

SPORTS MARKETING SURVEYS INC.



UKGCOA GOLF FACILITY BENCHMARKING

EXECUTIVE SUMMARY REPORT
MARCH 2012



March 22, 2012

Introduction

Dear UKGCOA Member,

The UKGCOA Board are pleased to publish the first Golf Facility Benchmarking KPI Report for 2011. The following report is only a top-line summary of the key findings and further detailed information is available in the full report.

Owners and operators can ONLY get the full KPI report if they participate continuously and enter data in to the Golf Facility Benchmarking System (**GFBS**) monthly. Taking part in the programme and submitting your KPIs has been designed to be quick, simple and easy. At a minimum only six KPIs need entering each month and:

- ▶ The UKGCOA & SPORTS MARKETING SURVEYS INC. will help you to do this.
- ▶ You will be able to see comparative reports showing your own facilities performance against national and regional averages and a set of competitive golf facilities.
- ▶ The information will become more accurate and useful as more owners/operators participate.

Lastly, it would be beneficial to have historical data entered into the system to enable previous year comparisons, however this is not essential as the most important aspect of the programme is to start entering monthly KPI data once a month – it's quick, simple, easy and only takes 5 minutes a month.

Many thanks and best regards,



JERRY KILBY – EXECUTIVE DIRECTOR UKGCOA



TAN DANEE – SPORTS AUDIT MANAGER SMSINC

Introduction

BACKGROUND & OBJECTIVES

- ▶ Accurate data on the golf industry, and an understanding of the market situation & its' key performance indicators, is one of the most important drivers in developing a successful golf business. Provision of focused information is a key benefit of UKGCOA membership.
- ▶ The UKGCOA has appointed SPORTS MARKETING SURVEYS INC. to collate key performance indicators submitted by UKGCOA member golf courses. Reports will be prepared on annual & quarterly industry trends, activity and performance. The objective is to enable UKGCOA members to benchmark their own performance against national averages.

METHODOLOGY

- ▶ Working closely with the UKGCOA, SPORTS MARKETING SURVEYS INC. have devised two sets of Key Performance Indicators, (KPIs) which are collected;
 - ▶ On a monthly basis for the on-going performance monitor;
 - ▶ At the year-end for a more detailed annual overview (collected in the following January).
- ▶ Compare to Compete (C2C) a software company based in the Netherlands, that specialises in 'benchmarking' systems and projects was commissioned to build the interactive online **Golf Facility Benchmarking System (GFBS)**.

Introduction

METHODOLOGY (CONT.)

- ▶ UKGCOA members who register for the system are provided with a secure access to enter their venue and facility details into the GFBS.
 - ▶ Upon registration to the system a username and password is created and then emailed to the member alongside a 'Welcome Pack' from SPORTS MARKETING SURVEYS INC.;
 - ▶ This contains the KPIs list, a user manual for the GFBS and electronic data import sheets for historical data collection.

- ▶ Once registered UKGCOA members were asked to submit the following KPIs each **month**:
 - ▶ Rounds Played – members, visitors and corporate / societies.
 - ▶ Green Fee Revenues – members, visitors and corporate / societies.
 - ▶ Food & Beverage – revenue & cost.
 - ▶ Turnover of Driving Range – where applicable.
 - ▶ Turnover of Golf School / Academy – where applicable.

- ▶ Monthly KPIs were to be submitted by the **7th** of each month, one month in arrears, however historical data has been gathered dating back to January 2010.

- ▶ Annual KPIs were to be submitted to the year end in January alongside the monthly KPI return.

For the detailed list of all monthly and annual KPIs – please see appendix at the end of this report

Introduction

METHODOLOGY (CONT.)

- ▶ UKGCOA members have been contacted on an on-going basis during the year, and into 2012, by both the UKGCOA and SPORTS MARKETING SURVEYS INC. to encourage 'active' participation in the Golf Facility Benchmarking System.
- ▶ There are currently 126 courses who are members of the UKGCOA.
 - ▶ 55 courses are registered to the GFBS, however only 34 courses have submitted data to the programme and 28 courses are 'actively' participating and providing regular monthly data returns.
- ▶ The data in this report is based upon on the 28 UKGCOA courses that have submitted continuous data from the full year from January 2011 to December 2011 – with some historical data from 2010.
 - ▶ This has enabled trend analysis to take place including analysis of revenues and costs, as the sample of courses is consistent year on year.

