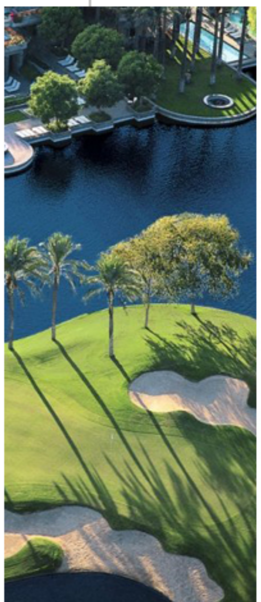


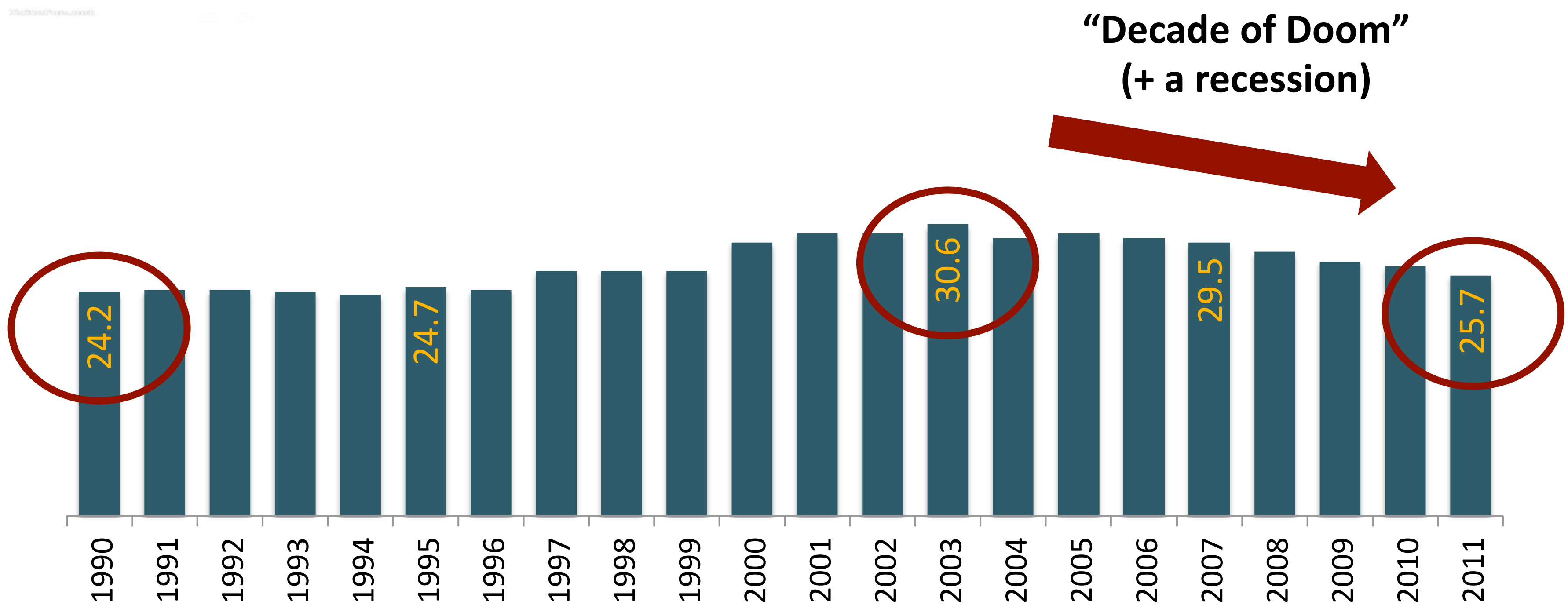
INTERNATIONAL ING NETWORK OF GOLF

Golf Marketing Trend Watch

Presented June 2, 2014 by
Jon Last, President
Sports & Leisure Research Group

SPORTS & LEISURE RESEARCH GROUP

IS THE SKY REALLY FALLING?



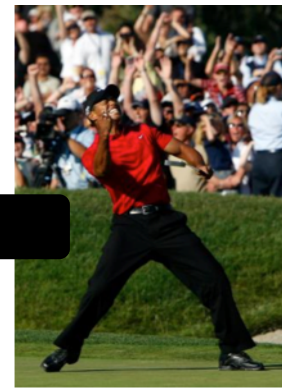
Millions of Golfers

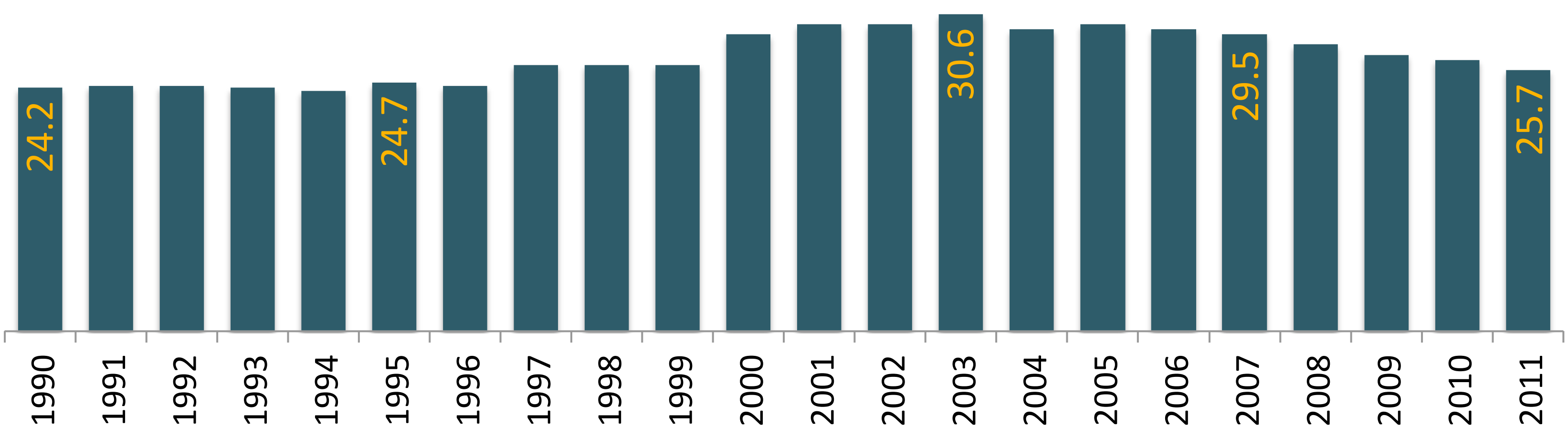
Source: NGF

IS THE SKY REALLY FALLING?

