

GOLF'S UNIQUE MOMENT:

Evolution and Growth in Unstable Times

Prepared by:
SPORTS & LEISURE
RESEARCH GROUP

**REGIONAL
SUPPORT
STRATEGY** ***SUMMIT***
THE POWER OF COLLABORATION

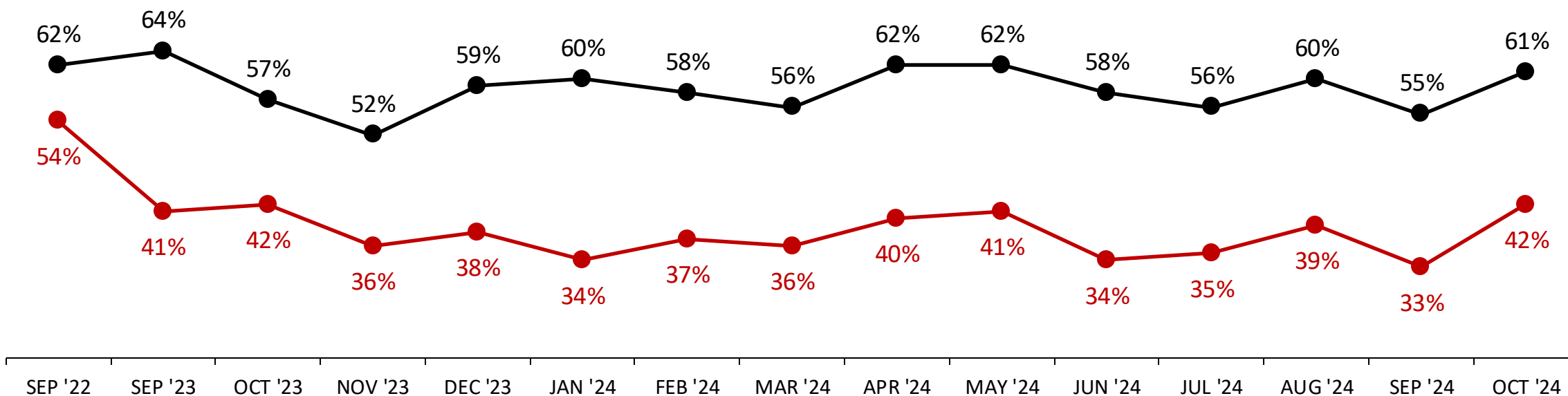
Economic Uncertainty Amplifies: It's Back to the Future

Q. Thinking about the current situation, please indicate how much you agree or disagree with each of the following statements.

TOP 3 BOX AGREEMENT

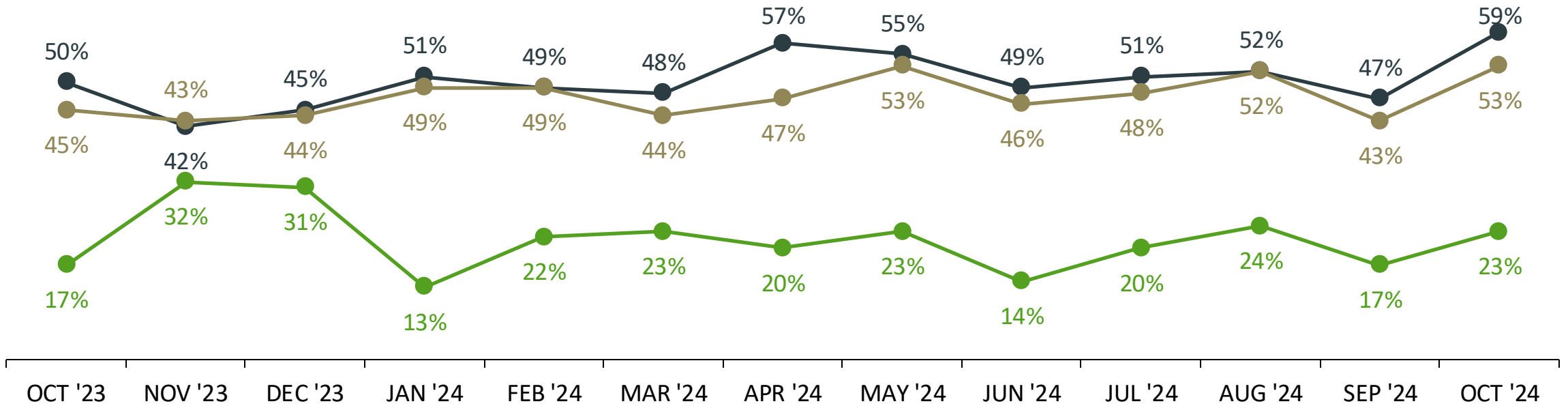
■ I'm more budget conscious today than I was two years ago

■ The economy is currently in recession



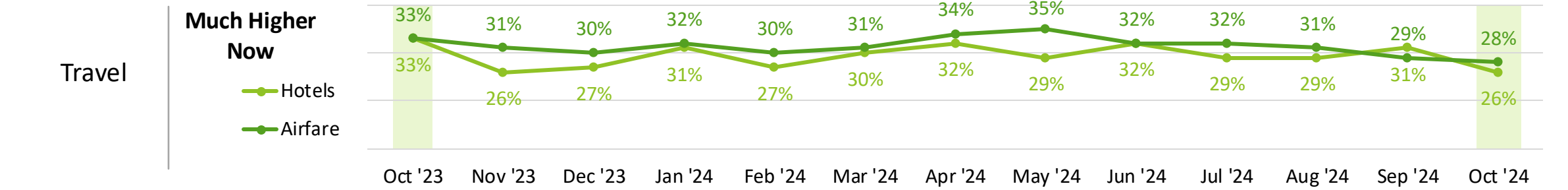
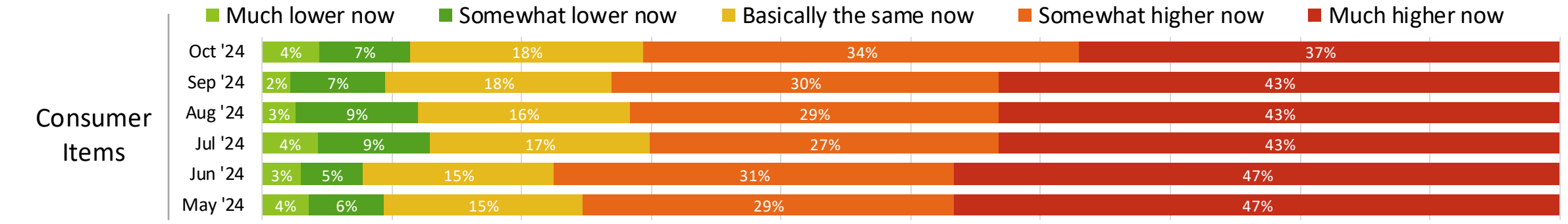
TOP 3 BOX AGREEMENT

- Today I have to make more difficult decisions about discretionary purchases than I did five years ago.
- I am spending less money on multiple items in response to price increases.
- If I see something I like, I don't worry about the price.