Introduction

BENEFITS TO UKGCOA MEMBERS FOR ACTIVE PARTICIPATION

- ▶ Easy and efficient means for clubs to monitor their performance and benchmark against an industry standard.
- ▶ Offer club manager's insight, based on accurate and robust data, into their venues strengths and areas which need improvement.
- ▶ Insight into the current state of the golf industry and the opportunities and threats which present themselves in any given economic climate.
- ▶ Help the UK golf industry by ensuring that golf courses are operating as businesses and reacting to the market in which they trade.

Introduction

EXECUTIVE SUMMARY (i)

ROUNDS PLAYED

- ▶ Rounds of golf played at UKGCOA member facilities are up on 2010. Rounds played by all types of golfer have increased year-on-year by the following:

Rounds Played at UKGCOA Facilities	Year on Year % Increase or Decrease
Members	25.2%
Visitors	14.3%
Corporate	30.4%
*Other	44.8%
Overall	21.6%

*Other = Miscellaneous, free, promotional and unspecified rounds of golf.

- ▶ UKGCOA Members have outperformed the National Rounds Played average in 2011.
 - ▶ The average number of monthly rounds played of golf at UKGCOA member facilities the four reporting periods of 2011 is above the level reported in the SPORTS MARKETING SURVEYS INC., National Rounds Played Monitor. This performance has been achieved in a year where the national performance saw the highest rounds since 2005.
- ▶ Visitor rounds played exceed member rounds played in the months of April to September illustrating the importance of this discretionary and weather-influenced category.
- ▶ The highest levels of rounds played occur at UKGCOA venues that have 27 holes on offer, however in Sept.11, 18 hole venues achieved the highest number (xxx), in terms of the average number of rounds played at each course.

Introduction

EXECUTIVE SUMMARY (ii)

CHANGES In AVERAGE GREEN FEES

- When analysing green fee turnover at UKGCOA member facilities – all types of green fee category have increased year-on-year when compared with 2010:

Green Fee Revenues at UKGCOA Facilities	Year on Year % Increase or Decrease
Visitors	Participants only
Corporate / Society	Participants only
Other	Participants only
Overall	8.0%

- Whilst overall revenues have increased at UKGCOA member facilities in 2011, member facilities have seen lower green fee average rates in 2011 to encourage this increase in turnover

Avg Green Fees at UKGCOA Facilities	Avg Green Fee 2010	Avg Green Fee 2011
Visitors	Participants only	Participants only
Corporate / Society	Participants only	Participants only
Other	Participants only	Participants only
Overall	£35.05	£31.82

- The average green fee level achieved is a reduction of 9.2%.
- This fall in average green fee rate charged is a result of a combination of factors:
 - The mix of Green Fees achieved – more weekday than weekend, more guests, more promotions.
 - Anecdotal evidence also include visitors more likely to ask for "deals" against rate-cards
 - More fees at those with traditionally lower green fee rates.

Introduction

EXECUTIVE SUMMARY (iii)

FOOD AND BEVERAGE

- Positively food and beverage turnover at UKGCOA member facilities has increased year on year:

Category	Turnover 2010	Turnover 2011	Year on Year % Increase or Decrease
Food & Beverage Combined	Participants only	Participants only	10.6%
Food Only	Participants only	Participants only	8.0%
Beverage Only	Participants only	Participants only	14.4%

- Food margins grew by 5.4% year on year. Beverage however suffered a small decrease of 2.2% with the months of March & May 2011 falling below 70%.

Category	Average Margin 2010	Average Margin 2011	Year on Year % Increase or Decrease
Food Only	Participants only	Participants only	5.4%
Beverage Only	Participants only	Participants only	-2.2%

Introduction

EXECUTIVE SUMMARY (iv)