- 32 wins between 1999-2003
- 7 Majors
- “Tiger Slam”

Tiger Bubble

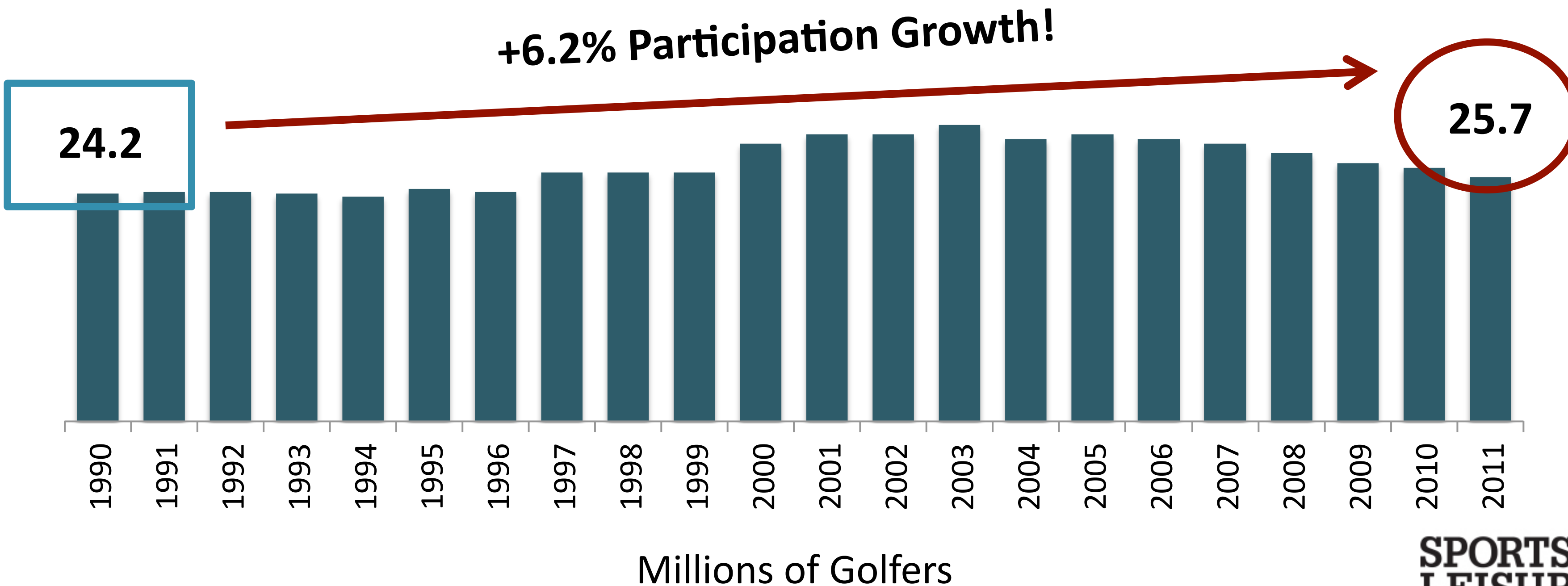




Millions of Golfers

Source: NGF

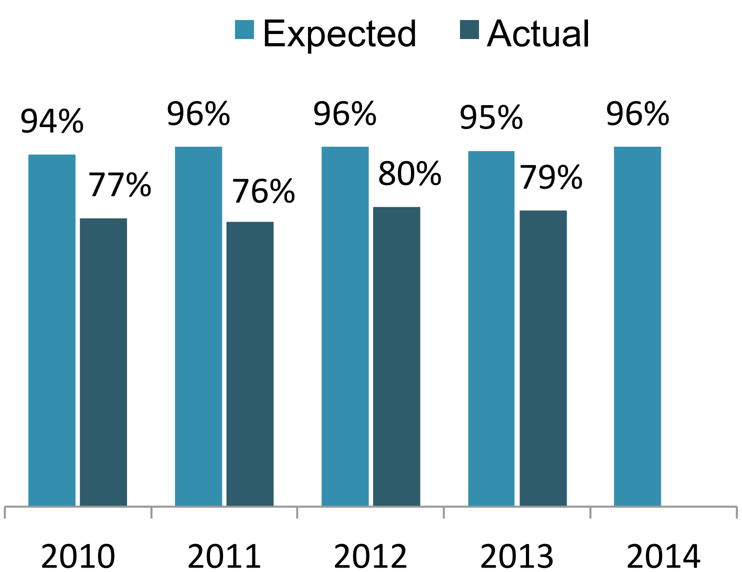
IS THE SKY REALLY FALLING?



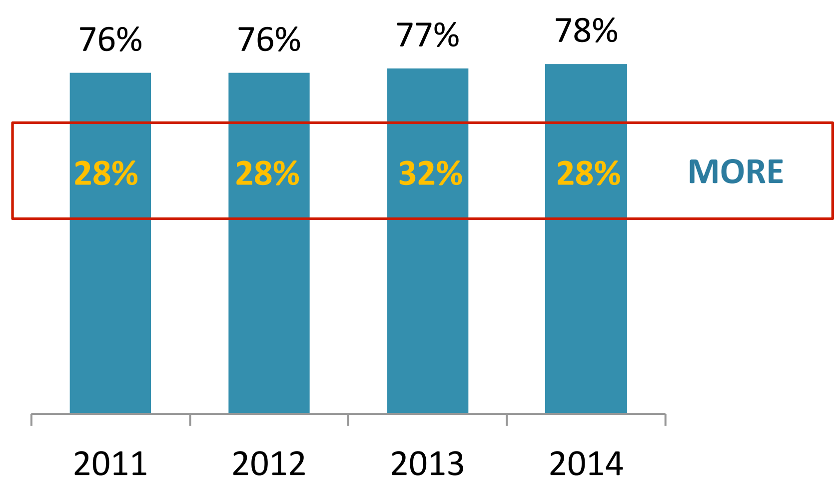
Source: NGF

But Recent Participation Flatness Has Us Jumpy…

Do you expect to/Did you actually play the same amount or more in…?



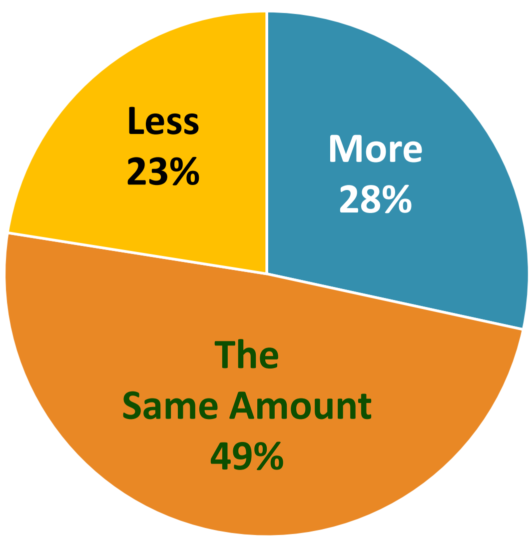
Do you expect to spend the same amount or more next year?

