A
ter a few very tough years following the global credit crunch and the wider unfolding of the economic downturn in 2008, the emergence of stronger activity within the lifestyle real estate market and a revival of golf projects is offering a positive outlook, with prominent transactions taking place in various parts of the world, including the U.S. market. Nevertheless, the last 5 years have left their mark on the golf market, with supply growth significantly slowing down and participation rates stagnant in many regions.

The U.S. has approximately 29 million golfers, however, trends indicate that the “traditional middle-aged male” golfer continues to exit the game. Supplementary to this is the emergence of increasing participation from junior and female players. The impact of this demographic shift continues to enhance the game on a variety of levels and promote unique (and profitable) opportunities to those facilities that have the courage to embrace this diverse new frontier.

There is no doubt that with the inclusion of junior and female participations, the increased patronage is beneficial for the sport and one that has come at a much needed time. However, this diometric shift in the market segment has resulted in courses, clubs and all golf associated venues (including casinos) to rethink their marketing strategies to fully embrace the evidentiary change, and ultimately lead to increased profitability.

Recent studies have concluded that golf still remains a financially stable industry despite the recessionary conditions that have plagued the industry for almost a decade. The sport accounted for more than $25 billion in sales throughout 2014, with more than $3.5 billion originating through the online market. In addition, one in every four golfers will purchase more than $200 worth of equipment, clothing and other golf related products each year through online retailers. To further illustrate the impact of online sales, almost 17.5 million golfers will book their travel to destination courses through an online service during 2015.

Golf in the modern era is more than just a sport, it is now a lifestyle statement, a niche outdoor activity which many endeavor to be associated with. With a historical sense of luxury attached to the sport, coupled with the recent expansion of junior and female players, it becomes a challenge to maintain a certain standard when it comes to services at golf clubs and their associated amenities. A broader range of members now have increased expectations of their local clubs to fulfill a variety of diverse leisure activities. However, in return they are willing to engage with the facility on a far more intimate and family-oriented level.

So, the question becomes, how does the golf course facility embrace and benefit from this change? Attracting people to the courses is one thing, but providing an experience that makes people return and also refer others is something else. In today’s golf market, golf course operators and managers need to look at the entire facility in a more holistic manner. Although the initial goal might be an architectural statement or reduced maintenance costs, if that’s all you consider, you may be making a mistake.

There are three critical components associated with modern golf course management that are essential to maintaining current membership levels, and attracting new patrons: embracing women and junior patrons; engaging with the local community; and inclusion of reciprocal playing rights.

Embracing Women and Junior Patrons

Tradition is the underlying backbone and culture of what makes golf great. But to continue to encourage more women and juniors to come to the game, the idea of breaking certain customs must be considered.

Let’s fully embrace the concept of nine-hole rounds, for one. Time is one of the things many newcomers cite as a deterrent to picking up the game, and often is the biggest reason they leave it. The modern day lifestyle in the U.S. is fast-paced, with most players juggling work, family and other lifestyle choices on a daily basis. In response, venues need to encourage nine-hole tournaments, nine-hole rates at any time of the day and nine-hole handicaps.

Newcomers also find the game too difficult. If you look at greens-in-regulation averages, there’s a considerable gap between men and women. That’s why the average handicap for men in the United States is 14.5, but for women it’s 26.8. In truth, the difference between the genders is less about skill and more about physical strength. Shorter forward tees are a good start, but the more reasonable solution would be to adjust par to make it one, two or three strokes higher for women. Achievable goals mean more enjoyment.

Finally, with both women and juniors, golf should not be the only amenity available at golf-oriented venues, particularly where stand-alone facilities lack the diversity associated with larger country clubs. Venues should be willing to have additional facilities that promote increased engagement with the overall location and offer complimentary services such as child-care, health and spa amenities and even gymnasiums that attract women and juniors, and keep their level of engagement post completion of the golf round.

There will always be men’s golf and women’s golf. But the less gender-specific the conversation, and just talking about
golfers instead, the better it will be for the future of the game. There’s an enormous opportunity for all golfers to finally become equals and as patrons of the game, properties should continue to take advantage of that opportunity at all levels.

