Growing Golf in the UK

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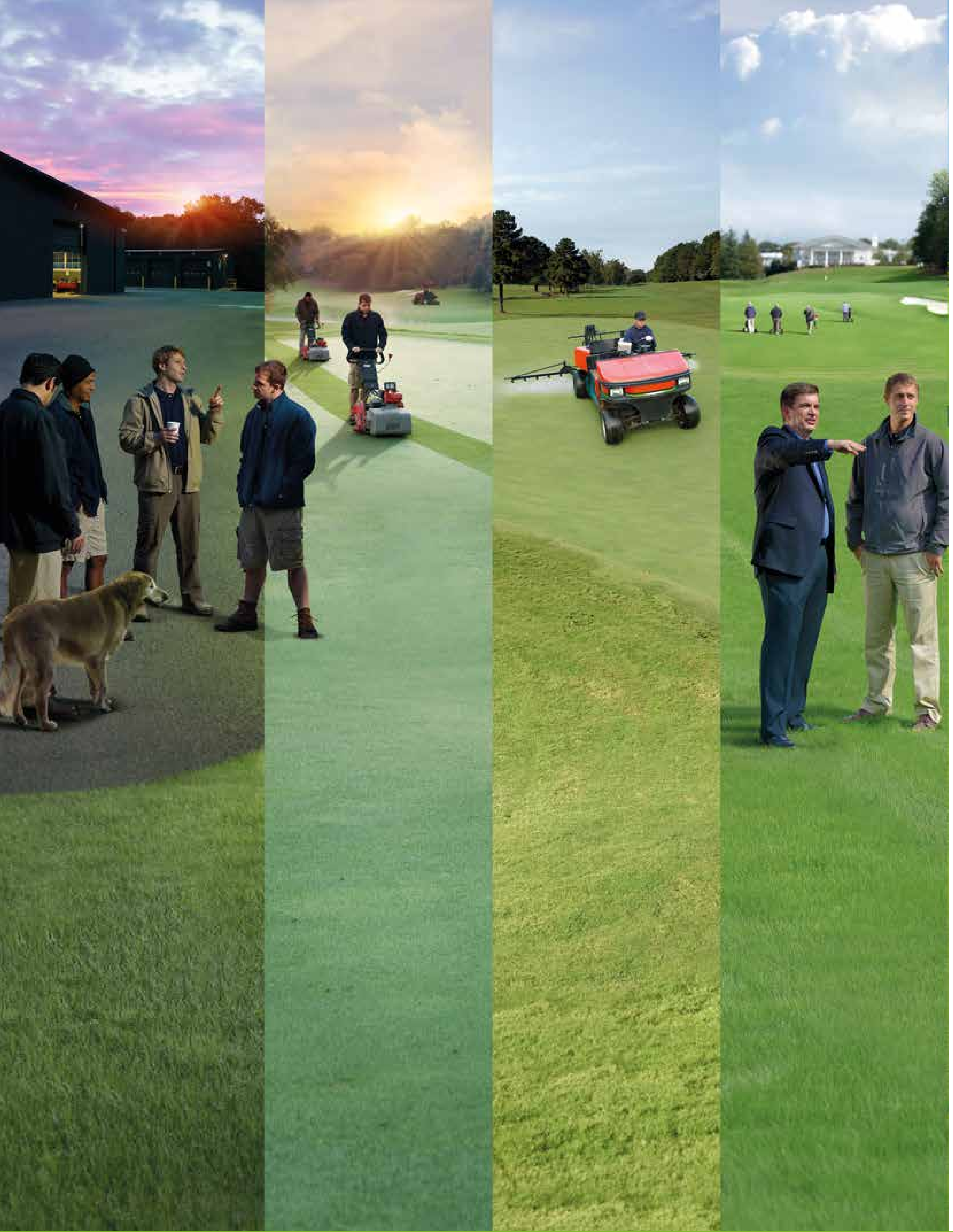

Dear Reader,

Welcome to *Growing Golf in the UK.*

This report summarises the findings of one of the most comprehensive pieces of market research ever undertaken in the UK golf course industry.