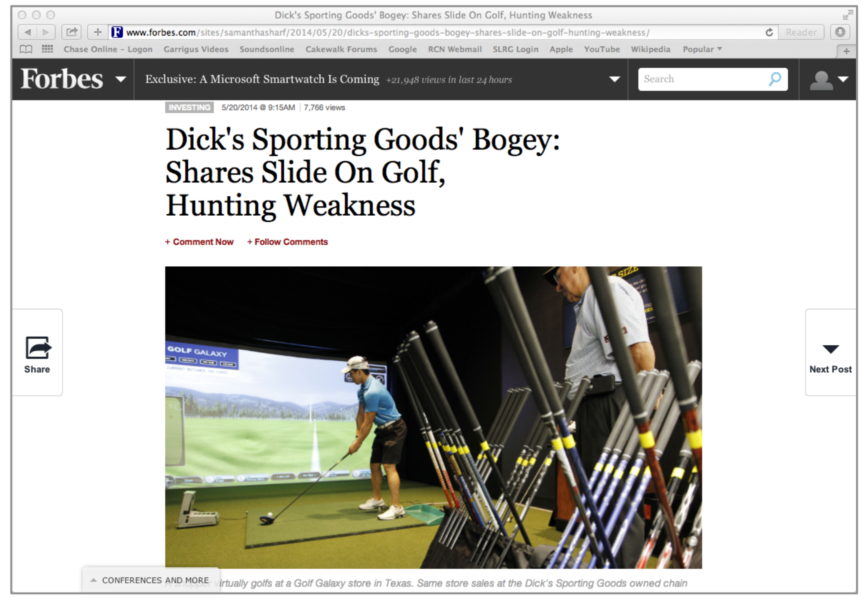


Source: Annual SLRG/SIGG Omnibus Study

….And with Flat Retail Spending Coupled with a Late Start to 2014 Retail, We are in a Short Term Battle for Market Share

Q **Overall, compared to 2013 do you expect that your 2014 total golf related spending for equipment and apparel will be…?**




Dick's Sporting Goods' Bogey: Shares Slide On Golf, Hunting Weakness
www.forbes.com/sites/samanthasharf/2014/05/20/dicks-sporting-goods-bogey-shares-slide-on-golf-hunting-weakness/
Chase Online - Logon Garrigus Videos Soundsonline Cakewalk Forums Google RCN Webmail SLRG Login Apple YouTube Wikipedia Popular
Forbes
Exclusive: A Microsoft Smartwatch Is Coming +21,948 views in last 24 hours
Search
INVESTING 5/20/2014 @ 9:15AM | 7,766 views

Dick's Sporting Goods' Bogey: Shares Slide On Golf, Hunting Weakness

+ Comment Now + Follow Comments

Share
Next Post
CONFERENCES AND MORE
irtually golfs at a Golf Galaxy store in Texas. Same store sales at the Dick's Sporting Goods owned chain

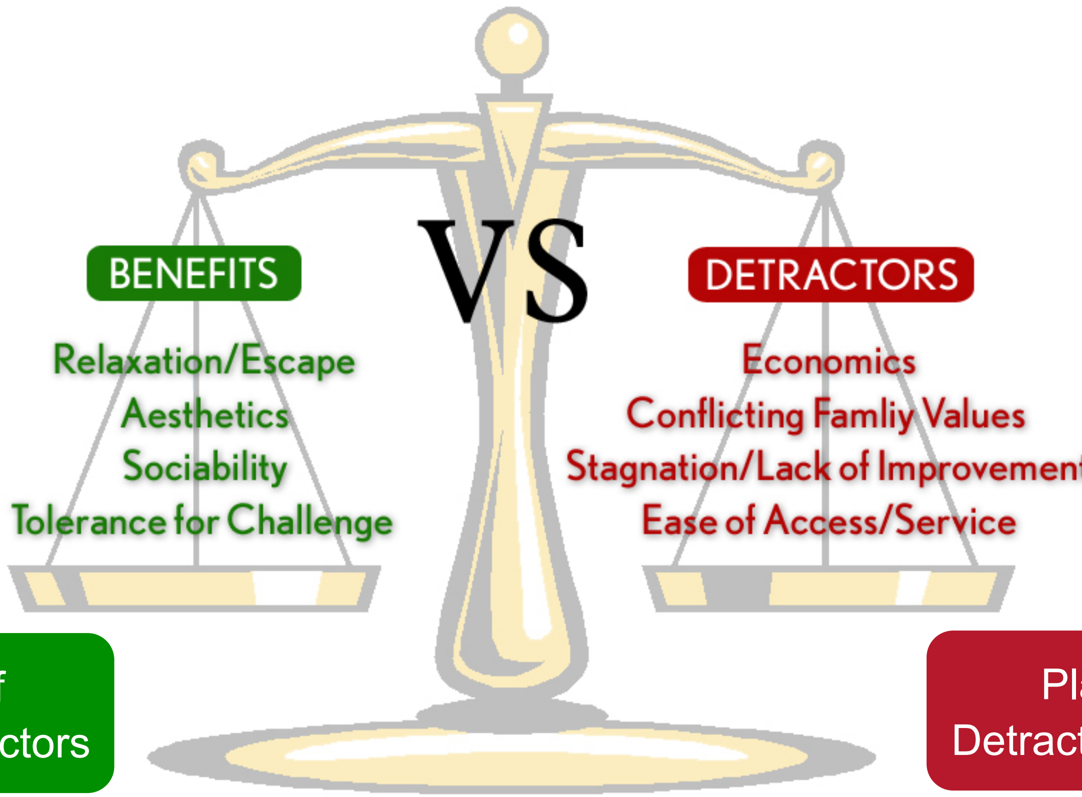
Source: Annual SLRG/SIGG Omnibus Study

Golf Marketing Trend Watch

A Firm Grasp of Market Trends Can Optimize the Chance for Success In This War of Attrition

