Search Favorites Media

Address <http://www.nethandicap.com/login.aspx?ReturnUrl=%2fDefault.aspx> Go



Game Analysis, Tracking and Performance System



[Home](#) [18 Hole Post](#) [9 Hole Post](#) [Analysis](#) [Course](#) [My League](#) [Preferences](#)

Nethandicap.com

Member ID:

Password:

Remember my sign in info.

[Forgot your sign in info?](#)

New Member ?
You have 4 Membership Options To chose From :

<input type="radio"/> Free Trial *** Post Up To 5 Free Rounds Today! *** Enjoy the BEST Golf Handicap, Trending and Analysis Service used by over 100,000 Members	Up to 5 Rounds	\$ 00.00
<input type="radio"/> Quarterly Subscribe And Pay Quarterly	3 (months)	\$ 10.50
<input type="radio"/> Special Annual Offer! Join today and receive 1 dozen Strata Professional Distance golf balls Free!	12 (months)	\$ 29.99

Get to know your game

- Monitor your recreational handicap.
- Review your round history on your own homepage.
- Track round results, including putts, fairways hit, greens in regulation, drive distance...
- Learn about your game through trending analysis tools.
- Analyze your hole-by-hole statistics.

Dozen Golf Balls A Day Give-away
[click here](#)

...and get 5 free rounds

Internet

National Golf Network

NGN: National Golf Network - Microsoft Internet Explorer

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Back Forward Stop Refresh Home Search Favorites Media Mail Print Mail My Signature Games Customize My Button 1 Highlight

Address <http://www.ngn.com/gcommerce/GILogin.aspx> Go Links

mywebsearch Search Smiley Central My Info Mail Stamp My Signature Games Customize My Button 1 Highlight

My Search National Golf Network Google AltaVista Ask Jeeves AlltheWeb LookSmart Customize this toolbar Highlight



National GOLF Network™

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INSTRUCTION

TOOLS

GAMES

USGA

ASSOCIATIONS

WELCOME

The National Golf Network connects golfers with golf courses, clubs, leagues, tournaments, PGA professionals, associations, and other organizations to increase participation and enjoyment of the game for all golfers, regardless of location, age, sex, race, skill level or type of club affiliation.

To join a club, select a home course, and begin managing your GOLF LIFE with a USGA Handicap Index, you will need a valid credit card for payment. [Join Now!](#)

ARE YOU A NEW NGN USER?



EVERYONE'S INVITED

Golfers [click here](#)
Golf Courses [click here](#)
Clubs [click here](#)
Leagues [click here](#)
Tournaments [click here](#)
PGA Professionals [click here](#)
Golf Associations [click here](#)

GOLFERS SERVED

0000121604

NGN MEMBERS

Username:

Password:

ENTER AS MEMBER

[Forgot My Username](#) | [Forgot My Password](#)

NEW MEMBERS

To join an existing club or create a new club, click on the button below:

JOIN NOW

NGN PLAYER SEARCH

To search the NGN Player Directory for player information and verify USGA handicap indexes, click on the button below:

VERIFY A HANDICAP

Done Internet

Golf Associations – Arizona

Varying Product Mix to Remain Competitive


Arizona Golf Association - Microsoft Internet Explorer

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Back Forward Stop Refresh Home Search Favorites Media Mail Print Word Pad U People

Address <http://66.28.62.114/join/new2003.asp?CategoryID=6&Category=tournament&type=6&hit=tournamentName> Go Links

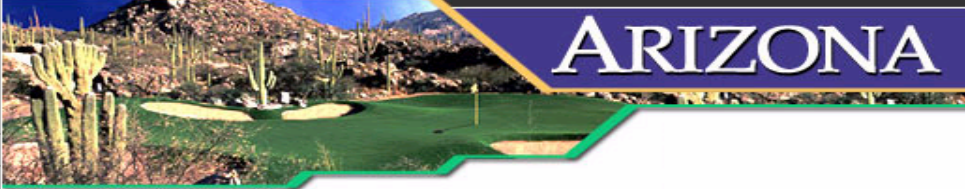
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News & Publications
Rules of Golf
Tournaments
Handicapping
Delegate Program
Memberships
New for 2003
Club Membership
eGolfQ Membership
Q&A
Meetings & Classes
AGA Offers
Course Directory
Holes-In-One
AGA Volunteers
Villa Monterey GC
Corporate Sponsors
Links
Tee Times

Join our free mailing list and receive up to date information on Arizona golf.