Conducted in May 2013 by GfK, the fourth largest market research company in the world, this survey questioned more than 3,500 UK residents about golf. What made this survey different to previous golf market research studies was that it interviewed more than 2,000 non-golfers and lapsed players, as well as current golfers.

The reasons for undertaking this market research were straightforward. As a company we wanted to better understand the UK golf course industry from a social, business and environmental perspective. As part of this, we felt it was important to listen to customers and prospective customers, and gain a clear picture of their wants and needs.

We are interested in the long-term sustainability of golf and we wanted this research to be used by golf clubs and courses to help retain customers, attract new customers and, ultimately, grow golf.

While some of the findings may not come as a surprise, a number of key themes emerged that are important and relevant to clubs and courses. Specifically, customers talked about their desire for relaxed, family-friendly facilities. They also wanted greater flexibility both in terms of membership options and less formal dress codes, and the freedom to do things such as use a smartphone in the clubhouse and on the course.

The research also highlighted the huge opportunities around female and youth participation and the importance of access to affordable coaching for new players.

The objective of the research wasn't to highlight golf's shortcomings, but to offer insights and potential solutions to help golf clubs and courses better understand their customers and deliver enjoyable, memorable golf experiences on a day-to-day basis.

Clearly, there is no one-size-fits-all solution in golf. Every golf club, course and driving range operates in different local markets with a variety of competing interests for customers' time and money.

However, it is important for golf clubs and courses to listen to their customers and understand their situation and the factors that may encourage or dissuade active participation. Ultimately, for a golf club or course to be successful it needs to provide facilities and levels of service customers demand.

Interestingly, this doesn't necessarily require capital expenditure. Our research highlighted the importance of friendliness and the need for customers to feel valued – this is something all golf clubs and courses can provide for a minimal cost and is a great place to start.

Having been involved in a number of research projects across different markets, I also know that 'cost' and 'affordability' are always cited as the most important factors by customers. However, it would be incorrect to assume that lower prices mean more customers. What's important is the customer's perception of value. If you get the offer right, you may actually be able to charge more, not less.

This project is all about listening to and understanding customers, and acting on their feedback. It's a good thing for all businesses to do and we hope that by sharing the results of this research the golf course industry as a whole will benefit and help grow the game in the UK.

Simon Elsworth
Syngenta Head of Turf & Landscape (EAME)
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Methodology

Web survey:
Golfers/non-golfers/lapsed golfers
Length of questionnaire:
c. 20-25 minutes

Golfers - 1477
Non/Lapsed golfers - 2145
Total - 3622

Fieldwork completed in May 2013

The research was conducted in May 2013.

In total, 3,622 UK residents (England, Scotland, Northern Ireland and Wales) aged 15 and over completed a detailed web-based questionnaire that took 20 to 25 minutes to complete.

Of these, 1,477 were golfers and 2,145 were either lapsed golfers or non-golfers.

Among the golfers, 30% were members of clubs and 70% were pay-and-play customers.

As well as selecting specified answers to questions, respondents were given the opportunity to write their own answers to express, for example, perceptions or provide additional information relevant to the question.

The survey was supplemented by 30 qualitative interviews.

Those selected for interview had previously expressed an interest in sport. Respondents qualified for the survey in one of three ways:

1. Golfers: those who played the game in the past two years.
2. Lapsed golfers: those who played the game two or more years ago.
3. Non-golfers: those who never played golf on a golf course, but expressed some interest in taking up golf in the future.

Industry voices

“It is essential that golf has more quantifiable data which can help shape its future based on hard facts and the needs of its customer base. This is a great start and congratulations to Syngenta on this initiative.”

Michael Pask
Senior Vice President, IMG

Executive Summary

A number of important themes emerged from the results. These offer golf clubs and courses opportunities and potential solutions to retain existing customers and attract new players.