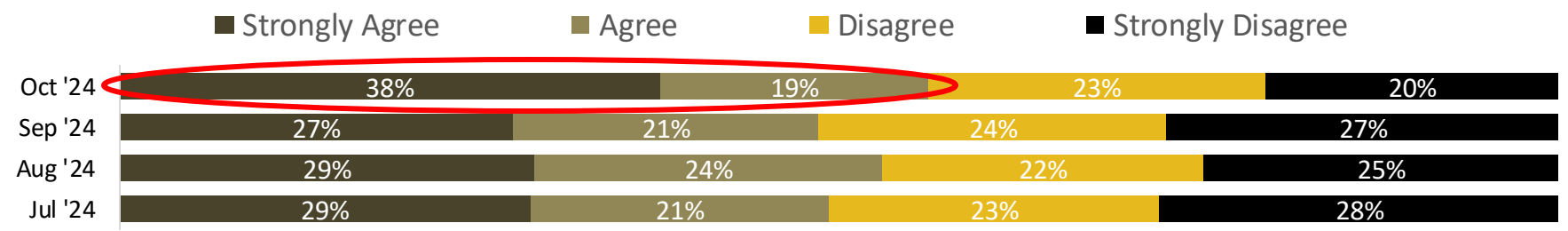


Nearly 60% Anticipate Improving Prices...But the Last Four Years Have Been Brutal

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



I believe that the cost of every day goods will improve in the coming months





Huge Lift in Anticipated Travel When the Dust Clears

TOP 3 BOX AGREEMENT

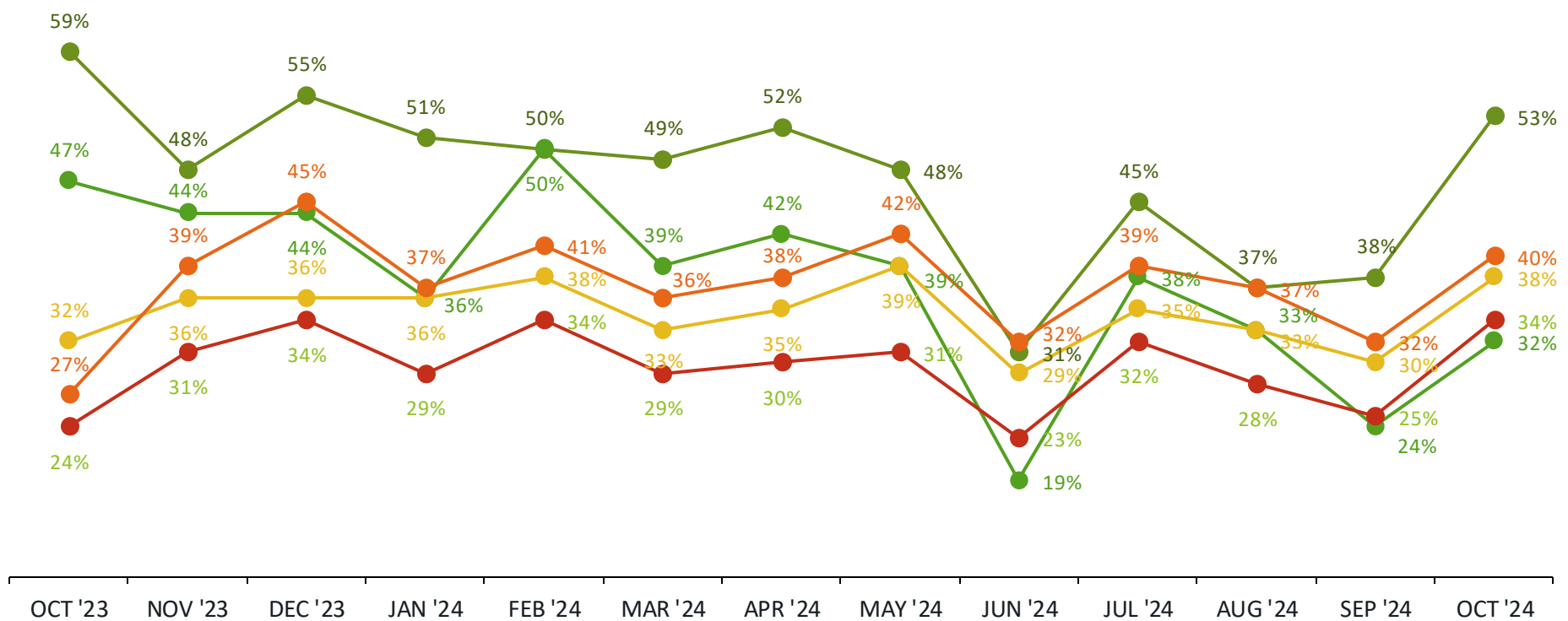
I'm likely to take a domestic business trip in the next six to twelve months

I plan to take the same number or more business trips over the next six months as I did in the six months prior to the pandemic

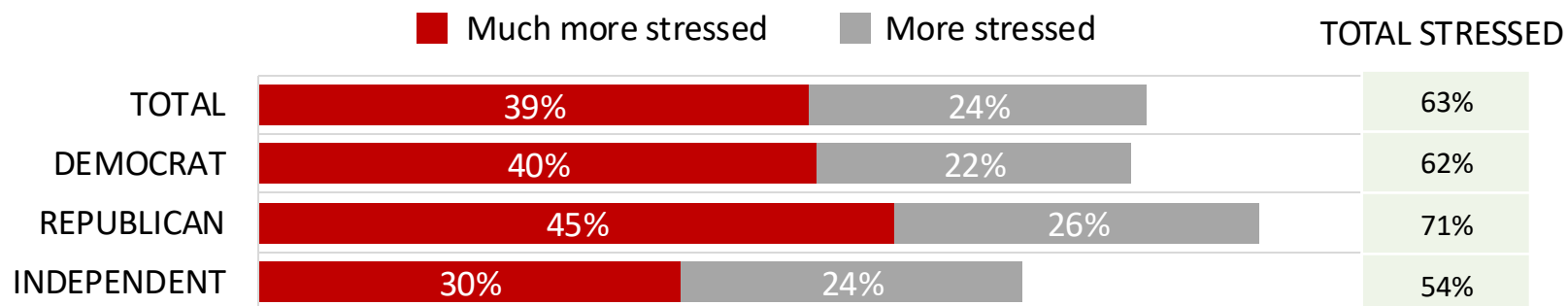
Taking a vacation of over 500 miles or more is a priority for me and my family in the next 12 months

I'm planning to take a major vacation next year

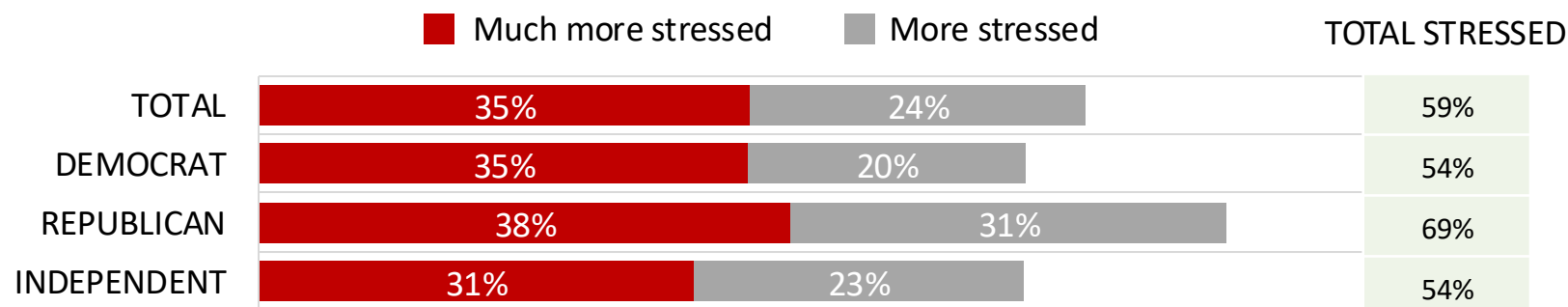
I plan to spend just as much or more money on travel in the next year as I did in the past year



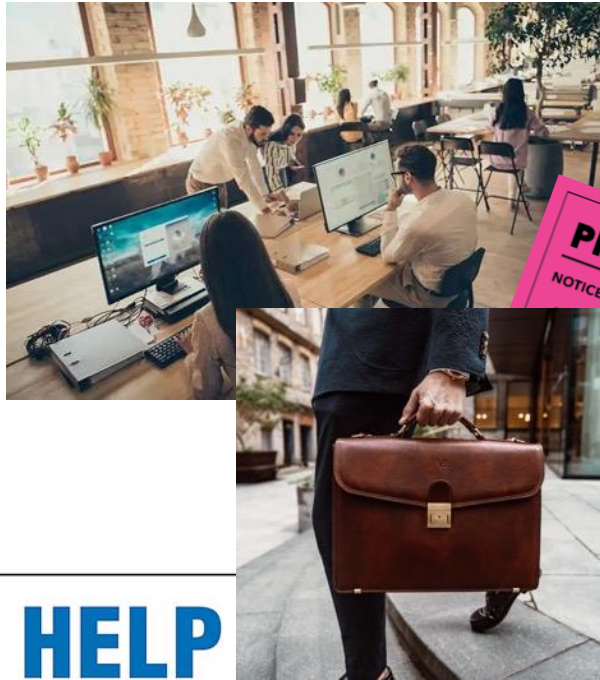
How does your current level of stress compare to one month ago?