Name:



ARIZONA

Memberships

COMING SUMMER 2003!

The AGA unveils a member program for the individual golfer.

The AGA is now offering a new Scoring Average Program, the "eGolf Q" membership, to give every golfer access to a supervised scoring record and an Official AGA Membership Card. eGolfQ allows you to post scores either at an Arizona golf course or over the Internet, and to receive a long list of special Partner benefits.

Help us beta-test the program. Take advantage of the free trial offer and become eligible to win a free golf vacation to Las Vegas - 3 days and 2 nights at the Hyatt Regency Lake Las Vegas with two rounds of golf at Reflection Bay (Jack Nicklaus) and The Falls (Tom Weiskopf). [Click here](#) for details.

The best part of the program is the

- sophisticated scoring analysis for each round
- your last ten rounds,
- a history of scores,
- Putting Grade analysis based on your scores, and
- a Scoring Average that predicts the player's likely "Next Score" by evaluating the courses played and score histories.

Enter your email, select your own private password, and enter the growing world of Arizona Golf.

Internet


Golf Associations – Chicago District Varying Product Mix

Chicago District Golf Association - Microsoft Internet Explorer


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Address <http://www.cdga.org/> Go Links




- BLUE COATS
- CALENDAR
- ABOUT THE CDGA
- CDGA MAGAZINE
- MEMBERSHIP
- MEMBER CLUBS
- CDGA FOUNDATION
- PRESS RELEASES
- TURF GRASS
- TOURNAMENTS
- HANDICAP INFO
- MIDWEST GOLF HOUSE
- PHOTO GALLERY
- RULES OF GOLF
- WEATHER
- CORPORATE PARTNERS



LASALLE BANK OPEN

www.lasallebankopen.com



[Andre Stoltz Wins LaSalle Bank Open](#)

[FINAL RESULTS](#)

Coverage:
[Chicago Sun-Times](#)
[Daily Herald](#)
[Daily Southtown](#)

The CDGA Foundation is the charitable beneficiary and host organization for the LaSalle Bank Open, a 72-hole professional championship taking place June 2-8, 2003, at The Glen Club in Glenview.

CDGA NEWS

ATTENTION MEMBER CLUBS:
USGA/CDGA HANDICAP CERTIFICATION INFORMATION
[LIST OF CERTIFIED CLUBS](#)

FREE E-MAIL NEWSLETTER
[June 2003](#)
[April 2003](#)

Register for the *Chicago District Golfer*

TEE TIMES ONLINE

As a service to golfers as well as our member clubs, individuals now are able to book tee times, view tee times and review tournament results at selected courses via the CDGA's web site.

[BOOK TEE TIMES--PUBLIC CLUBS](#)
[VIEW TEE TIMES—PRIVATE CLUBS](#)
[VIEW TOURNAMENT RESULTS](#)

ONLINE MEMBERSHIP RENEWAL

Players at select public clubs are now able to renew their individual CDGA memberships online.
[Click here to begin the renewal process.](#)

CHICAGO DISTRICT GOLFER MAGAZINE

CHANGE OF ADDRESS REQUEST

All CDGA members receive a subscription to *Chicago District Golfer* as part of their membership. If you are not receiving the magazine, or know of a member who is not, please help us keep our records current by completing the form below.

First Name:
Last Name:
CDGA Number:
Club:
Address:
City:
State:
Zip:

http://www.cdga.org/intraclub/query/catquery.html?doc_number=2312 Internet

Five year predictions

7. Geographic Information Services (GIS) will become popular for mapping customer profiles.
8. The role of Golf Associations will dramatically change.
9. Golf courses will increase the number of “access points” to their golf course
 - Kiosks
 - Internet – private web sites
 - Public web sites: Golf Switch, Book4
10. Tee Time auctions by independent third parties will become commonplace. Practices has severe adverse economic impact for course:
 - Core customers will be dis-intermediated
 - Severe downward rate pressure will increase resulting in lower average daily rate
 - Sophisticated core customers will wait for last minute emails for lowest rate.