GOLF MARKET WATCH:
TRENDS FOR MARKET SUCCESS

1. Understand How to Tip The Attractor/Detractor Scale In Your Favor



Play More If
Benefits > Detractors

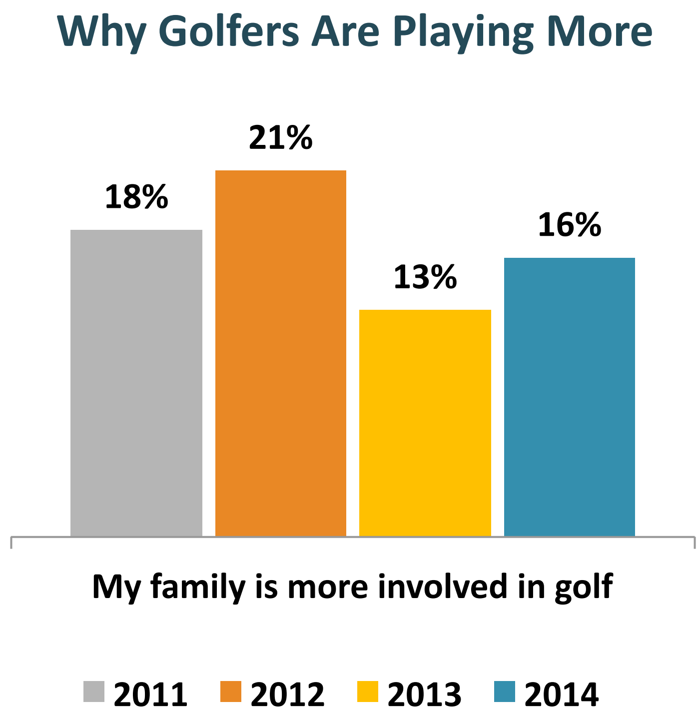
Play Less If
Detractors > Benefits

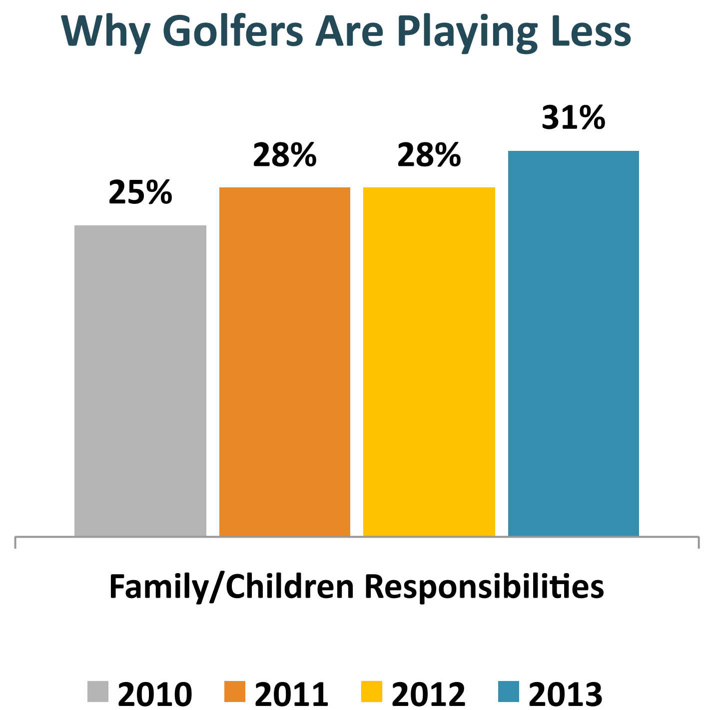
2. Go Beyond Golf's Two Crutches and Provide Consistent Value

	They Say	They Mean	Issues
Crutch #1 	"Golf is too expensive"	"I'm not getting value out of my experience"	Customer service; Pace of play; Conditions
		"I spend on lessons & equipment but I don't get better"	
Crutch #2 	"I don't have enough time to play golf"	"My on-course experience doesn't justify the time investment"	Too crowded; bad service; lack of improvement

Put the Guarantee Back in Golf

3. Embrace Family-Centric and Multi-Generational Marketing





- A Most Child-Centric Focus: Club Memberships are No Longer Mutually Exclusive
- The Sandwich Generation Comes of Age
- Multi-Generational Travel: The Delight of Having the Best of Both Vacation Types

4. What about Those Millennials?

- Entry Ramps---Yes
- Goofy Golf and Trying Too Hard---No

PGA jr. league golf

4. What about Those Millennials?

Key observations from younger players—Age 30 and under:

- Both men and women tend to be more fashion and image conscious than their older cohorts.
- They are more apt to engage in new media, particularly for purchase transactions.
- They perceive themselves to be more innovation seeking and self-indulgent.
- They appreciate the opportunities present in social and business golf.
- They are generally less apt to consider golf to be their favorite sport… Thus, they pose a potentially greater attrition risk

Source: PGA Golfer Portrait Series, SLRG

4. What about Those Millennials?

MALE GOLFERS < 30 Yrs. Golfing And Lifestyle Attitudes

Attitudinally, younger men are less passionate about golf, but more willing to spend on green fees, golf merchandise and lessons

MORE LIKELY than Older Golfers to say…

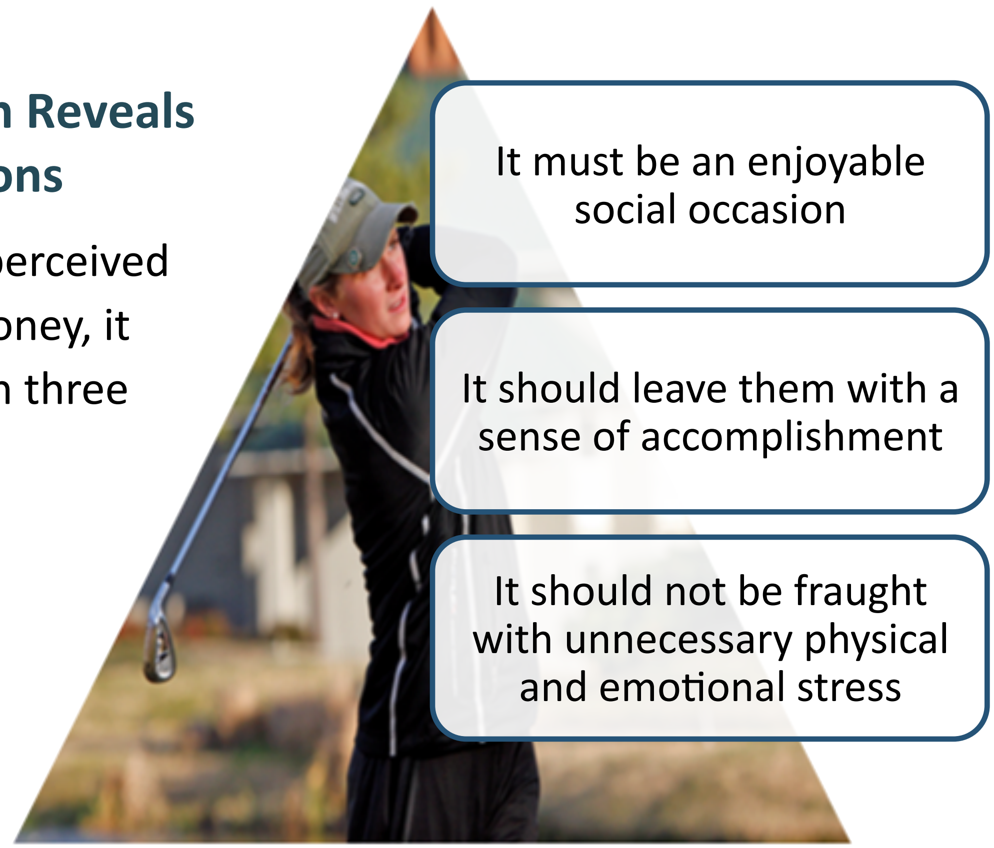
- I usually play golf with members of my family
- I often order golf equipment through catalogs or online
- If I see something I like, I don't worry about the price
- It is important to me to wear fashionable golf apparel
- I'm usually the first among my friends to try new golf equipment
- Golf equipment and merchandise at golf course pro shops are competitively priced
- I will take at least one lesson from a PGA Professional this year

Source: PGA Golfer Portrait Series, SLRG

5. When Will We Truly Embrace Women?

SLRG Women's Golf Research Reveals Three Over Arching Conclusions

- For the golf experience to be perceived as worth both the time and money, it must satisfy women's needs on three key dimensions:



5. When Will We Truly Embrace Women?

What is the "recipe" for success in attracting and retaining women golfers?

Our analysis suggests that facilities can enhance women's perceived value of a round of golf by addressing three fundamental issues.