What do you think your level of stress will be one month from now as compared to today?



Q. Looking ahead, please indicate how much you agree or disagree with each of the following statements...



TOP 3 BOX AGREEMENT

■ December '23 ■ September '24



In 2024, the economy will add more jobs than it loses

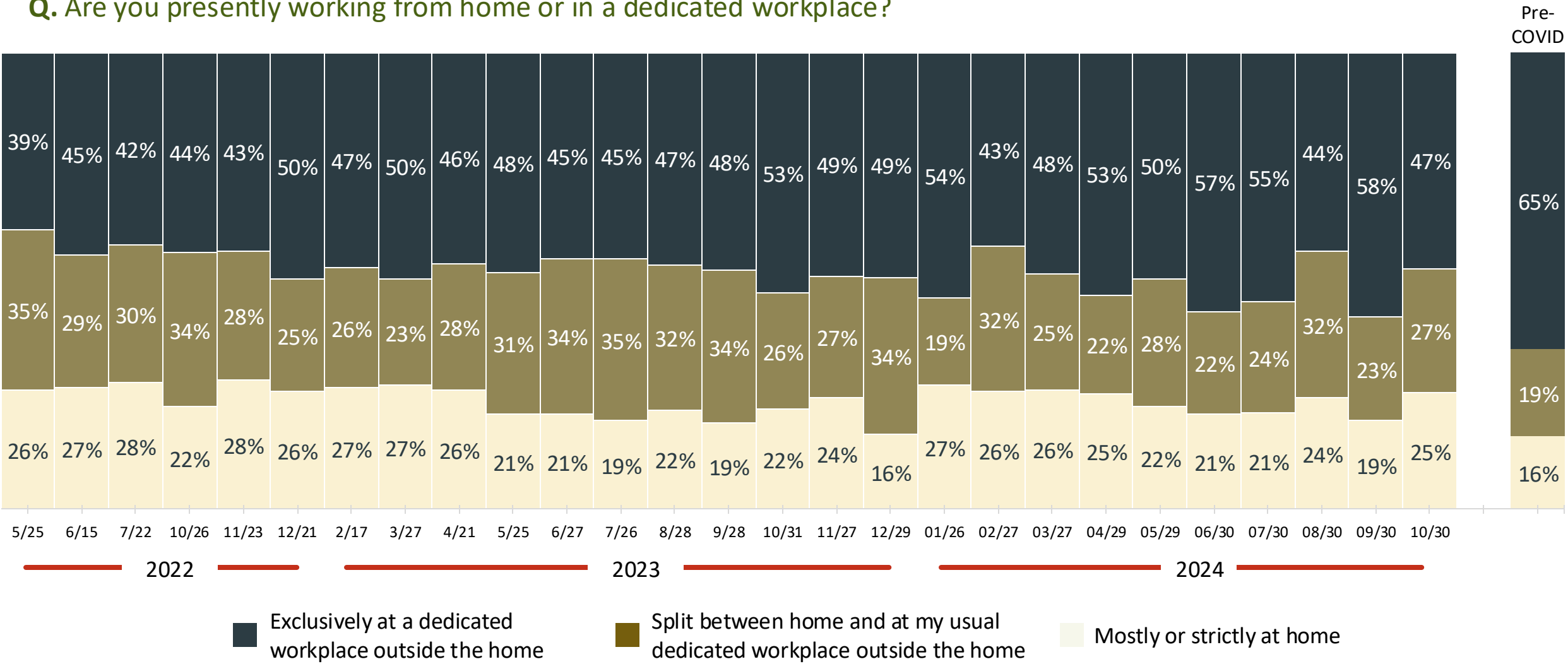
It would be easy to find a good new job today if I was so inclined

**HELP
WANTED**

Foundational Change in Work Habits Provides More Time for Leisure Activities Like Golf

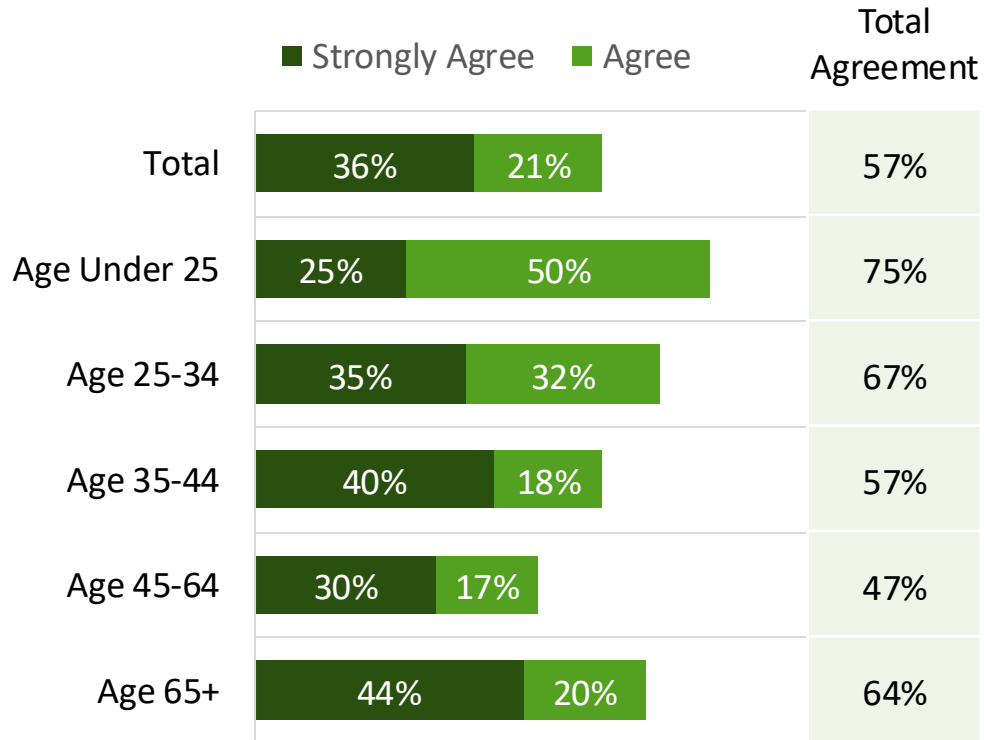


Q. Are you presently working from home or in a dedicated workplace?

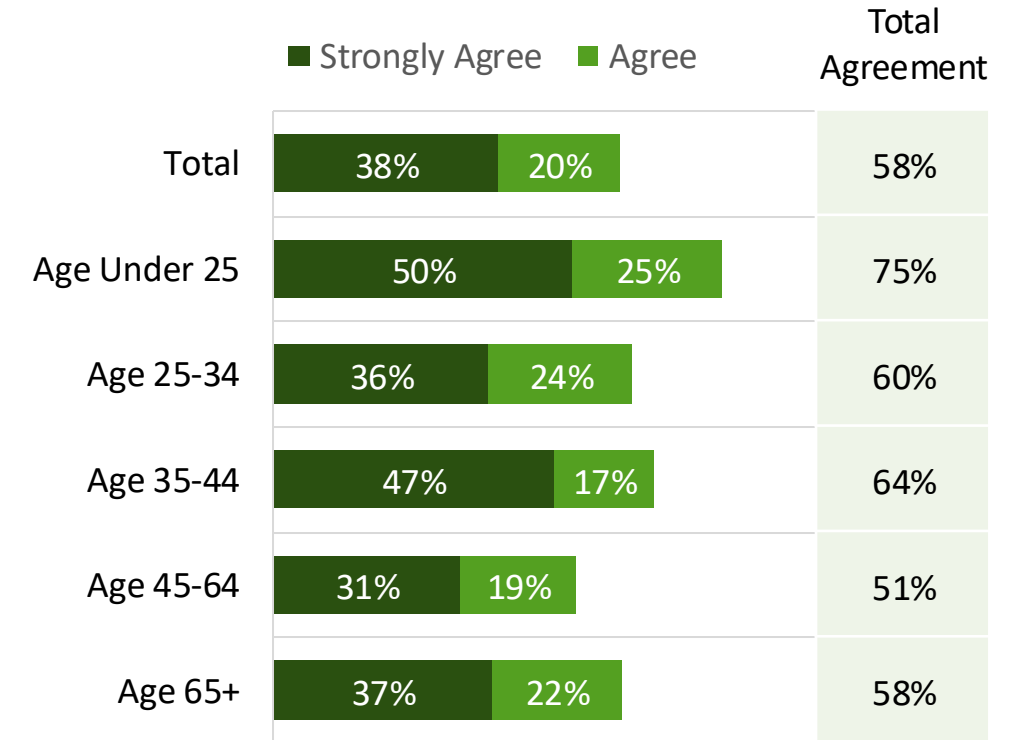


Younger Americans are Making More Time Available for Leisure

I have more leisure time available to me now, than I did prior to the COVID pandemic.

