



TREND HUNTER

Nigel Harte reports on three major surveys on golf that have been carried out, detailing the lifestyle habits of your members, the attitudes of potential golfers and the fiscal performance of clubs over the two years 2010/11

There hasn't been a useful major survey on the golf industry since the answers to the Golf Club Membership Questionnaire were released by England Golf in 2010, and like London buses, with a deteriorating economy ensuring the need for one in that time has been greater than ever, three, all detailing industry trends, have come along at once.

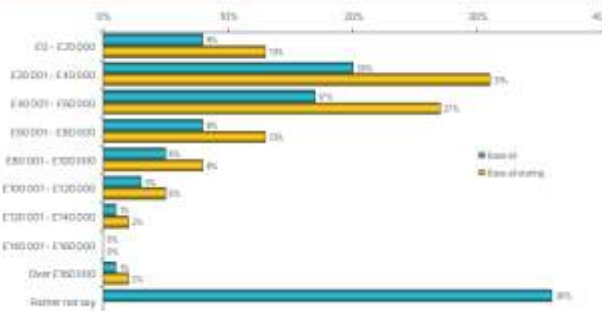
Members

The first, conducted by Sports Marketing Surveys on 1,431 members (1,228 male and 121 female; 231 aged 18 to 35, 1,015 aged 36 to 65 and 166 aged over 65) of the HowDidiDo online golf community – all members of golf clubs – provides a fascinating insight when it comes to marketing your club to potential members and improving the existing offerings to current members.

Sample Profile	Total	Age group (years)			Marital			
		18-35	36-65	66+	Single	Married/living together	Divorced	Widow
Male	1228	352	589	287	506	469	263	210
Female	121	17	95	9	74	45	15	24
Under 35 years old	231	100%	0%	0%	0%	0%	0%	0%
36-65 years old	1015	17%	87%	0%	14%	75%	1%	5%
Over 65 years old	166	0%	2%	98%	2%	8%	90%	0%
All	1431	35%	89%	0%	14%	83%	1%	1%
UK	1228	100%	100%	100%	100%	100%	100%	100%
EU	15	0%	0%	0%	0%	0%	0%	0%
Non Classified	188	30%	20%	50%	43%	33%	24%	44%
Single	143	0%	0%	0%	100%	0%	0%	0%
Married/living together	1115	0%	100%	0%	0%	100%	0%	0%
Divorced	143	0%	0%	0%	0%	0%	0%	100%
Widow	121	0%	0%	0%	0%	0%	0%	100%
Occupation	1431	12%	18%	70%	4%	74%	12%	6%
Self-employed	1228	0%	0%	0%	0%	0%	0%	0%
Manager	100%	0%	0%	0%	0%	0%	0%	0%
Other	43%	43%	43%	43%	43%	43%	43%	43%
Other	45%	45%	45%	45%	45%	45%	45%	45%
Other/Unemployed	1%	1%	1%	1%	1%	1%	1%	1%

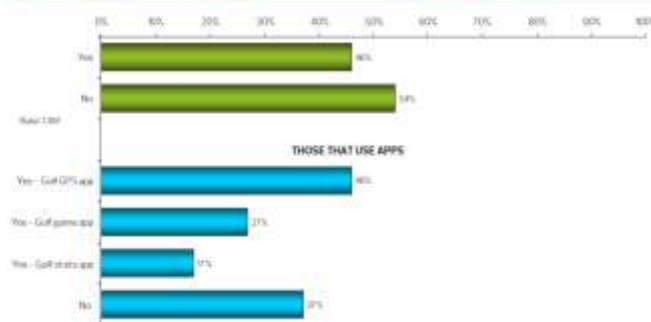
The survey found that 90 per cent of golf club members are white and British, and 68 per cent are married (only 10 per cent are single, the remainder live unmarried with their partners or are separated, divorced or widowed). Over 50 per cent have a household income above £40,000 per year, but less than 10 per cent have an income higher than £100,000 per year. Over a fifth of those polled are retired, and a similar amount are senior managers or directors / chair of companies, while 16 per cent are skilled manual workers, four per cent are students and just one per cent of golf club members are unemployed. Over 80 per cent own at least one credit card. Eighty three per cent own their own home, with 37 per cent of those having paid off the mortgage. Seventeen per cent of respondents own at least one other home.