Step 1 - Eliminate extraneous physical and emotional stressors

- Provide ample restroom facilities throughout the course
- Ensure there is sufficient drinking water available, as well as healthy food options
- Provide ample directional signage, as well as additional navigational aids (maps, GPS) in carts if possible
- Ensure there is a well-designed and appointed ladies' locker room; particularly if one exists for men.
- Seek opportunities to streamline the tee-time booking process

Step 2 - Reduce frustration with the game itself

- Keep course well-maintained. Aesthetics are important.
- Re-evaluate tee box placements, so that more women can reach green in regulation
- Provide more short holes
- Offer 9-hole play and/or other flex pricing

Step 3 - Enhance the "social" aspects for women (especially appealing to Lapsed Golfers)

- Increase potential playing partners by offering women's golf leagues
- Provide more "off-the-course" or clubhouse social opportunities, such as a sit-down restaurant, special interest events and after hours "socials."

6. Boomer Values Meet New Definitions For Retirement

Zooming Ahead…

GODSPELL

MEETS

GOD'S WAITING ROOM

A Redefinition of Retirement

- Active, relevant and engaged in a variety of unique experiences
- Health conscious: 60 is the new 40
- Adventure Travel
- Flexibility -- Country Club for a day vs. Country Club communities

6. Boomer Values Meet New Definitions For Retirement

In Contrast with: Cocooning

In times of uncertainty and distress, comes a desire to stay in comfort zones:

- Home based and family activities
- Embracing tightly defined communities
- Gravitation towards familiar and trusted brands

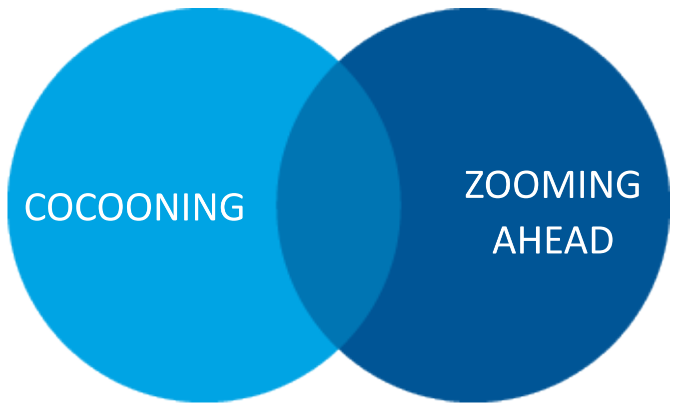
6. Boomer Values Meet New Definitions for Retirement

Implications for Marketers

ZOOMING AHEAD vs. COCOONING:

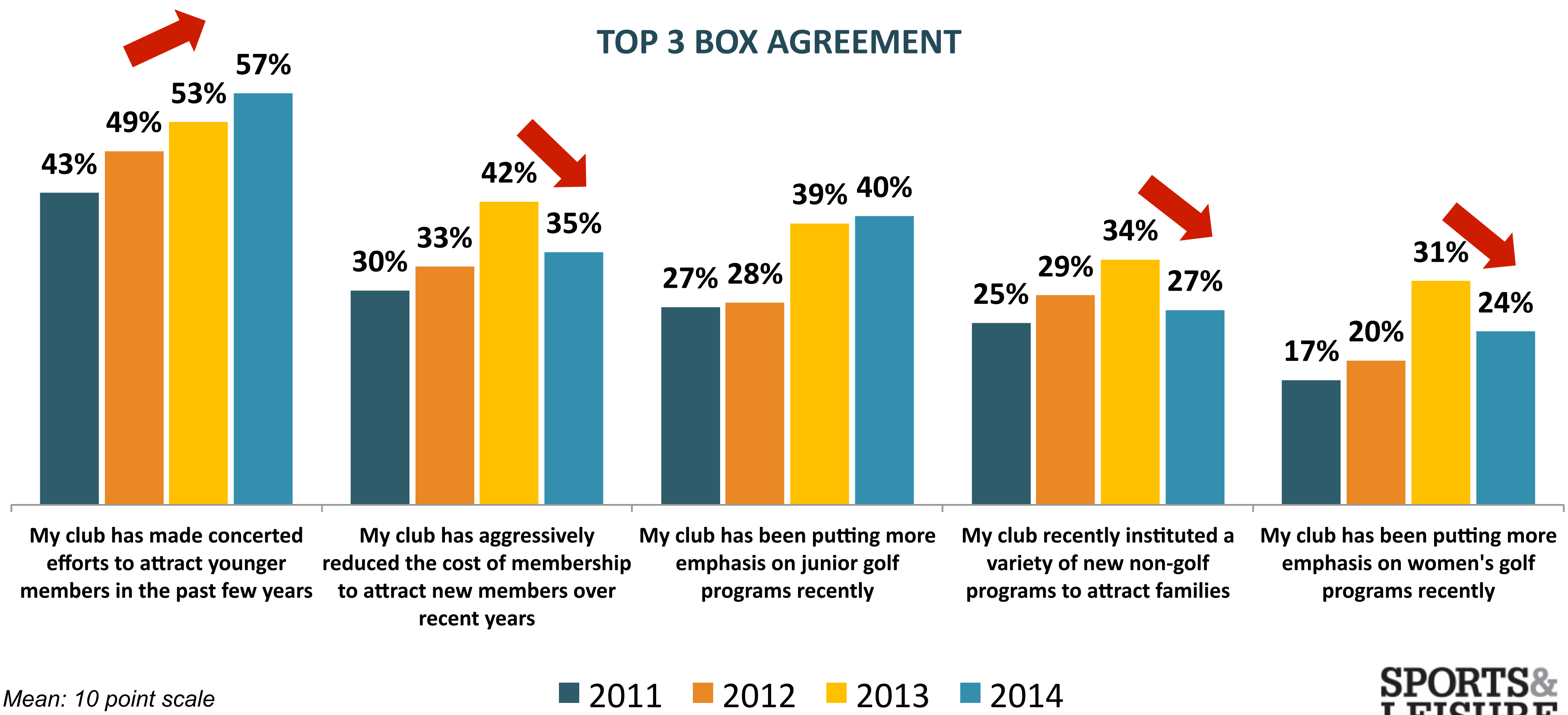
MEETING IN THE MIDDLE

- Become part of the community
- Become part of the conversation
- Leagues and family golf = increased participation
- Be authentic and relevant
- Structured “Experiences Light”



7. The Private Club of the Future—Adapting To New Realities

Welcome emphasis on juniors, family, stems the tide towards discounting.....But are women still A second thought?