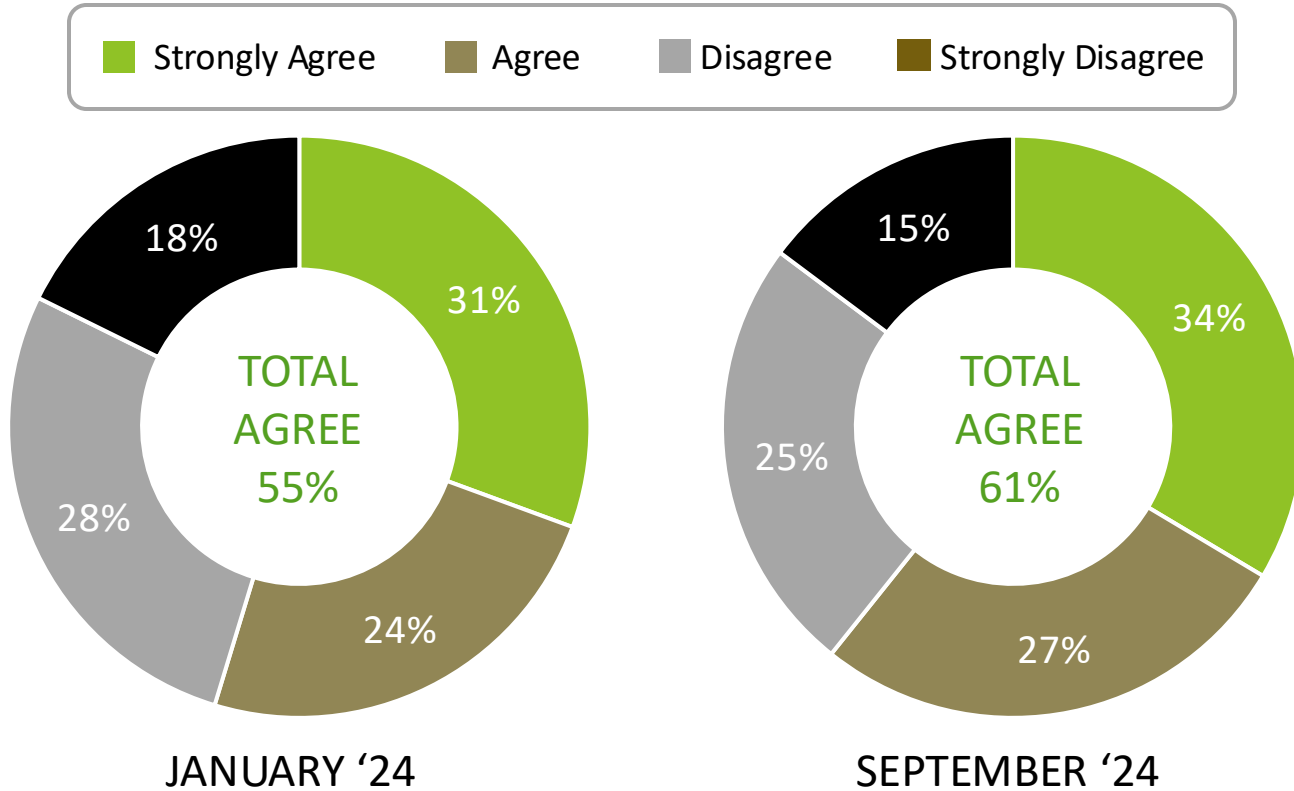


I have greater flexibility in how I can balance my work and personal time now, than I did prior to the pandemic.



Behind Consumer Spending: People are More Apt to “Live for Today”

My life philosophy is more about living for today than living for tomorrow.



• 77% of those aged 25-34 agree

Our Economic Oxymoron: The “Vibecession”



Only **24%** of Americans strongly believe that the country is on the right track.



61% strongly agree that *“I am more budget conscious today than I was two years ago.”*



72% agree that *“It has become very expensive to feed my family.”*



#1 concern remains inflation as the average household needs **\$11-\$14k** more annually to maintain pre-COVID standard of living.

YET...



61% have a philosophy that says, *“Live for today!”*



\$1.13 TRILLION of collective U.S. Credit card debt according to Federal Reserve Bank of New York.



57% strongly agree that people today are more selfish than in their parent’s generation.



72% concur that *“It’s important for my life to include a number of unique experiences.”*



\$84 TRILLION generational transfer over the next twenty years.

K Shaped Recovery

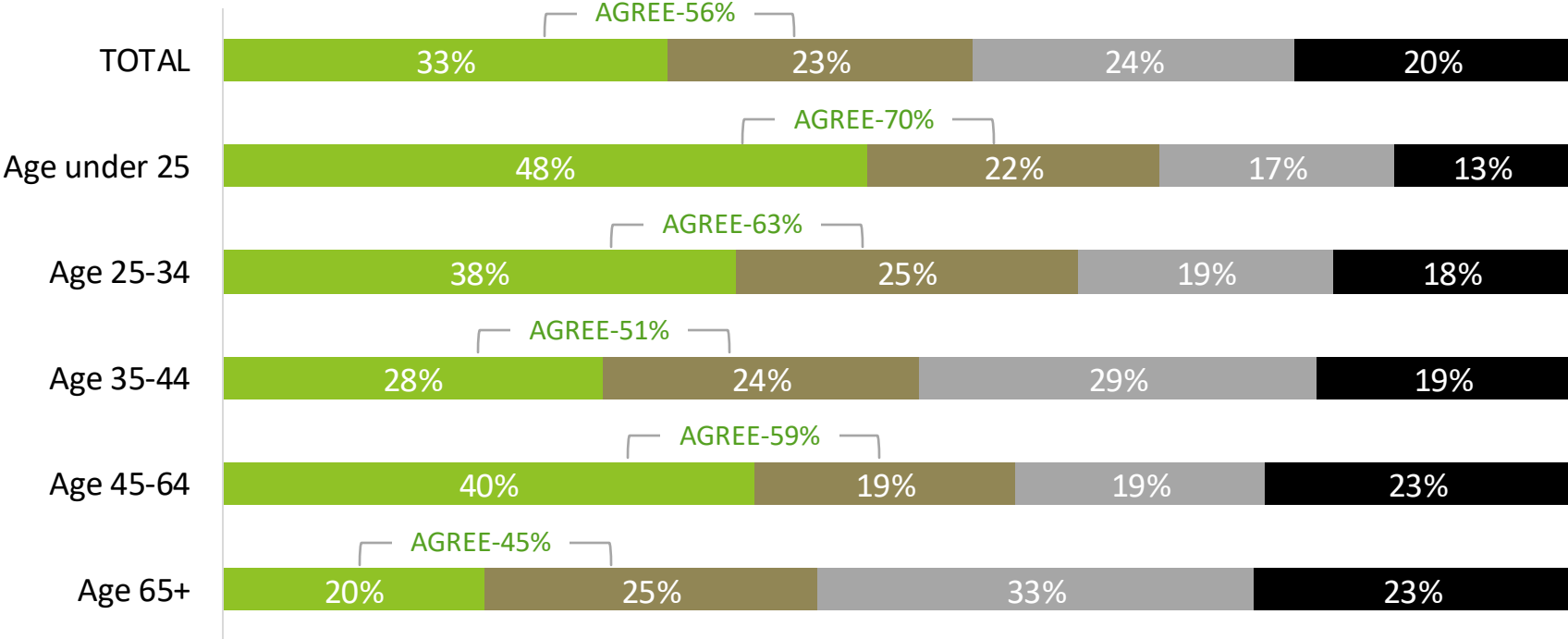
A Majority of Americans Feel that Their Lives are in a Holding Pattern