1. Friendliness
Survey result: 23% of golfers said they recalled no experience of being treated like a valued customer. When asked what is important to golfers off-course, the top answers were 1) Price of membership/play; 2) Friendliness of members; 3) Comfortable with course and surroundings; 4) Club is welcoming regardless of gender; 5) Friendliness of staff

Analysis: While friendliness could be dismissed as a somewhat fluffy notion, it's clear that members and regular golfers are looking for the same level of customer service they might expect in a café, health club or hotel. This is their leisure time, they want to enjoy the experience and be made to feel a valued customer.

2. Flexibility
Survey result: Up to 50% of golfers sometimes feel intimidated by club rules, regulations, members and staff. Golfers rated 'Relaxed rules/few restrictions at the club or course', 'Flexible membership options' and 'Casual dress code' as among the factors most important to them.

Analysis: Clearly, golfers are saying they want to do everyday things such as use their smartphone and dress casually without officious signs telling them they can't. They also want greater choice in terms of membership schemes – the one-size-fits-all annual membership package may dissuade some customers.

3. Female Participation
Survey result: 67% of females prefer to play golf only with friends and family; 75% of female golfers would play less if their friends stopped playing; 48% of female golfers' children play golf (compared to 37% of men); 47% of female non-golfers would be encouraged to try golf if more friends or family played.

Analysis: The research clearly highlights that women prefer to play with friends and family, and this is important for clubs to understand in terms of how they develop an offer that appeals to and engages existing female golfers and creates opportunities for new players. The findings also suggest an important link between females and juniors, with women potentially playing an important role nurturing young golfers.

4. Friends & Family
Survey result: 48% of non-golfers said they would be encouraged to play if with friends and family; 29% of lapsed golfers cited family responsibilities as the main reason for leaving golf; half of golfers who recommend their club to others do so because they would like to see more friends and family play there.

Analysis: Playing golf with friends and family is a significant factor for existing golfers and prospective new players. The pressure of family responsibilities can lead to members leaving the club and golf. So family engagement could be a valuable opportunity for clubs to retain existing customers and attract groups of new players.

Industry voices

"The golf industry in general is lacking research information. The information that has come out of this survey has been eye-opening to quite a few people."

Colin Mayes
Chief Executive, BGL Golf

5. Course Conditions
Survey result: 80% of 'committed golfers' demand the best course conditions.

When asked what are the most important on-course factors for golfers, the top five answers were 1) Greens roll smoothly; 2) Course design; 3) Golf course is visually appealing; 4) High probability of finding ball in the rough within a reasonable time; 5) Course blends naturally into its environment.

Analysis: These responses may not be a surprise, but the course is a critical factor that can't be taken for granted. A club's ability to provide an enjoyable and memorable on-course golfing experience is likely to define a club's reputation. Being able to find a golf ball in the rough also raises important questions around speed of play, which is an issue for both players and courses and can be managed.

6. Getting into golf
Survey result: Of the non-golfers who said they would be interested in taking up golf, half are in the younger 15-39 years age group; 35% of non-golfers don't know how to get started in golf; 61% said they would be interested in giving golf a try if they had access to affordable golf lessons.

Analysis: Non-golfers and lapsed golfers were asked about a number of initiatives golf courses are already trying. The research showed that the ability to sample or try golf without an immediate long-term commitment could be an important first step or entry point into the game. However, it's not just about getting new players to a venue – clubs and courses need to provide a friendly, welcoming environment and a route map that will help convert the beginner into a golfer and a regular customer.

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Current Players

	37% "In-betweeners"	36% "Committed golfers"	27% "Fair weather golfers"
Membership	33%	46%	8%
Advocates	63%	89%	26%
High club loyalty	35%	46%	22%
5 or more rounds	64%	72%	34%
Children play	36%	47%	38%
Significant other plays	32%	47%	38%
Age	36% <35	56% <35	35% <35
Booking online	26%	70%	11%
Handicap (mean)	17.6	13.15	18.11
I demand the best course conditions	34%	80%	23%
I play in all weather conditions	30%	64%	10%

Knowing who your customers are and how they behave is important for any business. Ultimately, all markets have different types of customers and the same is true of golf.

We wanted to develop an overview of different types of customers among current players.