THINK CHANGE

Example of Auction Site

Tee Times - Discount Golf USA - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Home Search Favorites Media Refresh Print Mail Print Mail


Address <http://www.discountgolfusa.com/dgu.asp?HID=213> Go Links Norton AntiVirus

Discount Golf USA

[Home](#) | [Tee Times](#) | [Sign Up Now](#) | [Courses](#) | [Contact Us](#)

DISCOUNTED TEE TIMES

- Arizona - NE Phoenix Metro
- Arizona - NW Phoenix Metro
- Arizona - SE Phoenix Metro
- Arizona - SW Phoenix Metro
- Arizona - Tucson
- California - Sacramento
- California - San Francisco
- California - SF East Bay
- California - SF Monterey Bay
- California - SF North Bay
- California - SF South Bay
- Nevada - Las Vegas
- Oregon - Portland
- Texas - Austin
- Texas - San Antonio



Welcome to Discount Golf USA!


We offer discounted tee times at great golf courses across the USA; sometimes at over 70% off. New specials come and go daily, so you need to check back often to find and book the best deals. Don't want to check the site everyday? No problem, sign up for our email club and get the best tee times delivered right to your inbox!

[Sign Up Now](#)

News & Featured Courses

Vistoso Golf Club

A spectacular golf resort quietly nestled between the Tortolito and Santa Catalina Mountains north of Tucson. Tantalize your senses. Vistoso is a treasure of serenity and beauty. Ranked one of the best new courses in America by Golf Magazine.



Starr Pass Golf Club

Since its opening in 1986, Starr Pass has established itself as the premier desert golf course in the Tucson area. The Robert Cupp designed golf course winds through valleys and arroyos and meanders among the bluffs of the Tucson Mountains. Strict attention was paid to disrupting the

Internet

Auction Site: 3

Golf707 -- Tee Time Specials... Delivered right to your Inbox - Microsoft Internet Explorer

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Back Forward Stop Home Search Favorites Media Refresh Print Mail Stop Sign Out User Profile

Address <http://www.golf707.com/golf707.asp?HID=218&TM=3550> Go Links

Golf 707

Tee Times Specials...
Delivered right to your inbox!

Home Tee Time Specials Sign Up Now Tournaments Our Courses Customer Support

CA - San Francisco

- Crystal Springs
- Presidio

CA - SF East Bay

- Metropolitan Golf
- Poppy Ridge
- Rio Vista
- Shadow Lakes

CA - SF Monterey Bay

- Bayonet & Black Horse
- Carmel Valley
- De Laveaga
- Laguna Seca
- Rancho Canada

CA - SF North Bay

- Adobe Creek
- Foxtail
- Napa Golf
- Bodega Harbour

CA - SF South Bay

- Eagle Ridge
- Spring Valley

CA - Sacramento

- Ancil Hoffman
- Cherry Island
- Lawrence Links
- Mather Golf
- Lincoln Hills
- Whitney Oaks
- Woodbrook

View Tee Times:

Select an area and click the search button to find the best tee time deals we have to offer.

Area:


From Date:

To Date:

Sign Up Now:

There is no cost to join and no monthly fee. Once you sign up you will receive two to three emails per week loaded with tee time savings at up to 70% off. Click on a link below to sign up:

- San Francisco
- Sacramento

Special Feature:	Latest Savings:	Sign In:
 <p>Check out tee times for Shadow Lakes</p> <p>Located in the East Bay area of San Francisco, Shadow Lakes Golf Club is a Par 71, Gary Roger Baird-designed daily fee facility that blends traditional golf course design elements with the contemporary. Stretching to 6,710 yards from the back tees, the golf course features dramatic elevation change, native grasses</p>	<p>Brian J. saved 58%</p> <p>Curtis S. saved 61%</p> <p>Jeremy J. saved 60%</p> <p>Bob M. saved 65%</p> <p>Ted D. saved 42%</p> <p>Jeremy K. saved 50%</p> <p>Eugene H. saved 50%</p>	<p>What is your email address? <input type="text"/></p> <p>Do you have a password?</p> <p>1 <input checked="" type="radio"/> Yes, it is <input type="text"/></p> <p>2 <input type="radio"/> No, sign me up.</p> <p>3 <input type="radio"/> Maybe, I forgot.</p> <p><input type="button" value="Sign In"/></p> <p><input type="checkbox"/> Remember Me</p> <p>Create Account</p> <p>Unsubscribe</p>