GOLF ONTARIO

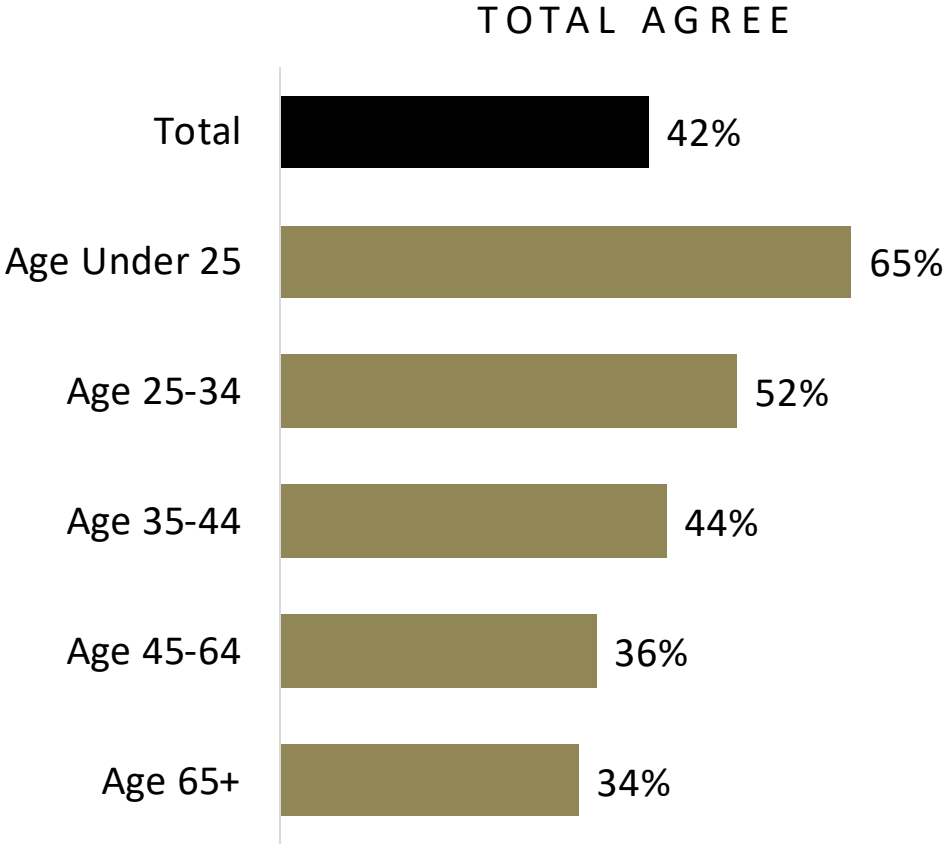
I feel like my life is in a holding pattern right now.

■ Agree Completely
 ■ Agree Somewhat
 ■ Disagree Somewhat
 ■ Disagree Completely



More than Four in Ten Americans are Feeling More Isolated

Compared to before the start of the COVID pandemic, I feel more isolated from the world around me.

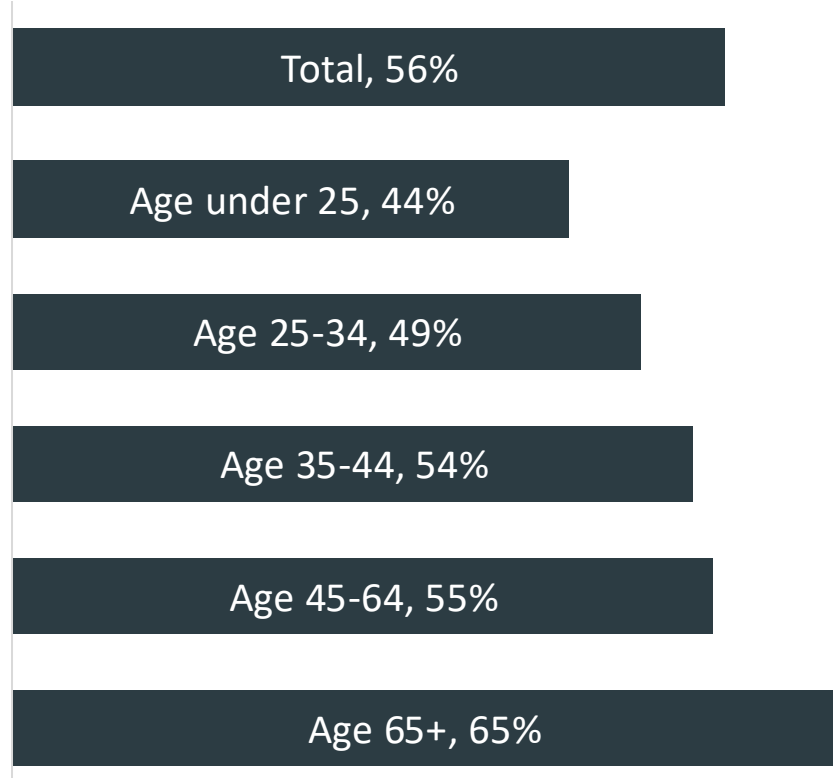




21%

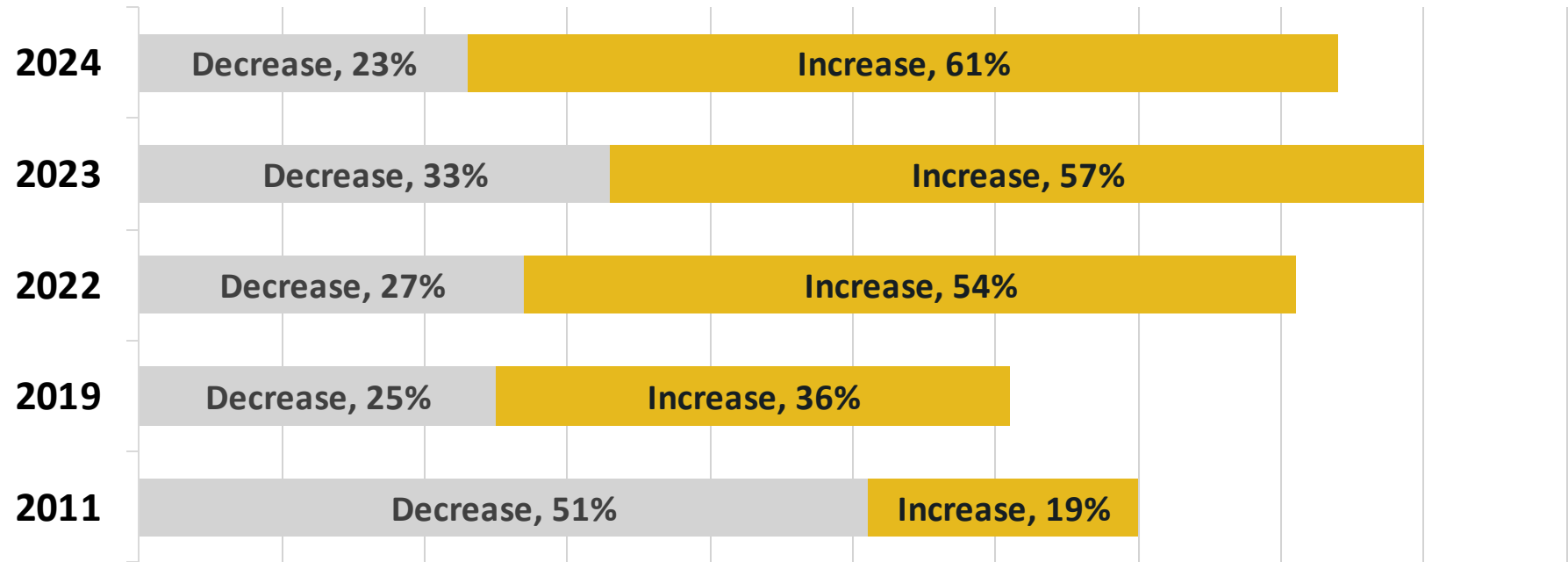
...strongly agree that they are busier at work now than they were during the Spring.