DRIVING RANGE & GOLF SCHOOL / ACADEMY

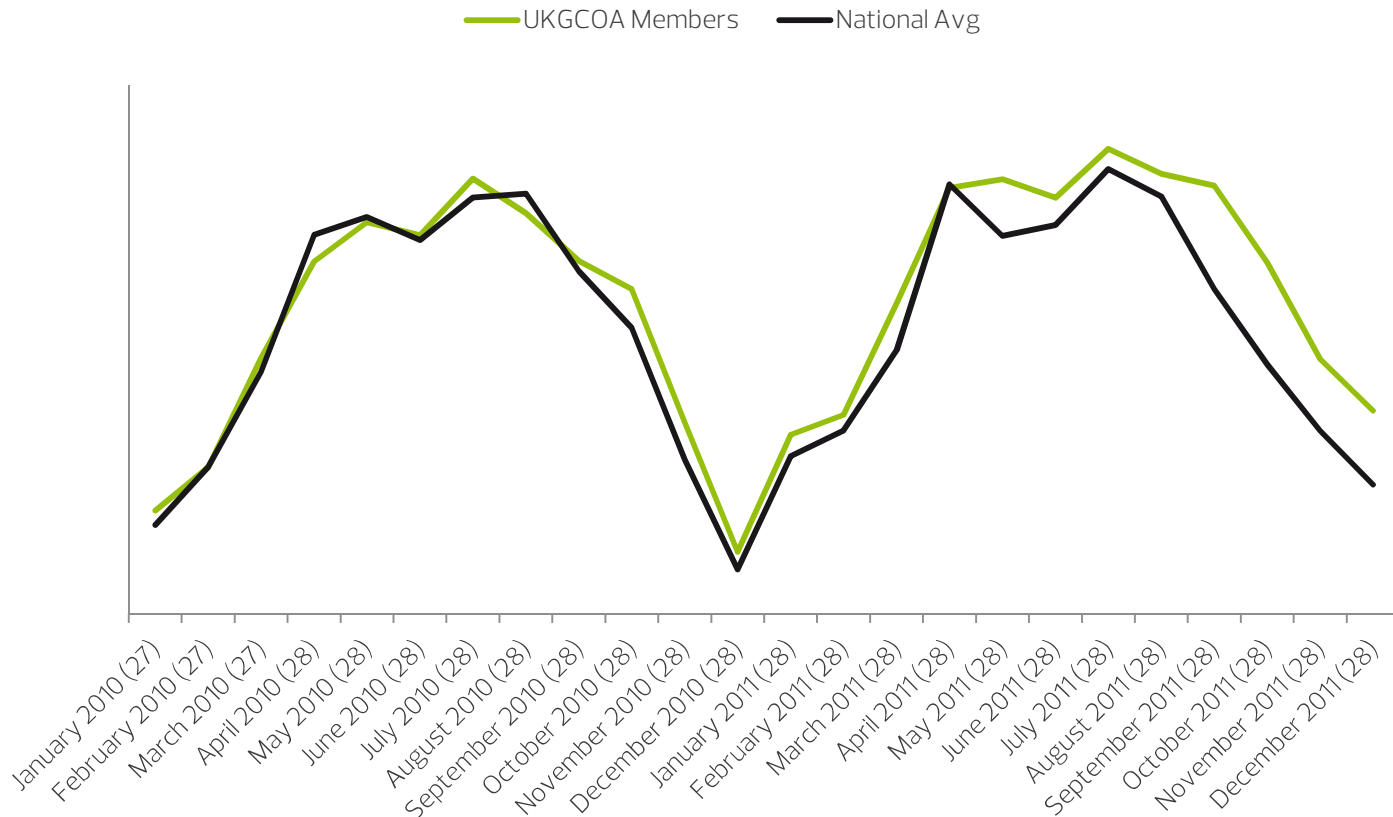
- ▶ Sales at UKGCOA member facility driving ranges have seen an increase in 2011 where turnover has increased by an average x% year on year.
- ▶ Although driving range turnover has increased year on year, the average amount per sale has decreased by 3.7% year on year to £2.10 from £2.18 in 2010.
- ▶ Similarly, where a venue has the facility, the golf school / academy sales have also seen a healthy increase in revenue year on year of 11.7%. Revenues are up from £xxxk in 2010 to £xxxk in 2011.
- ▶ The key revenue streams for golf performance are closely linked with rounds of golf played , driving range usage, and golf school /academy revenues closely linked and following the Rounds Played pattern.
- ▶ Promotional opportunities exist to boost sales across the mix.