Microsoft PowerPoint - [ERS - The Future Vision.ppt]

start | Micros... | 3 Mic... | 4 Int... | 2 Mic... | 8:53 AM

Auction Site: 4 (gogogolf.net)

Welcome to YODAWOBE! - Microsoft Internet Explorer

Address: <http://www.yodawobe.com/yodawobe.htm>

mywebsearch

my Search

Google AltaVista Ask Jeeves AlltheWeb LookSmart

YODAWOBE INC.
DATA MARKETING SOLUTIONS

"ONE STOP SOLUTIONS FOR ALL OF YOUR DATA MARKETING NEEDS"

Start Presentation

WHY

WHAT

WHO

NEWS

WHERE

DATA

MAIN

eventMAX

WHAT WE DO!

Data

Creative

Fulfillment

DATA COLLECTION & ORGANIZATION

DATA HYGIENE

YOUR COMPREHENSIVE DATABASE

DATA ANALYSIS

CREATIVE & STRATEGIC PLANNING SERVICES

REPORTS

RESPONSES & RESULTS TRACKING

TACTICAL DATA MARKETING INITIATIVES

DIRECT MAIL

BROADCAST E-MAIL

STRATEGIC DATA PARTNERSHIPS

E-COMMERCIALS

EVENT DATA CAPTURE

CONSUMER "POINTS OF CONTACT"

CONSUMER "POINTS OF CONTACT"

Done

Internet

THINK CHANGE

© Successories, Inc.



CHALLENGES

A BUMP IN THE ROAD IS EITHER AN OBSTACLE TO BE
FOUGHT OR AN OPPORTUNITY TO BE ENJOYED...
IT IS ALL UP TO YOU.

CHA

Take-Away: Challenges

1. The white Caucasian, with European descent, middle/upper income market is mature.
2. The game of golf has barriers to its entry door such that the average individual is intimidated.
 - Traditions
 - Skill level required
 - Social expectations
3. Discounting, which is becoming prevalent, is a bad practice.
4. Everybody is getting it for juniors. But very few facilities have created effective programs to attract adults.

Take-Away: Opportunities



1. All golfers are local, all solutions are local. The best **ADVERTISING** is local print media that drive golfers to the **INTERNET** in which their needs are fulfilled. Prevailing themes:
 - Fun
 - Now
 - Outdoors
 - Family
 - For a life time
2. Opportunities for growth in the game will come from **ADULT PLAYER DEVELOPMENT**.
 - Couples
 - Leagues
 - Ladies day
 - Clinics for beginner, intermediate, experienced and accomplished golfers: separately
3. Developing a **CUSTOMER DATABASE** though **KIOSKS** at the course in which **EMAIL ADDRESSES** are captured is fundamental.