I need to exercise more than I currently do.



STRONG AGREEMENT

Membership Growth Update

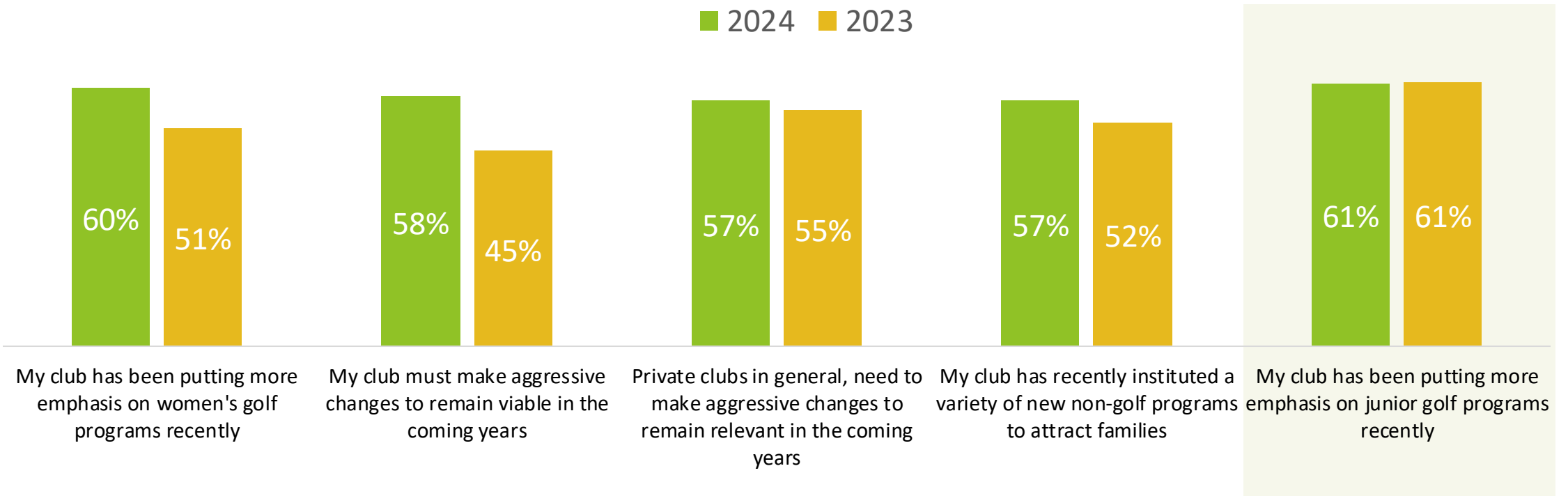


➤ **52%** report full memberships and/or a waiting list for new members....up from 39% last year!

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

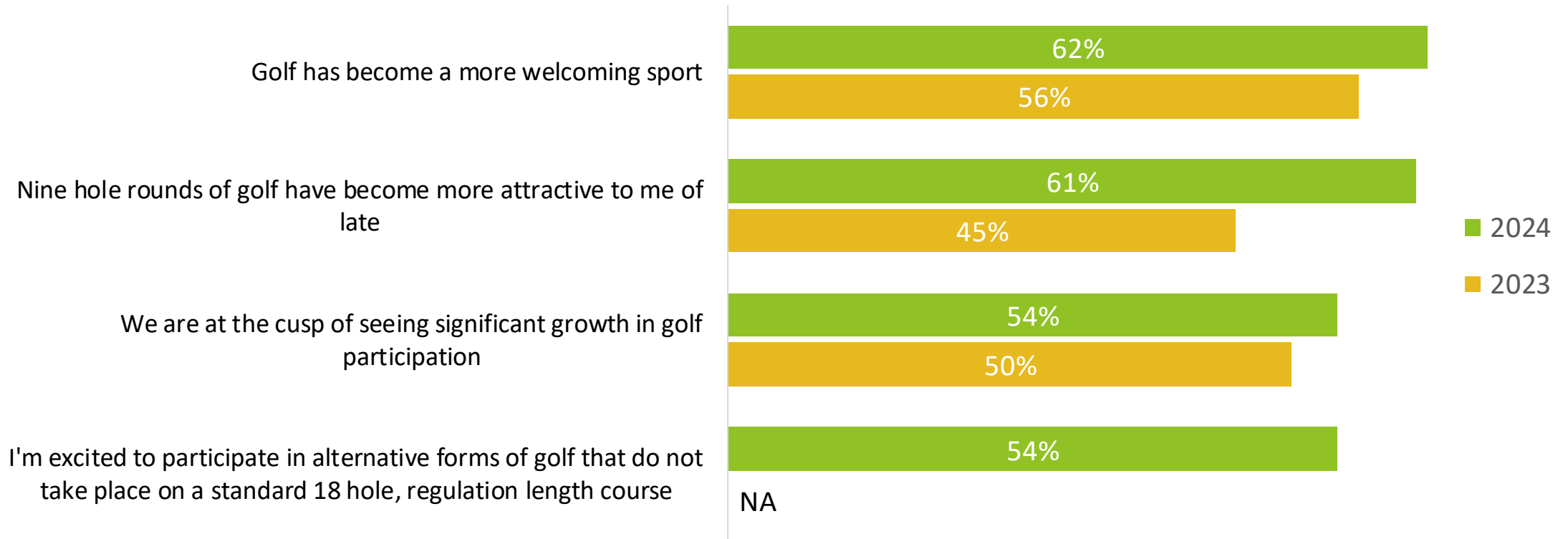
TOP 3 BOX AGREE

■ 2024 ■ 2023



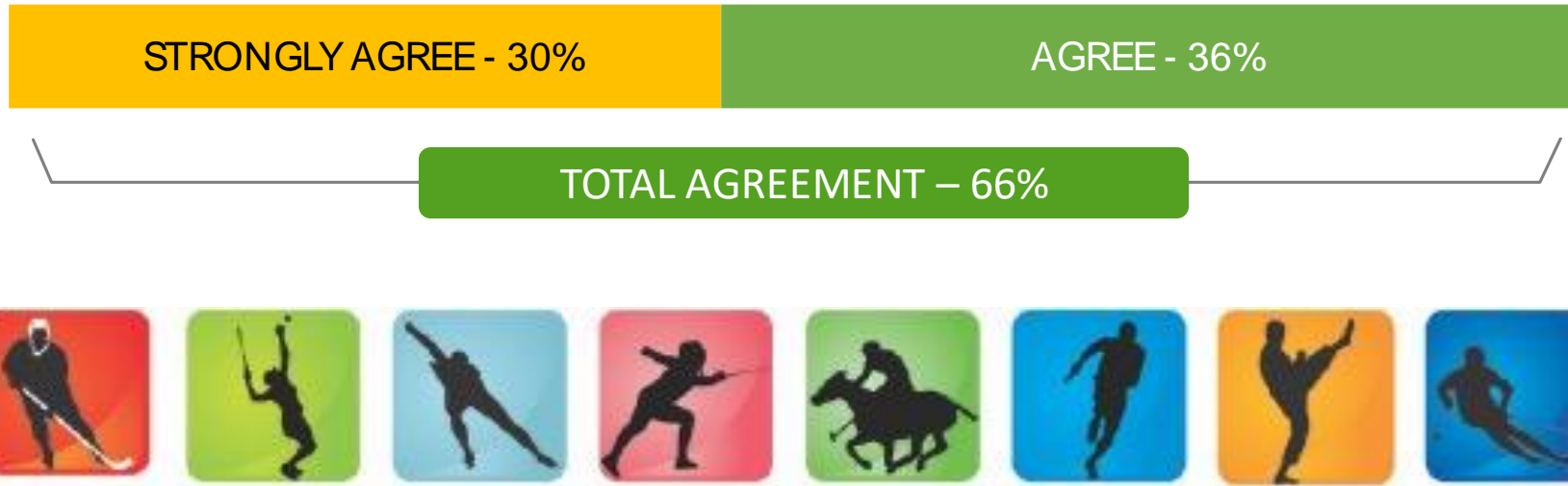
The Definition of Golf Expands for a More Welcoming Game

TOP 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.