Household Income Before Tax



Finally on technology, of the 46 per cent of golfers who own a smartphone, just under half have downloaded a golf GPS app, just over a quarter a golf game app and only 17 per cent have downloaded an app that deals with golf statistics. Over a third have never downloaded a golf-related app.

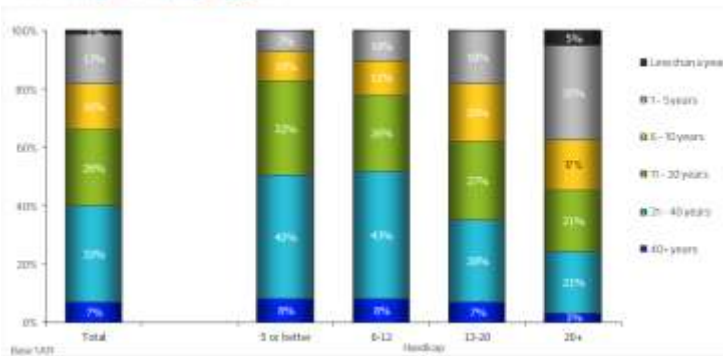
Use of Apps on a Smartphone or Home Computing Device



When it comes to golf, members of the HowDidiDo community have been playing golf for a while – seven per cent for more than 40 years, and two-thirds for more than 10 years. Just one per cent have been playing for less than a year and everyone in that category has a handicap of 20 or higher, but 64 per cent of those who started playing golf since 2006 now play off a handicap of 20 or lower and 60 per cent of those aged between 18 and 35 are either a category 1 or 2 player. There is very little difference in the profile of those playing off handicaps ranging from scratch to 12, although there are regional differences between profiles. Over 50 per cent of Scottish golf club members have been playing for more than 20 years; only 32 per cent of Welsh golfers have played for that long. The profile of the British person most likely to have started playing golf in the last five years is a woman from northern England aged 18 to 35.

More than three-quarters of golf club members play golf at least once a week (with 88 per cent of female members playing this frequently) and just five per cent of members play twice a month or less. This is far higher than the last survey, in 2009, of membership behaviour, which found approximately 40 per cent of club members play golf weekly, which perhaps reflects the profile of HowDidiDo customers, who often log in once a week to compare their most recent scores with their golfing rivals. However, all handicap groups in this survey have significant (ranging from 11 to 17 per cent) proportions playing less than weekly.

How long been playing golf



Two in five golf club members have taken a short domestic golfing break in the past year and one in five have taken an international golfing break of at least four days in the last 12 months.

When it comes to other, non-golfing leisure activities and interests, a fifth of club members are cyclists, 15 per cent swimmers and a half are interested in motorsports, 56 per cent in rugby and 64 per cent in football. Away from sports, more than 50 per cent of golfers are interested or very interested in each of computers, travel, cooking, health, film, popular music, garden and nature, DIY, cars, politics and animals. The only category that less than 50 per cent said they were interested in was ‘arts culture’. However, 32 per cent of responders stated that they do not have

as much leisure time as they would like, and, at the other end of the spectrum, five per cent of those aged over 65 said they get bored because they have too much leisure time. Perhaps of concern is that just 23 per cent of club members disagree with the statement ‘I often find that a lack of money restricts what I can do in my leisure time’. Those that most agreed with it were younger men with a C1C2 or DE social grade living in Northern Ireland.