Take-Away: Opportunities

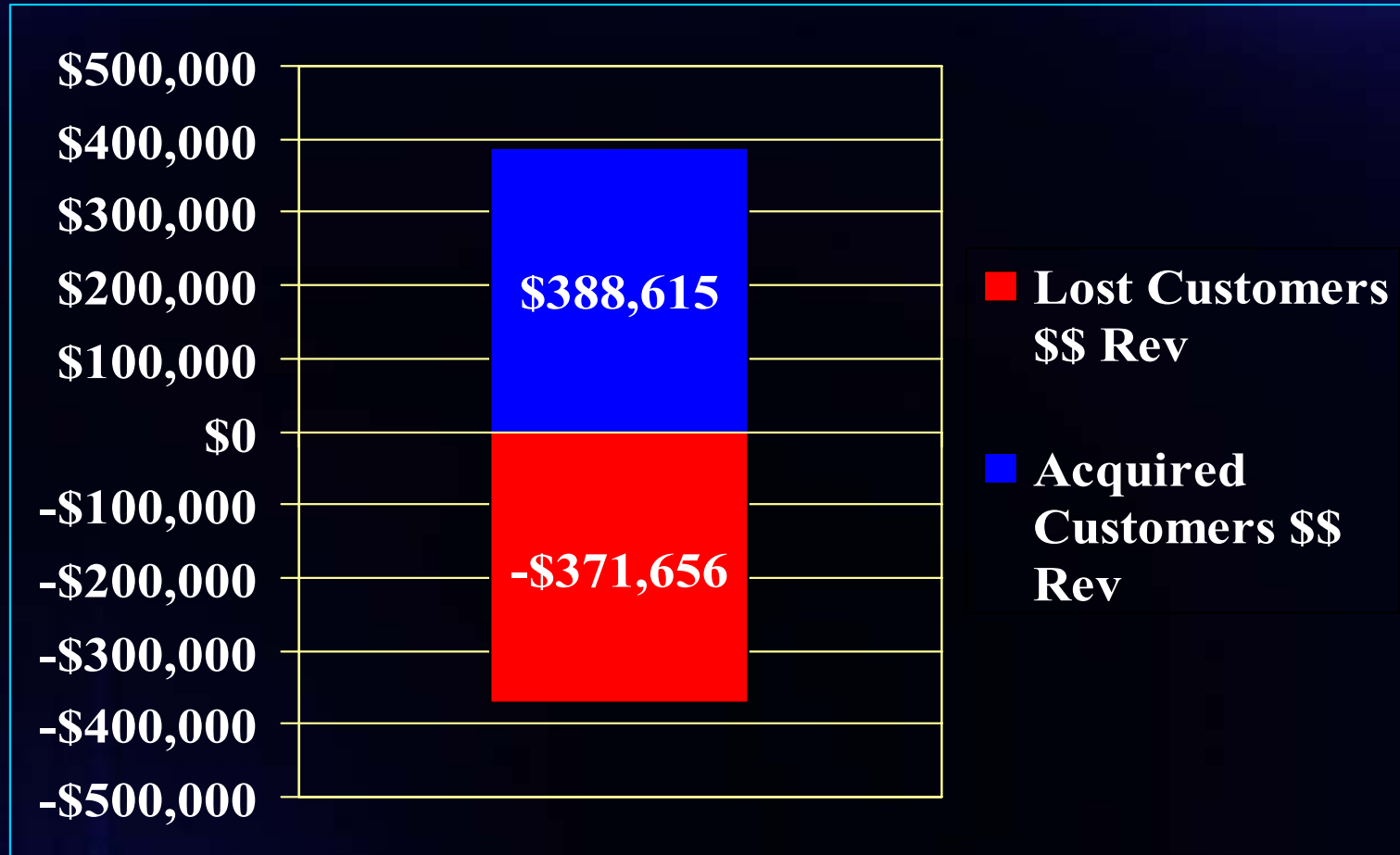


4. Creating a **CUSTOMER AFFINITY PROGRAM** based on \$\$\$ (not rounds played) with the issuance of loyalty cards will stimulate incremental revenues.
 - What % of players generate 60% of your revenue?
 - 12%
 - What % of players generated 85% of your revenue?
 - 25%
 - What % of your players represent first time golfers to your facility?
 - 60%
 - What % of your customers who play this year will NOT return next year?
 - 70%
5. Focusing on **CUSTOMER RETENTION** will have dramatic impact on net income. An increase in retention by 5% will increase your profitability from 25% to 100%.

Customer Retention – Key to Bottom Line

2001 & 2002 Customer Files	Tot # Customers	% e-mail Addresses	% postal Addresses	% phone Numbers	
Retained Customers	462	56%	40%	98%	
Acquired Customers	1,574	70%	27%	97%	High = 67+%
Lost Customers	1,999	49%	15%	98%	Mod = 34-66%
Total Customers	4,035	58%	23%	98%	Low = 0-33%
Notes 1: Average course has 4,000 distinct customers					
2: Customer retention averaged only 26% on an annual basis.					

The Net Revenue Gain/Loss In The Acquired/Lost Customer Turnover



Leading through the storm

© Successories, Inc.



CUSTOMER SERVICE

THE SEA OF CHANGE CAN PULL CUSTOMERS IN MANY DIRECTIONS. IT IS OUR
RESPONSIBILITY TO LIGHT THE WAY AND TAKE CARE OF THEM...
BEFORE THE COMPETITION DOES.