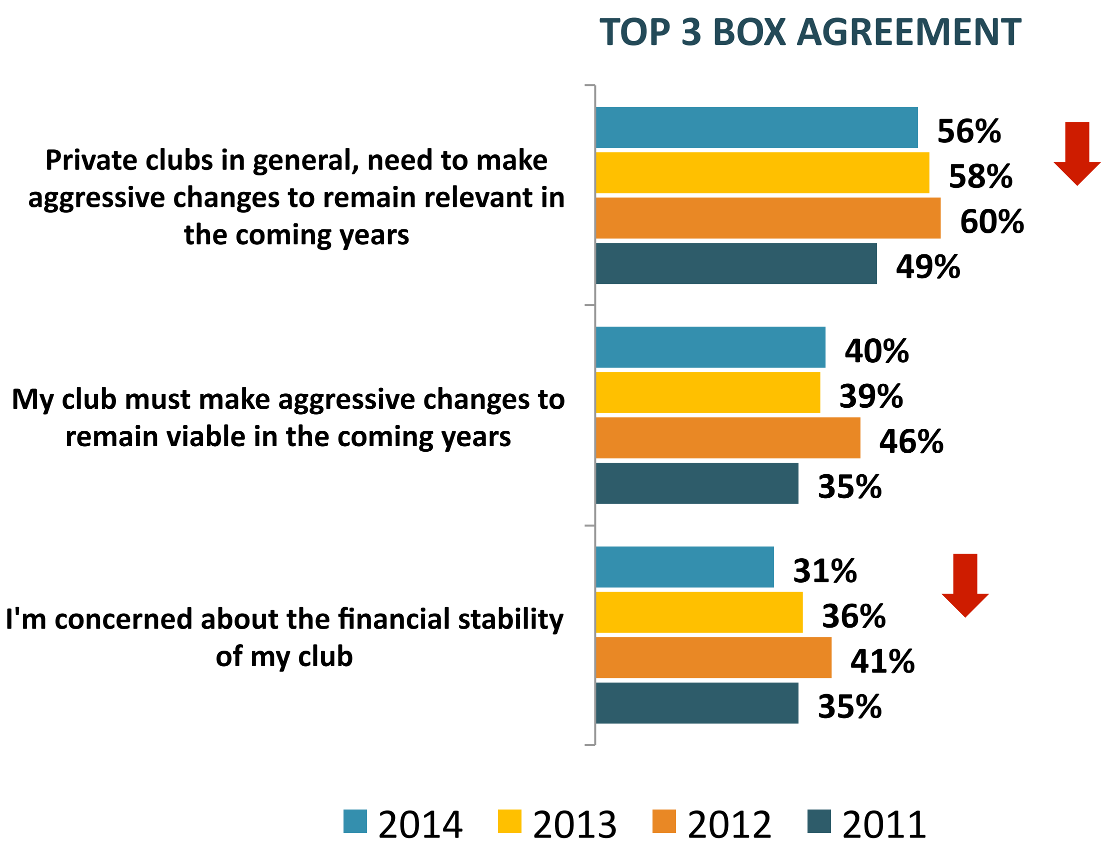


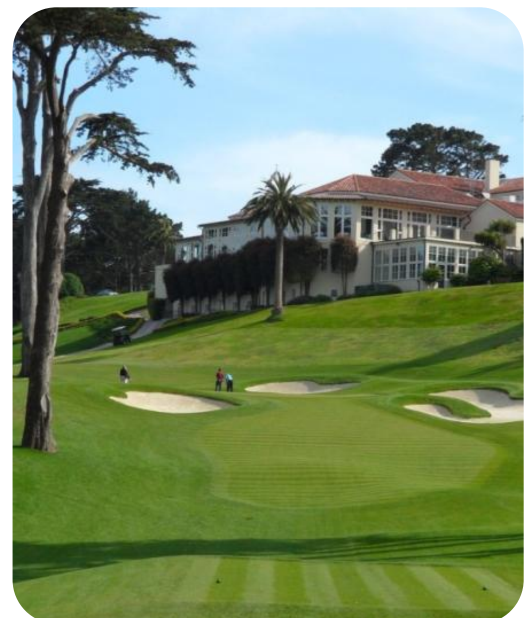
Mean: 10 point scale

Base: National Sample of Private Club Members

7. The Private Club of the Future—Adapting To New Realities

The worst appears behind us





Mean: 10 point scale

Base: National Sample of Private Club Members

7. The Private Club of the Future—Adapting To New Realities

A Closer Look at Critical Success Factors for Clubs Looking to Enhance Member Services

Trust

Unique opportunities offering better value

Personalized and dedicated "go to" people

Real time, easily accessible communication

Creating a home away from home… even on the road

Unexpected pleasant surprises

Appreciation for the family

Consistently exceptional service delivery

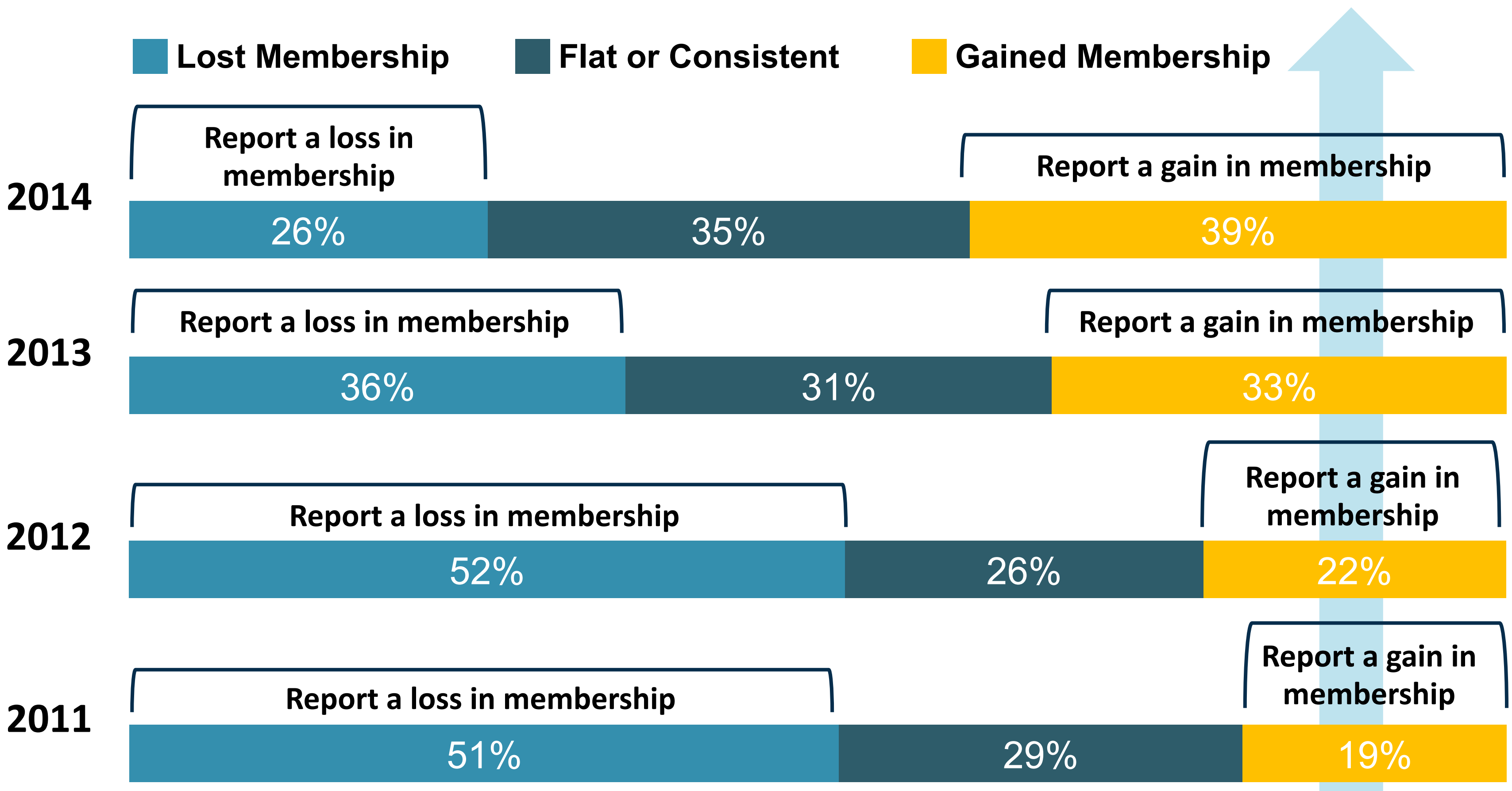
7. The Private Club of the Future—Adapting To New Realities