To do this, we asked golfers a series of detailed questions about themselves including the type of course they played, membership category or pay-and-play, how frequently they played, times they play, how much they pay, who they play with, how long they take to play, how tolerant they are of other players' skill levels, as well as clubhouse and pro shop spending patterns.

The results paint a picture of different types of golfers, which we have divided into three character categories and ordered by size of group:

1. 'In-betweener' (37%)
2. 'Committed golfers' (36%)
3. 'Fair weather golfers' (27%)

1. 'In-betweener' – character snapshot
- Nearly two-thirds (64%) play at least five times a year
- Only a third are club members (33%)
- Likely to be over age 35 (64%)

2. 'Committed golfers' – character snapshot
- Nearly half (46%) are club members
- 80% demand the best course conditions
- More than half are under the age of 35 years (56%)

3. 'Fair weather golfers' – character snapshot
- Only 8% are club members
- Only a third play more than five times a year
- Likely to be over age 35 (65%)

Industry voices

"The research identifies that there is more than one type of golf customer and we need to be providing different products for people who have different needs at golf clubs."

Anabel Sexton
Board Member, England Golf Partnership

What is Important to Golfers?

Off course

- Price of membership/play
- Friendliness of members
- Comfortable with the course and its surroundings
- Club is welcoming regardless of gender
- Friendliness of staff
- Proximity to home
- Friends belong to the club or regularly play the course
- Relaxed rules/few restrictions at the club or course
- Club is family friendly
- Booking is fast and simple
- Flexible membership options
- Casual dress code
- Juniors are encouraged to join and play the club/course
- Signage and tee markers are clear
- Clubhouse ambiance
- Family memberships are available
- Overall pace of play

On course

- Greens roll smoothly
- Course design
- Golf course is visually appealing
- High probability of finding ball in rough within a reasonable time
- Course blends naturally into its environment
- Course is a golfing challenge
- Ball sits proud on the fairway
- Course is manicured
- Tees are level
- Minimal green staff interference while playing
- Paths are in good condition
- Birds and/or wildlife are frequently observed
- Environmental initiatives are undertaken at the course
- Bunkers well sanded
- Physically challenging course
- Course has many trees / bushes
- Course has streams or lakes

Knowing what's important to golfers helps a golf course's ability to retain customers and bring them back time and again.

Our survey asked golfers a series of questions about what is important to them both off and on the course.

Off course
The overall cost of the game in terms of the price of membership or green fees is cited as the most important factor for golfers.

However, interestingly, eight of the top 12 most important off-course factors for golfers relate to a venue's friendliness, flexibility and family values. Golf courses should ask themselves if they are addressing customer demands in this area – and what opportunities and solutions there are to potentially retain more golfers by creating a welcoming, hospitable atmosphere. Ultimately, the golfer is looking for an experience they can enjoy, often with friends and family.

On course
Golfers have certain expectations for their on-course experience. Most important of all are greens that roll smoothly.

In fact, seven of the top 10 most important on-course factors for golfers are maintenance related. As well as a visually appealing course, golfers want to find their ball in the rough in a reasonable amount of time and know that when they do find the fairway, their ball will be sitting proud. Ultimately, golfers want fine course conditions.

Industry voices

"The beauty of this research is that someone is taking an external view as to what the customer is really looking for in terms of the game of golf and how we grow it. Bringing professional research to that is something the industry has not been very good at historically."

Stephen Lewis
Chief Executive, Crown Golf

Encouraging Golfers to Play More

Having built up a picture of what's important to existing golfers, we then asked players what would encourage them to play more.

We also wanted to calculate an indicative potential increase in the number of rounds played if clubs and courses implemented some of the factors golfers said would encourage them to play more.

While some of these factors are beyond the control of golf clubs and courses – the weather, for example – it's interesting to note that there are opportunities for golf venues to encourage more play and optimise their existing customer base.

For a snapshot of the top 14 factors that would encourage golfers to play more, see the graphic above.

Industry voices

"This insight should be gold dust in the hands of those who run golf clubs, whether the club is in trouble and trying to reverse a declining membership, or whether it's a forward-looking operation seeking opportunities for growth."