The Growth of the Internet Offers Alternatives

CUSTOMER SERVICE

- \$96 billion online Internet in 2002, (4.5% of total retail sales), a 48% percent increase over 2001
- It took the catalog industry 100 years to represent 4.7% of total retail sales. Online retailers will accomplished that in six (6) years.
- 36% of all consumers have bought online
 - Computer hardware and software
 - Event tickets
 - Books

Give Golfers What They Want

CUSTOMER SERVICE

Of the 87% of Golfers who use the Internet:

- 32% check the weather
- 28% find places to play
- 25% find golf products/equipment
- 7% use it to book tee times

NGF Golf Business Almanac, Sept. 2002

MAKE IT HAPPEN

"GREATNESS IS NOT IN WHERE WE STAND, BUT IN WHAT DIRECTION WE ARE MOVING.
WE MUST SAIL SOMETIMES WITH THE WIND AND SOMETIMES AGAINST IT -
BUT SAIL WE MUST AND NOT DRIFT, NOR LIE AT ANCHOR."

- OLIVER WENDELL HOLMES -

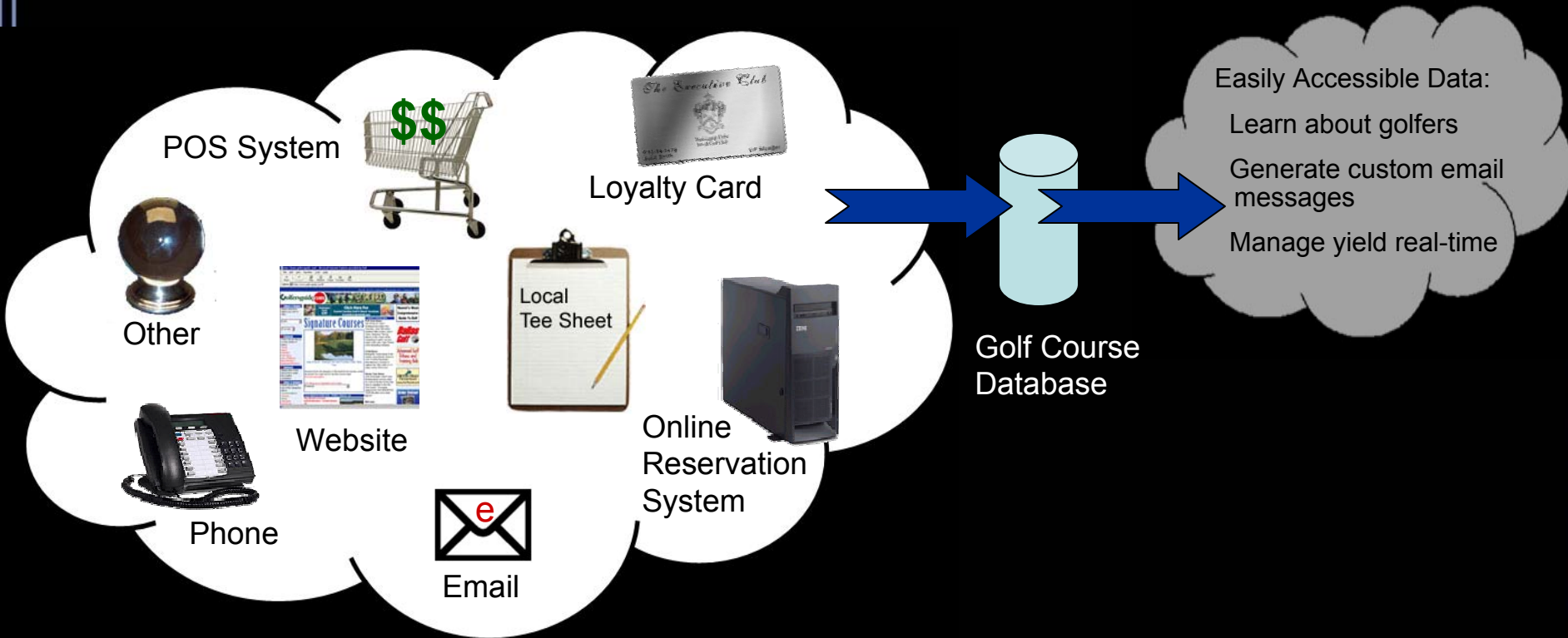
The Four Steps to Financial Success

The formula for financial success in the golf business has become very clear:

- 1) Identify your core customer as 12% of your golfers generate 60% of your revenue.
- 2) Create a customer affinity program to provide both financial and aspirational incentives.
- 3) Communicate efficiently with your core customers cost effectively.
- 4) Proactively engage in automatic yield management of your available.