Engaging With the Local Community
The game of golf has long been associated with an elitist and non-considerate mentality towards the environment and its associated surrounds. This is no longer the case. Golf facilities not only offer recreation, but also provide an environmental sanctuary to numerous plant and animal species. Due to the negative media coverage often associated with golf venues, most don’t realize the cleansing effect golf courses have on air and water, which filters through local communities.

Golf courses provide community green spaces that offer not just recreational opportunities for people, but key sanctuaries and habitat for wildlife. The trees and turf grass produce vast amounts of oxygen while cleansing the air of pollution and cooling the atmosphere. Through a variety of organizations and the recent engagement with local community groups, golf has made great inroads with the local communities that once despised the concept of having a local course in their “backyard.”

Education is a key element to engaging the local patron to the facility. Many courses have taken the opportunity to partner their facilities with local schools. This combination initially offers increased playing participation for juniors, but also provides a diverse natural environment from which students can learn about the unique ecosystems associated with maintaining and often enhancing the environmental fabric at local levels. Junior sponsorship of holes is another element recently employed by progressive golf venues, where students work with the superintendent to manage a golf hole throughout the season. The benefits associated with this are far reaching, with recent reports associating a greater interest in the local environment, coupled with increased junior membership across all ages.

Golf-based venues are diversifying the local landscape with bird watching, nature preservation and other environmentally-based tours. These engagements have a broader reaching aspect of success, with patrons participating in moonlight tours to golf venues to interact with the landscape outside of the traditional playing condition. Environmentally-based programs reach players and non-players alike, with increased participation and membership at these locations up as much as 47% annually.

This engagement offers particular opportunity to venues such as casinos, resorts and other longer-term accommodation environments where visitors can prolong their visit to the venue, interacting with all the associated amenities offered at such a location.

Inclusion of Reciprocal Playing Rights
There was a time when golfers used to be able to belong to multiple clubs in their local area; that is a market that has really eroded. Golfers and their families are now faced with the choice of joining a high-profile country club at significant expense, or choosing a local course that may not offer the associated services that come with the higher price tag and ultimately be left with a sense of disappointment.

With the onset of an increasingly diverse playing demographic now apparent in the “traditional” golf market, there is little doubt that more players want an increasing number of amenities associated with their chosen venue. The importance of an overall “experience” far outweighs the expectation of just the golf round.

Of the new golf courses added last year, just 3.5 were private and, yet, 7 were tied to real estate developments, leading to the conclusion that real estate developers may still think golf is important to their developments, but exclusive use of the golf course by residents may not be the selling point it once was. Of the 14,671.5 golf courses in the U.S., the NGF reports that 27%, or 3,975, are private and that 23% of all golf courses, or 3,529.5, are located in golf communities.

Over the course of the recession, some private golf club memberships, in an effort to generate survival income, made it a little easier for outsiders to play their golf courses, forging reciprocal relationships with other golf clubs in similar situations, encouraging “stay and play” privileges in some of their residents’ townhomes, or flat out deciding to open their tee sheets to outside play.

The downturn of the golf industry over the last decade has not only restructured many marketing budgets for existing courses, but has also prompted owners to seek alternatives to their traditional campaigns, all of which have enhanced the golfing environment for participants. In order to continue the upward trend of participation rates, stand-alone venues and swanky country clubs should be encouraged to provide reciprocal rights for their members to enhance the game and provide a level of diversity outside of a singular course environment.

In addition to reciprocating golfing rights, facilities should also seek alternatives and diversify their relationship interests. Across North America, clubs should embrace the opportunity to partner with other lifestyle activities including yacht clubs, tennis clubs and other associations to offer their members an array of complimentary activities to enjoy without compromising their own bottom lines.

For the casino industry, there remains an active and promising opportunity to embrace the golf industry in a more holistic nature. With the ability to engage and maintain visitors to these locations, the financial and cultural benefits will become apparent across an increasingly diverse market throughout North America.

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