Michael Harris
Editor, Golf Monthly Magazine

Focusing on the factors that clubs and courses can control, and applying the percentages of golfers who said these factors would encourage them to play more, it's possible to calculate an indicative potential increase in rounds played. The calculation in the table below is based on a total number of existing UK golfers of four million and each golfer playing one more round per factor.

Factor	% of golfers who said it would encourage them to play more	Potential additional rounds
Relaxed dress code	14%	560,000
Play more, save more initiative scheme	13%	520,000
9-hole green fee	11%	440,000 (9-hole games)
Wi-Fi capabilities on the course	10%	400,000
Course conditions improved	9%	360,000

It should be stated, this is an indicative calculation, but it suggests there are opportunities for golf clubs and courses to increase the number of rounds existing customers are playing. Increasing revenues from existing customers is generally less costly than acquiring new customers.

Industry voices

"For me, two things come out of this research. Firstly, we can all take what this research shows us into our own environments and our own clubs. Secondly, there is an opportunity here for the industry to come together, harmonise its resources, galvanise itself and take itself into the market place with one single message."

David MacLaren
Director of Property and Venue Development, European Tour

Why are Golfers Leaving?

36% Overall cost of the game

29% Family responsibilities

31% The time it takes to play

23% Work commitments have not allowed me to play

30% Took up another sport or found a hobby I enjoy more than golf

When lapsed golfers were asked why they had left the game, the top eight answers were:

1. Overall cost of the game (36%)
2. The time it takes to play (31%)
3. Took up another sport or hobby I enjoy more than golf (30%)
4. Family responsibilities (29%)
5. Work commitments have not allowed me to play (23%)
6. I did not improve enough to justify continuing (19%)
7. The game is too frustrating or difficult (14%)
8. My friends stopped playing (9%)

What's interesting is the significant proportion of people who have left golf directly to take up another sport or hobby (30%).

In fact, of those that have left the game, 67% have replaced golf with another sport or hobby.

For men, the top alternative activities are:

1. Walking (13%)
2. Cycling/mountain biking (13%)
3. Fishing (10%)

For women, it is

1. Walking (21%)
2. Swimming (18%)
3. Cycling/mountain biking (7%)
3. Running/jogging (7%)

While the time it takes to play is cited as a reason for giving up golf, 37% of lapsed golfers feel they do still have enough time in their lives for golf.

Clearly, while time is a factor, golf is losing participants to other sports, hobbies and activities.

So what would it take to bring lapsed players back to golf? The top five factors are:

1. Relaxed dress code (45%)
2. Free golf morning (41%)
3. Easy access to affordable golf lessons (39%)
4. Club more accommodating to beginners (37%)
5. More friends and family participated in the game (37%)

Industry voices

"Golf needs this kind of research to open its eyes to the challenges it is facing. We think we know what's going on, but this is the first time it has actually been proved."

Chris Jones
Editor, Today's Golfer Magazine

Advocates of the Game

73% of golfers become aware of a new course by word of mouth

68% of golfers recommend their course or club to others

Why?*

51% - Club or course is good value
50% - They would like to see as many friends and family to play there as possile
36% - The course provides a good challenge
35% - Members and other players are friendly and welcoming
34% - The staff are helpful and accomodating
30% - The club has a nice social atmosphere

Why not?*

56% - There is no incentive to do so
23% - Do not want other players clogging up the golf course

* Expressed as a % of the 68% who recommend

Previous studies in the golf travel industry have indicated that peer recommendation is a significant influencing factor in selecting a destination for a golf holiday. In short, you are more likely to choose a destination that one of your golfing friends has been to and has recommended.

We wanted to see if similar factors were at work in the UK golf course industry and how influential word-of-mouth recommendation was.

Our survey found that 73% of golfers became aware of another golf course that they had not played before (i.e. a 'new' course) by word-of-mouth.

Golfers were also asked if they recommended their home course to other players; 68% said they did.