Perception of Leisure Time Available

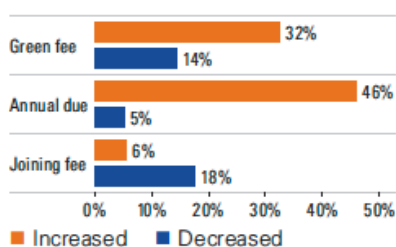
Leisure time	Total	Gender		Age			Social Grade			
		Male	Female	18-35	36-45	Over 60	A8	C1C2	DE	N/C
Base	2433	1225	121	213	1013	199	457	955	95	293
There are so many things I have to do I don't have as much leisure time as I would like	32%	32%	33%	30%	35%	30%	30%	37%	41%	18%
I have leisure time, but there's a lot of things I want to do with it	37%	38%	35%	39%	37%	43%	37%	38%	38%	41%
I have enough leisure time	25%	25%	23%	18%	24%	41%	38%	25%	12%	36%
I sometimes get bored with the amount of spare time I have	5%	6%	2%	6%	6%	1%	2%	9%	7%	4%

Potential golfers

The second survey also looked at the attitudes of golfers.

The One Poll survey of 1,000 UK consumers, commissioned by Burhill Golf & Leisure, which owns and operates several golf clubs, found that 68 per cent of 18 to 24 year olds are not aware of public facilities where anyone can learn and play, or thought that you had to be a member of a private golf club in order to play golf. This was the case even though 39 per cent of 18-24 year olds were inspired to try golf for the first time following Rory McIlroy's success at the US Open Championship in June.

Changes in pricing



Source: Golf Benchmark Survey

Note: The rest of courses maintained the same pricing as in 2009.

Across all ages, 56 per cent said they were not aware of public pay-and-play facilities, raising concerns that golf is still perceived as an elitist, private club sport.

Colin Mayes, chief executive officer of Burhill Golf & Leisure and chairman of the UK Golf Course Owners Association, said: “The misconception that exists among young people, and more broadly, is that in order to play golf you have to become a paid up member of a private club with a strict dress code and a long list of rules. A lot of people just don't realise there are pay-and-play courses open to everybody; they don't realise they can just come in and play.”

However, Colin Mayes believes there are opportunities for golfers – and golf courses – to increase participation in the sport.

“It's very clear that golf needs to open up and to be open for everybody. There is always a place for traditional clubs, however, our seven golf centres and three golf clubs are open to everybody – and that's the way it has to be. We encourage families and youngsters to play and we have implemented a schools' programme introducing children to golf and that's the way golf has got to go.

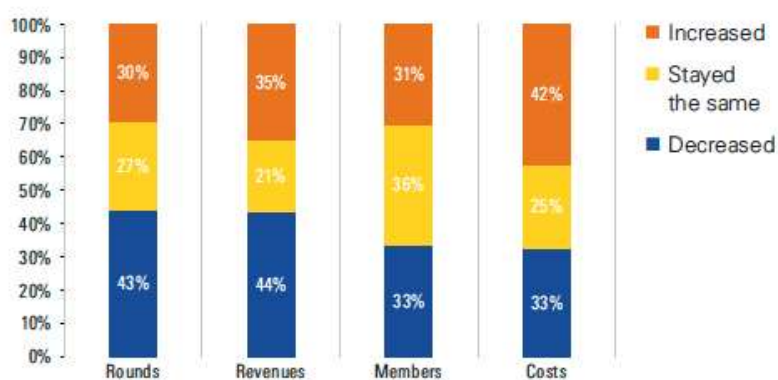
“We run school holiday fun days and golf camps for children and some of our centres are attracting 10 to 20 per cent more juniors year-on-year. One of our venues, Birchwood in Kent, now has more than 400 juniors registered to play on our nine-hole short course, which is a great way to learn how to play.”

The industry

The final survey, conducted by KPMG (throughout 2010 and 2011), examined how the global economic situation has hit 350 golf clubs in Europe, the Middle East and Africa (EMA).

It found that in 2010, almost half (43 per cent) of all golf facilities reported a drop in the number of rounds played (one-third saw a rise) and 44 per cent saw reduced revenues. However, half of all golf courses were profitable in 2010, although a quarter did make an operating loss. Two-thirds of all clubs have cut costs, but only one-third have effectively managed to decrease expenditure. Nearly half (45 per cent) have made staff redundant, with other cost-cutting measures being reduced course maintenance (36 per cent), clubhouse maintenance (29 per cent) and marketing (22 per cent – although over 40 per cent of golf clubs have ‘changed’ the way they market themselves over the last two years). Meanwhile, 18 per cent of clubs have reduced or removed joining fees, 46 per cent increased annual subscriptions and 32 per cent increased green fees whereas 14 per cent reduced them.