MAKE IT HAPPEN

Consolidate all data sources



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Engage in Permission Marketing: Not Optional

Effective marketing has the cooperation of the golfer – all messaging should be based upon permission and opt-out always an option such as:

If you do not wish to receive these e-mail messages, [click here](#).

Unsubscribe

Please remove me from this list

If you want to be removed from future messages, [click here](#).

[Edit your profile or remove your name from our list](#)

[Please Remove me from this list](#)

If you do not wish to receive future e-mails, [click here](#).

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Initiatives You Should Launch

1. ADVERTISING is local print media that drive golfers to the INTERNET

- Underwriting Advertising on behalf of clients in 2004
- Theme: “We make Golf is Easy” with 6 different tag lines

2. ADULT PLAYER DEVELOPMENT

- Launching “Book It, Play It, Track It”
- National Web based tee sheet creating local communities
- Weekly newsletters featuring:
 - Opt in
 - Course preference
 - Time preference
 - Ability
 - Dating Service
 - Auctions
 - Last minute tee times notice at FULL rack segmented by 18, 9, 1 - 4 players for individuals, families, couples, ladies.
 - Tournaments; Lessons registration, League sign up and scheduling.

Initiatives Being Launched ...

3. CUSTOMER DATABASE through KIOSKS in which EMAIL ADDRESSES are captured is fundamental

- Integration of POS/Electronic Tee Sheet critical to create marketing and communicating system.
- Touch screen kiosks
 - Self pay
 - Advanced reservations
 - Pending tee times
 - Email newsletter and virtual on line club sign up
 - Tournament Registration
 - Individual Scoring Averages
 - USGA Handicaps

Initiatives Being Launched...

4. CUSTOMER AFFINITY PROGRAM based with the issuance of loyalty cards.

- Rate and Frequency Oriented Programs crafted
- Dynamic Affinity functionality added to core software.

5. CUSTOMER RETENTION PROGRAM

- Surveys automatically generated and tabulated for a course that determine:
 - A course's market share of the golfer's total business
 - Demographic and economic profile of your customers
 - What a golfer's think of your course and the value you provided based on 14 attributes

Initiative 1: Selective Advertising – “We make golf easy”

1. Tee times can be made 24 hours per day
 - By phone
 - On the Internet
 - Or at the course
2. Tee time reserved especially for
 - Families
 - Couples
 - Juniors
 - Ladies
3. Friendly, qualified instructors offering lesson clinics for beginner, intermediate, experienced and accomplished golfers
4. Leagues available and open for all
5. Equipment for all abilities and all price ranges
6. We are loyal to our loyal customers. Join our affinity program and play more for less

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Initiative 2: Adult Player Development

Offers products and services that reflect the stages a golfer goes through to play golf

Book It

- Tee Time Solution
- Course Information
- Group Events & Tournament Services
- Corporate Accounts

Play It

- Membership Program
- Tournament and League Registration
- Charity Events
- Lesson Scheduling
- Golf Communities

Track It

- Handicap Management
- Performance Tracking
- Instruction & Improvement
- Facts & Information

Quote from USGA

August 11, 2003 Kevin O'Connor, Senior Director of Handicapping, USGA

“The technology being made available and utilized by the average consumer will make it so that **some percentage of consumers will not be willing to pay \$20 or so for what is perceived as a handicap only.** The idea of **bundling a number of Internet related services** may make it **more appealing to the golfer** and more cost effective to the golf course.



USGA Handicapping System – Many Alternatives

Many vendors offer handicapping services in compliance with the USGA manual.