Interestingly, among the 68% who did recommend their club, half of these did so because they wanted as many friends and family to play there as possible. In other words, more than two-thirds of golfers are active advocates for their home course or club, with half of these actually wanting friends and family to join them as customers.

Broadly, this point illustrates the importance of clubs and courses managing their reputations and looking after the customers they have. Retaining existing customers is not only essential from a business balance sheet point of view, today's customers could also be the simplest and most important route to tomorrow's new customers.

However, nearly a third (32%) of golfers said they did not recommend their course or club to others. Of this proportion:

1. 56% said there was no incentive to recommend their club or course
2. 23% do not want others "clogging up the golf course"
3. 9% said their club or course lacked decent amenities
4. 9% said their course was in poor condition
5. 4% said their club or course was not friendly or welcoming.

Incentivising existing customers to advocate products or services to friends and family is common in some industries and specified incentives for golfers (e.g. pro shop vouchers) could be a tactical consideration for some courses looking to further activate the two-thirds of golfers who are willing to recommend their club or course – and the majority of those who don't recommend their course because they say there is no incentive.

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Female Golfers – Portrait

Current players

I would play less if my friends stopped playing	75%
I prefer to play golf with only family/friends	67%
My children play golf	48%
I typically play 1-2 rounds per month	47%
I sometimes feel intimidated by the members of the course	31%
Playing with other golfers is intimidating to a beginner such as myself	27%

Potential players

What would encourage you to give golf a try?	
Easy access to affordable golf lessons	55%
Beginner only mornings	49%
More of my friends or family participated in the game	47%
Get golf ready in 5 lessons	40%
Introduction to golf lessons - group lessons	35%

Our survey questioned both female golfers and potential players.

The results clearly highlights women's preference to play with friends and family, an important factor for clubs to understand.

Among existing golfers, 67% said they prefer to play with family and friends. Among the non-golfing females, 47% said they would be encouraged to give golf a try if more of their friends and family participated.

Feedback from the research, as well as anecdotal evidence, suggests the social aspect to golf is important to women. Enjoying a coffee with friends, participating in group coaching with other women and being taught by a female professional were all cited as preferable. The importance of access to affordable coaching for new players is also evident in the responses.

However, it's important for clubs to think about the whole customer experience. Up to 59% of existing female golfers said they sometimes feel intimidated by other club members and staff. Inviting new female customers to a sample session may be counter-productive if they are not made welcome in the clubhouse.

Interestingly, nearly half of all women golfers (48%) said their children play golf (compared to 37% of men), indicating a potentially important role for females in the nurturing of young players.

One of the most eye-catching findings in the survey was that of all the non-players surveyed who said they were interested in taking up golf (both men and women), more than half are women (56%). In simple terms, among non-players showing an interest in golf, the sport appeals more to women than men.

Based on the results of this survey, Syngenta has committed to a further, in-depth study of female participation in golf, which we aim to publish in summer 2014.

Industry voices

"This is an important piece of research as it articulates what women want in a golf facility, underlines their important role in nurturing young players and, notably, demonstrates a level of interest among non-players that represents a significant opportunity for the golf business."

Alison Root
Editor, Women & Golf Magazine

Young Players (15-25 years)

Non-golfers

What is the reason you have never taken up golf?	
I do not know how to get started	42%
What would encourage you to give golf a try?	
More of my friends and participate	57%
Easy access to affordable golf lessons	52%
Relaxed rules	42%
Wi-Fi capabilities on the course	39%

Golfers

What time of day to you prefer to play?	
Mid afternoon	42%
Amenities that golfers would like to be able to access at their club	
Sky Sports bar	37%
Indoor golf simulator	34%

Importantly, of the young non-players interviewed, 42% said they did not know how to get started in golf.

However, friends and family was, once again, a key theme emerging from the research, offering a potential fundamental solution for clubs and courses to activate participation. Among the non-golfers interviewed, more than half (57%) said they would be encouraged to give golf a try if more of their friends and family participated.

Easy access to affordable golf lessons (52%) was also cited as a factor that would encourage non-playing young people to give golf a try, as well as relaxed rules (42%) and WiFi capabilities on course (39%).