- 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

	Reduced by 5% or more
	Reduced by 1-5%
	Flat or unchanged
	Increased by 1-5%
40%	Increased by 5% or more

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

	Reduced by 5% or more
	Reduced by 1-5%
	Flat or unchanged
	Increased by 1-5%
	Increased by 5% or more
	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

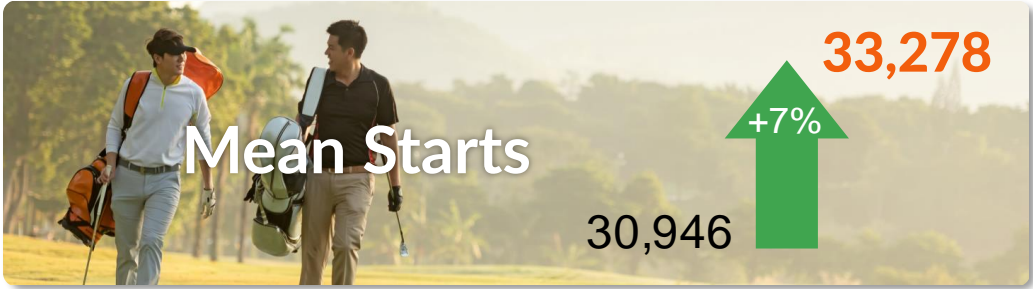


I'm concerned that the golf industry will push price increases too far.

■ STRONGLY AGREE ■ AGREE ■ DISAGREE ■ STRONGLY DISAGREE



Mean Starts Keeping Up with Mean Operating Budgets



Mean Operating Budgets

2023 Profitability
Relative to 2022

Expectations for 2024
Profitability Relative to 2023

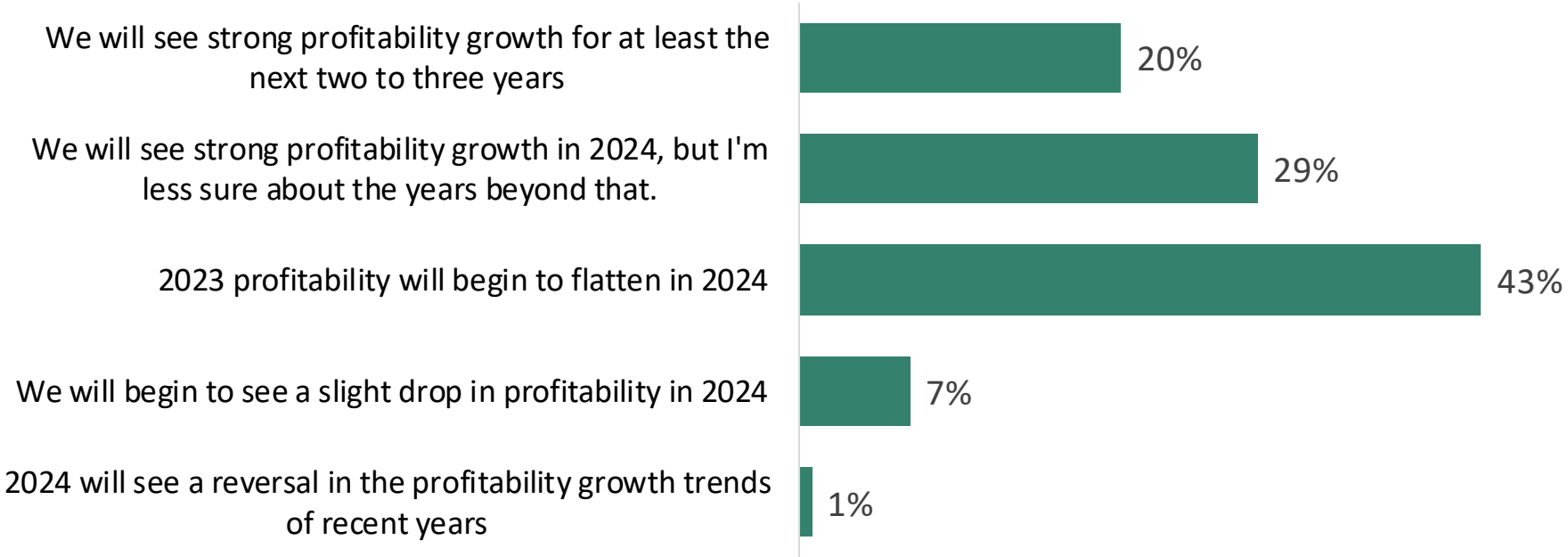
	We're down more than 10%	
	We're down between 5% and 10%	
	We're down less than 5%	
	We're flat or consistent	
	We're up by 5% or less	
	We're up by between 5-10%	
30%	We're up by more than 10%	10%

...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.



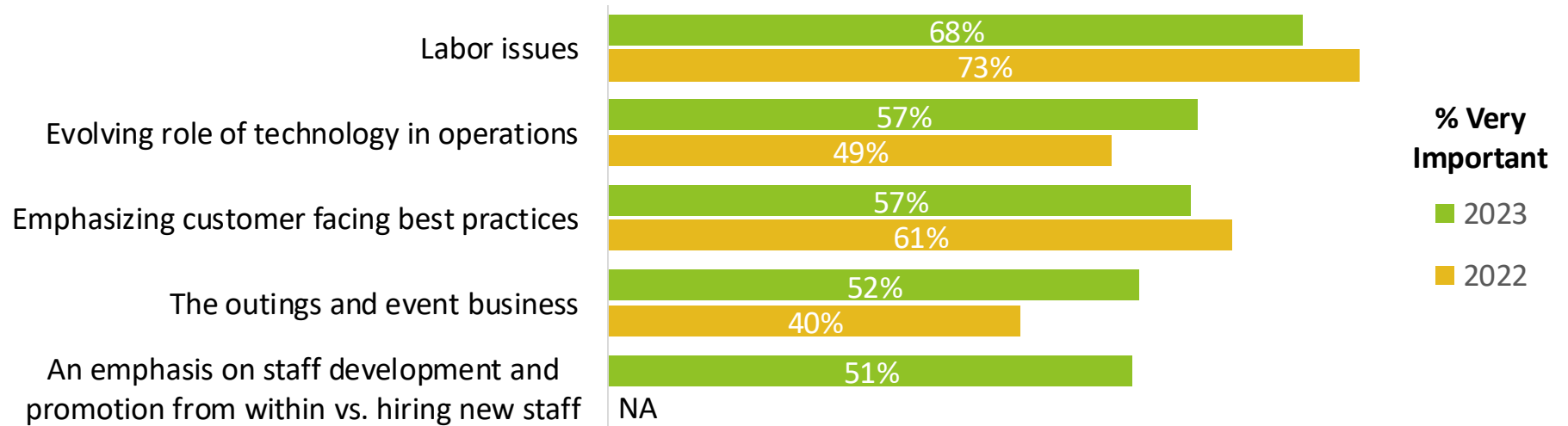
Q. Which of the following do you feel is most true regarding the short term future of the golf course industry?