USGA Handicapping Manual
Section 1.1 A USGA Handicap Index can be issued by a golf club or authorized golf association

Vendor	GHIN	Golfnet	Handicomp	EZ Links	Computer Golf Software	Starplan	Vision Perfect	Golf System	E-Golf Network
Golfers	1.915 million	750,000	300,000	150,000	125,000	125,000	15,000	10,000	1,000
Golf Associations	70 Golf Associations	Golf Associations of Maryland, Virginia, the Carolinas & Individual Clubs	Michigan & Individual Clubs	Arizona Illinois	Florida & Individual Clubs	Iowa Wisconsin	Utah & Individual Clubs	Texas	Individual Golf Clubs in Colorado
Other Modules	Tournament	Tee Times & Tournament	Yes	Yes	Yes	Tournament	Tournament	Yes	Yes

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Initiative 4. Affinity Programs

- **Frequency Oriented Program**

- ✓ Eligibility to receive 10% discount after twenty rounds.
- ✓ USGA Handicap membership at your course.
- ✓ Additional advanced reservation access over general public.
- ✓ Advanced access for Internet reservation system and touch screen kiosks at course.
- ✓ Five dollar discount on next golf lesson (this is a no brainer).
- ✓ One free bucket of range balls upon purchase of the card.
- ✓ A 5% discount on merchandise upon purchase of the card.

- **Rate Oriented Program**

- ✓ Eligibility to receive discounted green fees of 5% off rack rates.
- ✓ USGA Handicap membership at your course.
- ✓ Additional advanced reservation access over general public.
- ✓ Advanced access to Internet reservation system and touch screen kiosks at course.
- ✓ Five dollar discount on next golf lesson (this is a no brainer).
- ✓ One free bucket of range balls upon purchase of the card.
- ✓ A 5% discount on merchandise upon purchase of the card.

Types of Rewards Possible

- Financial Rewards

- 'Do this' get 'that'
- Buy one; get one free
- Play 9 rounds get 10th round free
- Get x% off for playing during a certain period
- Exchange coupon for a stated discount

- Aspirational Rewards

- Golf x times in one year and free buddy pass for the following year
- Entry into a contest every time they play during a certain period

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Affinity Program - Why Reward Loyal Golfers?

- Repeat customers, on average, spend 67% more (than transient and unknowns)
- After 10 visits, a golfer has referred an average of 7 new golfers
- A 5% increase in retention yields profit increase of 25% to 100%

Bain and Co., 2002

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Retention Survey: What's your market share?

Segments	Av. Rounds at this Course	Av. Annual Rounds	% Rounds at this Course
Overall	12	42	29%
Gender			
Male	12	45	27%
Female	6	19	32%
Income			
Less than 50K	11	25	44%
50K – 100K	8	45	18%
100K +	17	52	33%
Average Score			
Under 80	7	76	9%
80 – 89	14	50	28%
100 +	7	23	30%

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Retention Survey: What do they think about your course?

Factor	Rating					Importance (Check 3)
	1	2	3	4	5	
Affordability/value						
Convenience of course location						
Tee time availability						
Overall Course conditions						
Condition of greens						
Scenery and aesthetics of course						
Pace of play						
Condition of golf carts						
Amenities (clubhouse, pro shop)						
Friendly - service of staff						
Food and beverage service						
On course services (restrooms, water)						
Overall Experience						

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PERSISTENCE

NOW THAT WE'VE EXHAUSTED ALL POSSIBILITIES...
LET'S GET STARTED.

Summary



PERSISTENCE

A course should seek a vendor that offers all core applications, a marketing and communication system plus revenue management seamlessly integrated into a single application. What is unique is that the golf course owner is in control of your own inventory, pricing and revenue – not a third party.

Core Application

- **Reservations**
 - Electronic Tee Sheet
 - Internet
 - Touch screen kiosks
- **Retailing**
 - Point of Sale
 - Inventory
 - Purchasing
 - Member Billing
 - Food and Beverage
- **Identification**

Marketing and Communication System

- **Newsletters**
- **Surveys**
- **Tournament Registration**
- **Lesson Scheduling**
- **Golf Communities: dating service, etc.**

Revenue Management

- **Last Minute @ Retail**
- **Last Minute @ Discount**
- **Tee time auctions**

Thank You



PERSISTENCE



Golf Convergence