The research also offered insights on how golf clubs and courses might address young golfers' wants and needs. For example, the preferred time for young people to play golf is mid afternoon (42%).

Young golfers also indicated amenities they would like to see in a clubhouse, including a Sky Sports bar (37% compared to an average 25% across all golfers) and an indoor golf simulator (34% compared to an average 26% across all golfers).

The results highlight the specific needs of different customer demographics and how clubs can develop their offer for different types of customers.

Industry voices

"Our experience is that a healthy junior section tends to mean a healthy family involvement and, ultimately, a very healthy club. Everyone with a stake in golf needs to promote its benefits to a wider audience and family golf is a key driver. Hopefully, this research and other contributions can keep an important conversation going and help all to grow the game."

Michael Round
Chief Executive, Golf Foundation

Non-golfers* – Portrait

While there have been many surveys of golfers, we wanted to understand the views of non-golfers – why they're not playing golf and what might encourage them to try golf.

While some of the responses may not come as a surprise, it is useful to state what some of the issues are as they could indicate potential solutions. (The results below are the responses of non-golfers and exclude lapsed players.)

- **58%** Overall cost of the game
- **37%** My family or friends do not play
- **35%** I do not know how to get started
- **33%** The time it takes to play
- **24%** Play with other golfers is intimidating to a beginner
- **20%** Family responsibilities
- **17%** No beginner or short course near my home
- **13%** I did not feel like I fit in or could associate with others at the course or club
- **12%** I do not have access to a golf course
- **12%** It is a sport for the upper class
- **12%** It is not a woman or junior friendly sport
- **11%** The game seems too frustrating or difficult

What's encouraging is that 65% of those interviewed said they were looking to take up a new or additional sport/hobby and 55% had enough time in their lives to take up golf.

We asked these same people what would encourage them to give golf a try.

- **63%** Free golf morning
- **61%** Easy access to affordable golf lessons
- **54%** Relaxed dress code
- **53%** 2 month trial
- **52%** Beginner only morning
- **48%** More friends and family participated in the game

The results indicate the ability to sample golf before committing – try before you buy – as an important principal.

Industry voices

"There are a lot of people out there who are predisposed to play the game and I think in some cases the game gets in the way of letting them do that. The findings of this report underlines that point."

Jim Croxton
CEO, BIGGA

Significant Latent Demand

We wanted to indicate the potential size of the UK golf market, based on existing players and those who might be interested in taking up golf.

'Latent demand' can be defined as the 'desire or preference which a consumer is unable to satisfy due to lack of information about the product's availability, or lack of money.'

In this case, a calculation for 'latent demand' is not a definitive number of people who are ready, able and committed to taking up golf tomorrow. There are many reasons, already outlined in this report, that might dissuade people from trying golf, even if they have expressed an interest in trying the sport.

But a calculation for latent demand does give an indication of the potential size of the market that can be targeted.

Our results indicated a significant latent demand for golf in the UK with an estimated 8.5 million people interested in taking up the sport. Just under half of these are in the younger 15-39 years age group.