More New Paradigms for the Golf Club/Facility of the Future

- Personal Concierges
- Portability
- Social Spaces
- The Health Club Model
- Family Programming
- Create the ultimate Community —Literally and Figuratively

7. The Private Club of the Future—Adapting To New Realities

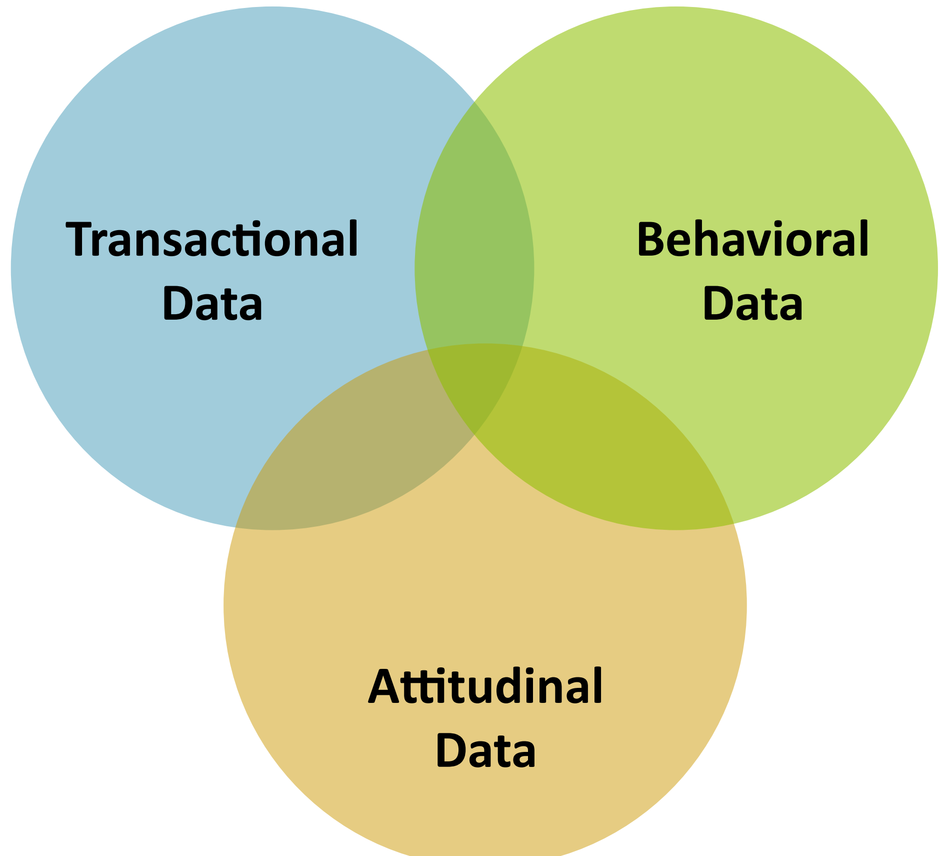
And It's Starting to Reap Dividends



Base: National Sample of Private Club Members

SPORTS & LEISURE RESEARCH GROUP

8. It’s About Customization and Personal Touches



9. Building a Brand Community Through Golf

What is a Brand Community?

- A specialized community, based on a structured set of social relations among admirers of a brand.
- Basic elements must exist to form a community
  - ✓ Consciousness of kind – we, not me mentality
  - ✓ Shared rituals and traditions – common culture
  - ✓ Sense of moral responsibility – obligation to each other
- Marketers play a vital role in establishing the basic elements

Sources: Albert M. Muniz, Jr. and Thomas C. O'Guinn, Brand Community in Journal of Consumer Research, Vol 27, March 2001
James H. McAlexander, John W. Schouten, & Harold F. Koenig, Building Brand Community in Journal of Marketing, Vol 66, January 2002

9. Building a Brand Community Through Golf

Marketers Are Building Brand Communities By:

- Providing long-term context for relationships to develop
- Creating opportunities for customers to experience the brands unrealized potential
- Recognizing loyal customers by providing incentives and rewards
- Fostering positive relationships with the customer, the brand, the company and other stakeholders including marketing partners

9. Building a Brand Community Through Golf

Consumers Engage Brand Communities By:

- Participating in events
- Serving as brand evangelists – carrying the marketing message into other communities - resulting in new customer leads
- Constituting a strong market for licensed products and brand extensions

Community

Brand

TWO WAY COMMUNICATION

10. Deliver a 2C2R Experience

LOYALTY MARKETING FOUNDATIONS

Communications

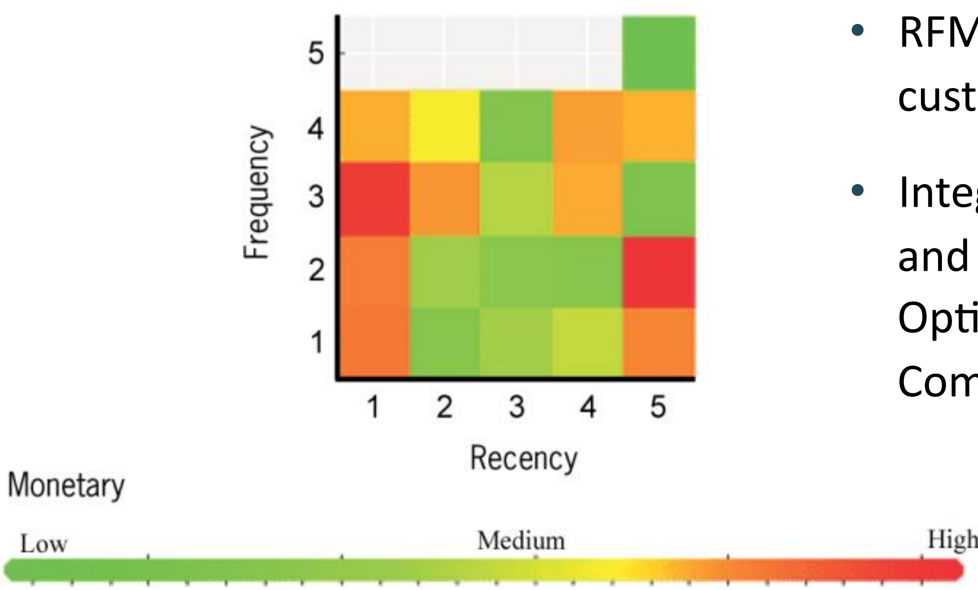
Community

Recognition

Reward

2C – 2R

11. Database Mining for Customer Insights



RFM Analysis Melds with Cutting Edge Concept Testing Research

- RFM Model to identify cells of "best customers"
- Integrate with Attitudinal Segmentation and Marketing Effectiveness Research to Optimize "One-to-One" Marketing Communication

12. Media Proliferation: More is More

MEDIA'S NEW INFLECTION POINT:

"With the proliferation of new media—those most engaged see new media as additive rather than as replacements for traditional, trusted sources."