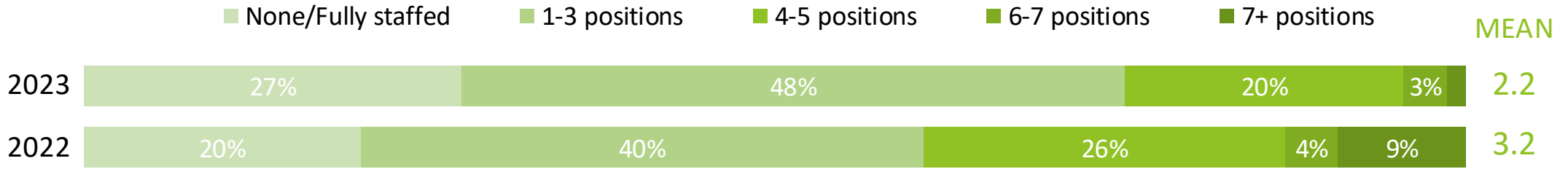
TOP 5 ISSUES

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%

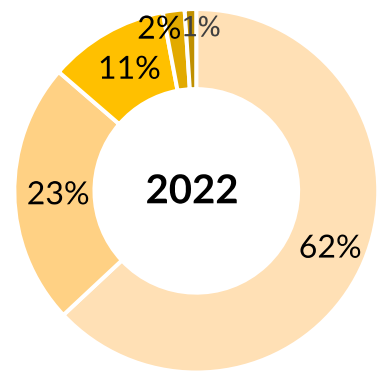
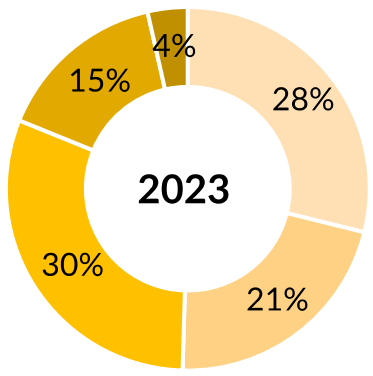


Q. During the 2023 golf season, how many open (unfilled) positions did you average at your facility?



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



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



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.



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%

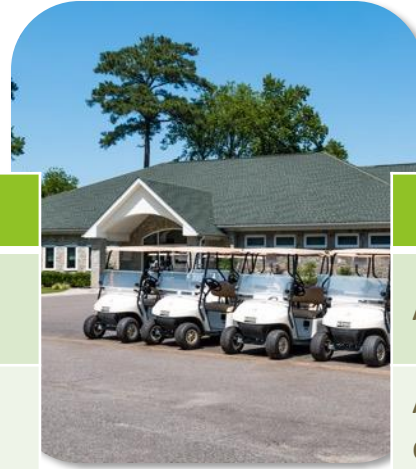


		2023	2022
+10	Presently utilize a food and beverage management system	73%	63%
+3	Re-imagination of F&B operations very important in the success of your golf facility over the next 2-3 years	45%	42%
+11	Restaurant/grill/bar environment very important in contributing to your customers' overall enjoyment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

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

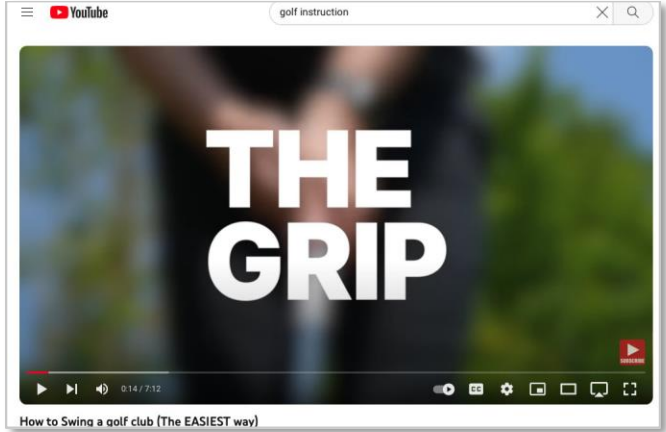


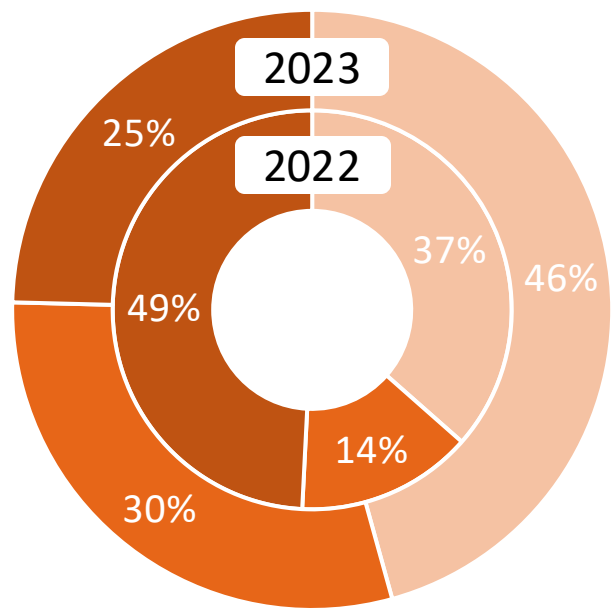
% Very Important	2023	2022
The conditioning of the golf course	95%	95%
A welcoming attitude toward women	82%	85%
Cost/value	80%	72%
The physical beauty and aesthetics of the golf course	80%	77%
Pace of play	76%	84%
A welcoming culture and programming	74%	NA
Golf shop staff readily available to greet 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”

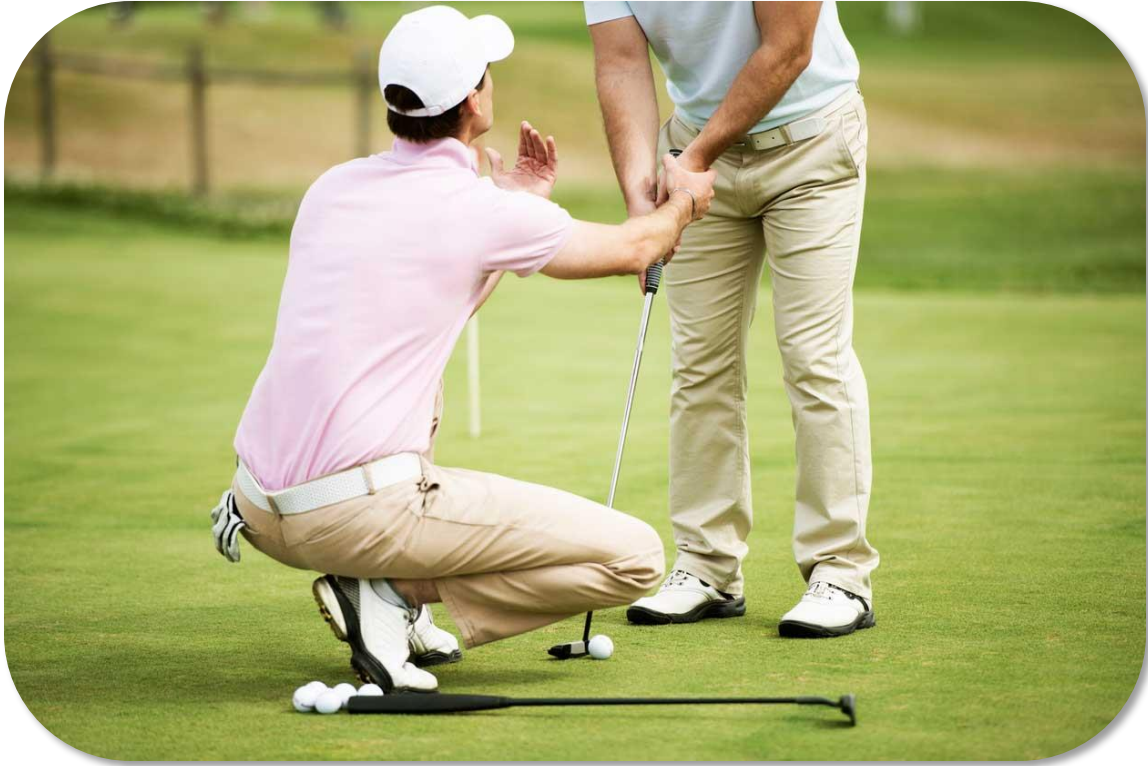




RANKED #1

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





- ▶ Broad consumer Imperatives (time and \$\$)
- ▶ Loyalty marketing
- ▶ Community engagement
- ▶ Big Data /Behavioral data meets attitudinal data
- ▶ How to use consumer insights to get better relationships with customers
- ▶ The Customer service Imperative
- ▶ Hyper local marketing