Overall performance of golf facilities in EMA (2010/2009)

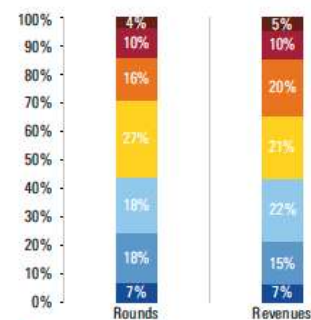


Source: Golf Benchmark Survey.

However, KPMG concluded that just seven per cent of golf clubs have an efficient business model that displays increasing revenues and decreasing costs, and one in 12 owners are considering selling their facility.

Of the individual golfing regions surveyed, Eastern Europe fared particularly badly, with eight per cent of clubs doing extremely badly and just 31 per cent doing well. By contrast, nearly three-quarters of clubs in the Middle East and North Africa are performing well at the moment. For Great Britain and Ireland, only two per cent of clubs reported a very poor business performance in 2010, with a further 15 per cent judged as ‘poor’ – this was a better result than both western Europe and South Africa. Nearly half of all British clubs (45 per cent) performed well or very well in 2010, slightly better than the average for the entire EMA region and more

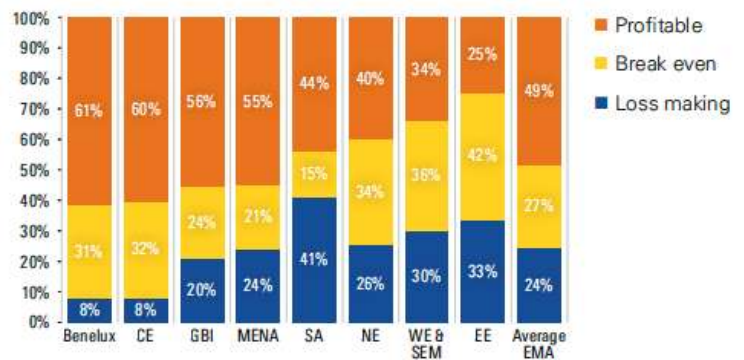
Growth tendencies of rounds and revenues 2010/2009



Source: Golf Benchmark Survey.

than half of British clubs (57 per cent) made a capital investment last year. Similarly, more than half of British clubs, 56 per cent, made a profit in 2010, with 24 per cent breaking even and 20 per cent making an operating loss. The survey also found that club managers in the UK and Ireland are the most pessimistic about the future than everywhere else in the EMA, including even the eurozone countries. Just 44 per cent of British club managers think their clubs will report better financial results in 2011 than they did in 2010, significantly lower than every other country surveyed. The majority of British managers, in fact, do not think they will reach the same performance levels as their clubs did in 2007, until at least 2013.

Profitability of golf courses by region (2010)



Source: Golf Benchmark Survey

“When the economic crisis unfolded in 2008, many expected a recovery in the economy by the end of 2010,” said Andrea Sartori, a partner at KPMG Advisory. “In fact, when KPMG’s Golf Advisory Practice conducted a survey among golf club managers in Europe, Middle East and Africa in late 2009, approximately 60 per cent of the respondents forecasted a return to pre-crisis performance by the second half of 2010.

“Our report shows decreasing demand for the game in several countries in Europe and, above all, in its largest and oldest golf market, Great Britain and Ireland. We can presume that decreasing participation in the game is leading not only to fewer club members but also to reduced rounds played and revenues achieved. Not only is business performance in the UK poor, but golf course owners are pessimistic about recovery.



“Golf clubs have been active in cutting costs, including staff and maintenance budgets, as well as changing pricing and marketing strategies. For some, this will have improved their performance or mitigated the ongoing effects of the economic downturn. However, it is clear from the number of loss-making golf facilities that market forces continue to impact on the performance of golf courses.

“We hope that the strategic approach of more and more golf course owners and managers will contribute to a more successful business year, and that improved market conditions will allow for higher performance levels.”

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