– November 12th, 2013

MediaPost's MARKETINGsports

In fact, it appears to have **FUELED** *the consumption level of sports fans.*

Media Proliferation: How Golfers are Consuming Media

VORACIOUS.

Golfers are increasing their usage of all media channels to enhance their golf experience, and television, print and websites are most prevalent.

ADDITIVE.

In a fragmented environment, new media channels have seen slow but steady adoption. However, new media consumption isn't coming at the expense of traditional media.

DIFFERENT.

Golfers prioritize their media for golf in different ways than they do for other sports.

DIVERSE.

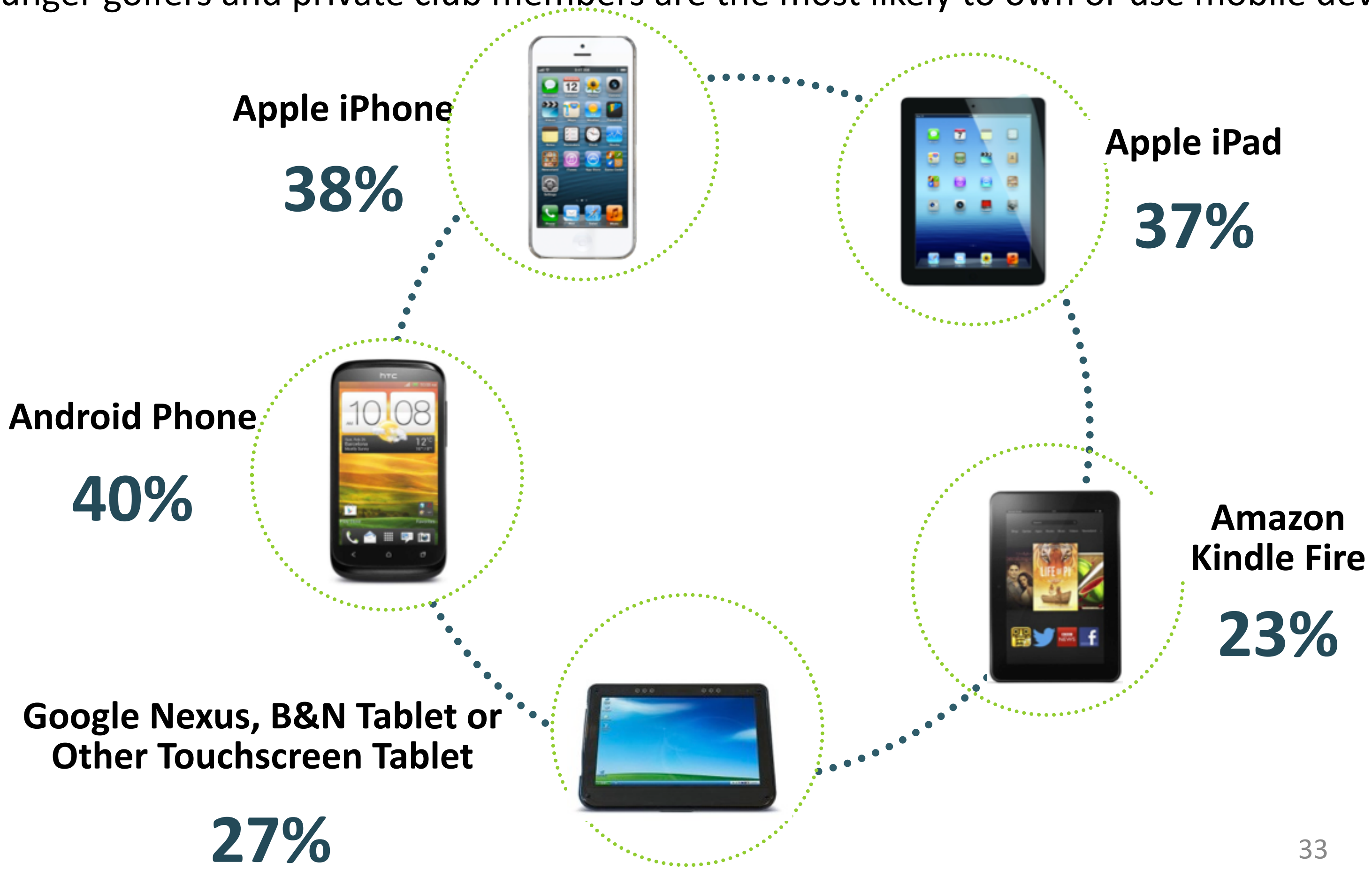
Cross platform usage patterns show golfers perceiving different media having unique strengths across various content areas.

ENGAGEMENT.

Print golf media shows particular strength in delivering content in an undistracted environment, while heavy DVR usage and multi-tasking behaviors create a conundrum for television advertisers.

High Rates Of Device Adoption

- 3 in 4 own or use a smartphone on a regular basis
- More than 6 in 10 (62%) own or use a tablet on a regular basis
- Younger golfers and private club members are the most likely to own or use mobile devices



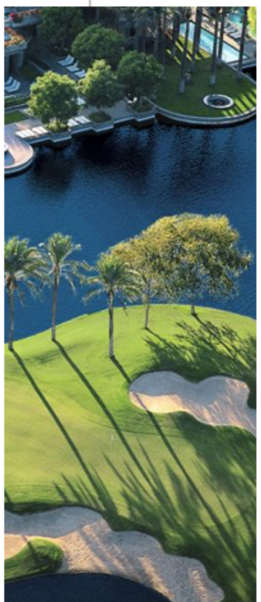
INTERNATIONAL ING NETWORK OF GOLF

Golf Marketing Trend Watch

In Summary: A Dozen Take-Aways To Optimize Your Golf Marketing

1. Understand How to Tip The Attractor/Detractor Scale In Your Favor
2. Go Beyond Golf's Two Crutches and Provide Consistent Value
3. Embrace Family-Centric and Multi-Generational Marketing
4. What about Those Millennials?
5. When Will we Truly Embrace Women?
6. Boomer Values Meet New Definitions For Retirement
7. The Private Club of The Future—Adapting To New Realities
8. It's About Customization and Personal Touches
9. Building a Brand Community Through Golf
10. Deliver a 2C2R Experience
11. Database Mining for Customer Insights
12. Media Proliferation: More is More

SPORTS& LEISURE RESEARCH GROUP



INTERNATIONAL
ING
NETWORK OF GOLF

Golf Marketing Trend Watch

Presented June 2, 2014 by
Jon Last, President
Sports & Leisure Research Group

SPORTS & LEISURE RESEARCH GROUP