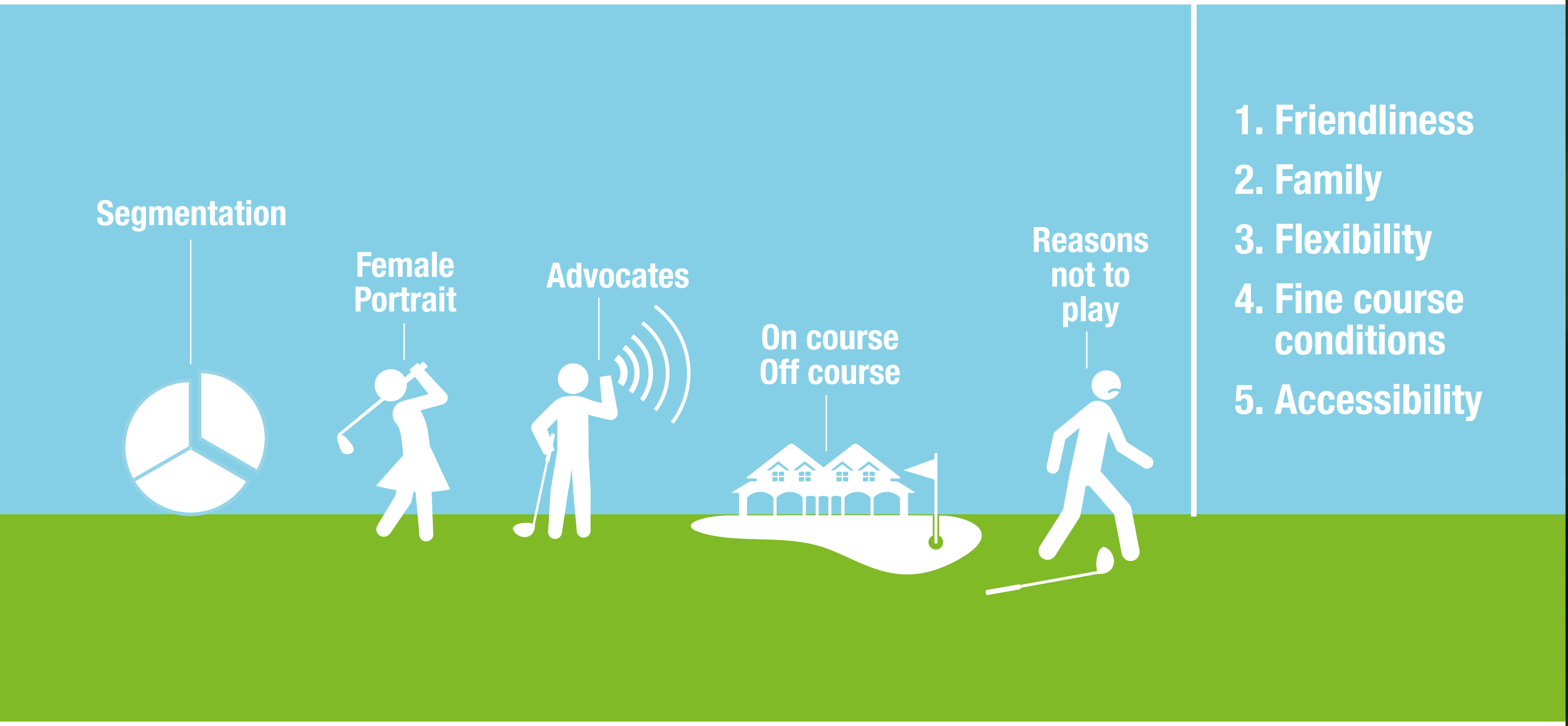
Currently, out of a total UK population of 63 million, 38 million people are physically active or participate in sport.

Industry voices

"The most eye-opening stat in the survey was that there could be as many as 8.5 million people in the UK interested in taking up golf. If only 20 per cent of that number actually became golfers then the game would be in a very healthy position indeed."

Michael Harris
Editor, Golf Monthly Magazine

Summary



A number of key themes and customer desires emerged from the research, recurring in the answers of golfers and non-golfers alike throughout the survey, notably:

1. Friendliness
2. Family
3. Female participation
4. Flexibility
5. Fine course conditions
6. Getting into golf

It would be easy to be critical of golf and say it has known about these issues for a long time and is responding too slowly. But what we hope we have achieved with this research is turn some of the anecdotal suspicions of what the industry thinks golfers and prospective golfers want into clearly expressed customer wants and needs.

While every golf club and course will be operating in different local markets and facing different challenges, we hope some of the findings and universal truths learned from this research will be of value in terms of the strategic thinking and tactical solutions required to retain existing customers and attract new players.

As part of Syngenta's commitment to golf, we will continue to invest in further market research to assist golf clubs, courses and ranges in their decision-making.

Ultimately, we all have a stake in the long-term business sustainability of golf.

If you have any comments or questions about this report, we would be delighted to hear from you.

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Unlocking golf's true potential.

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