2. ROUNDS PLAYED



Average Monthly Rounds Played Per Course

Average No of rounds played per UKGCOA member course v *National Average



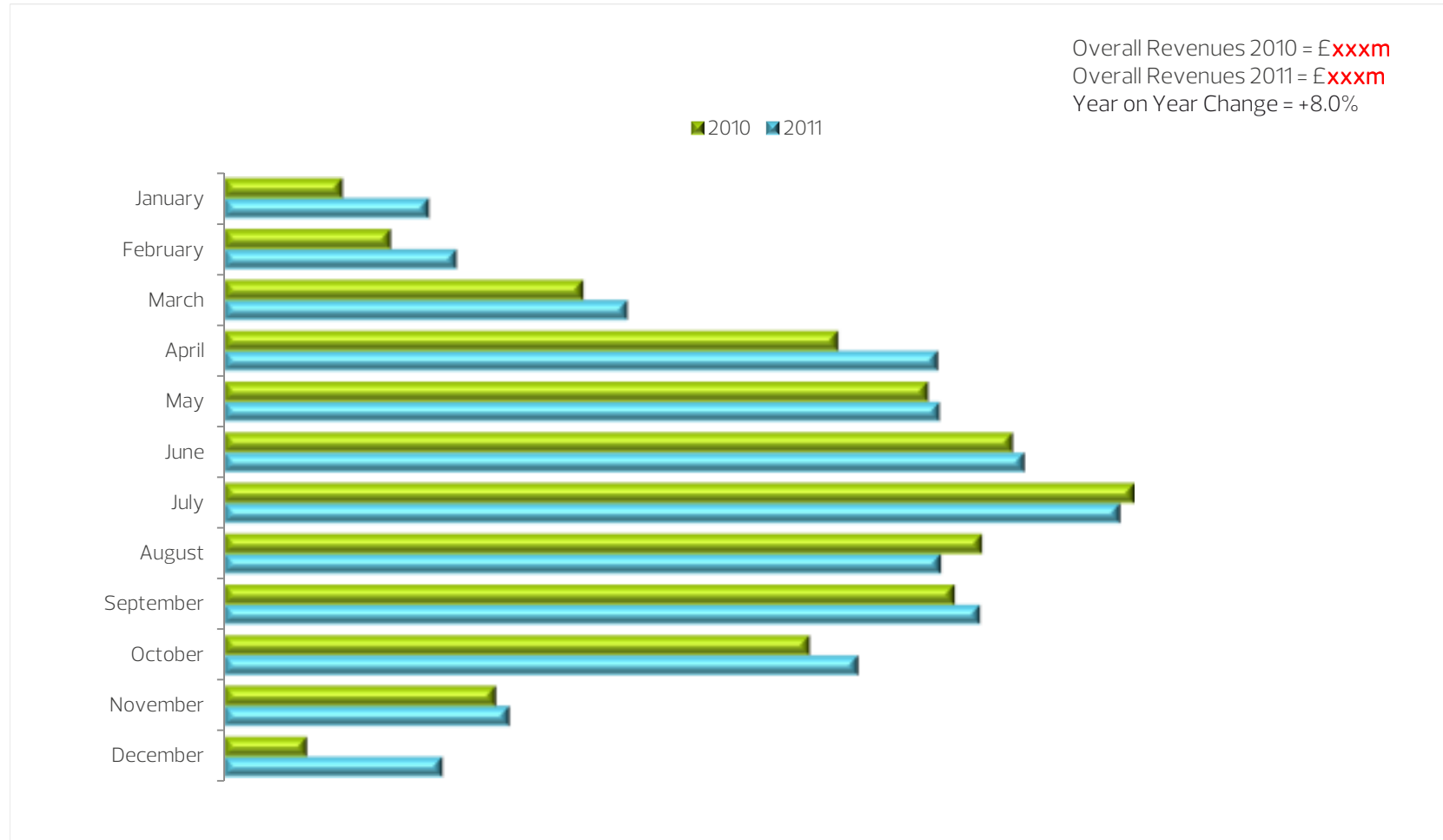
N.B. numbers in brackets are the number of courses that have provided data each month.
 *National Average as reported in the SPORTS MARKETING SURVEYS INC. Rounds Played Monitor

▶ Analysis of findings available in the full report for participating venues & clubs.

3. GREEN FEE REVENUES

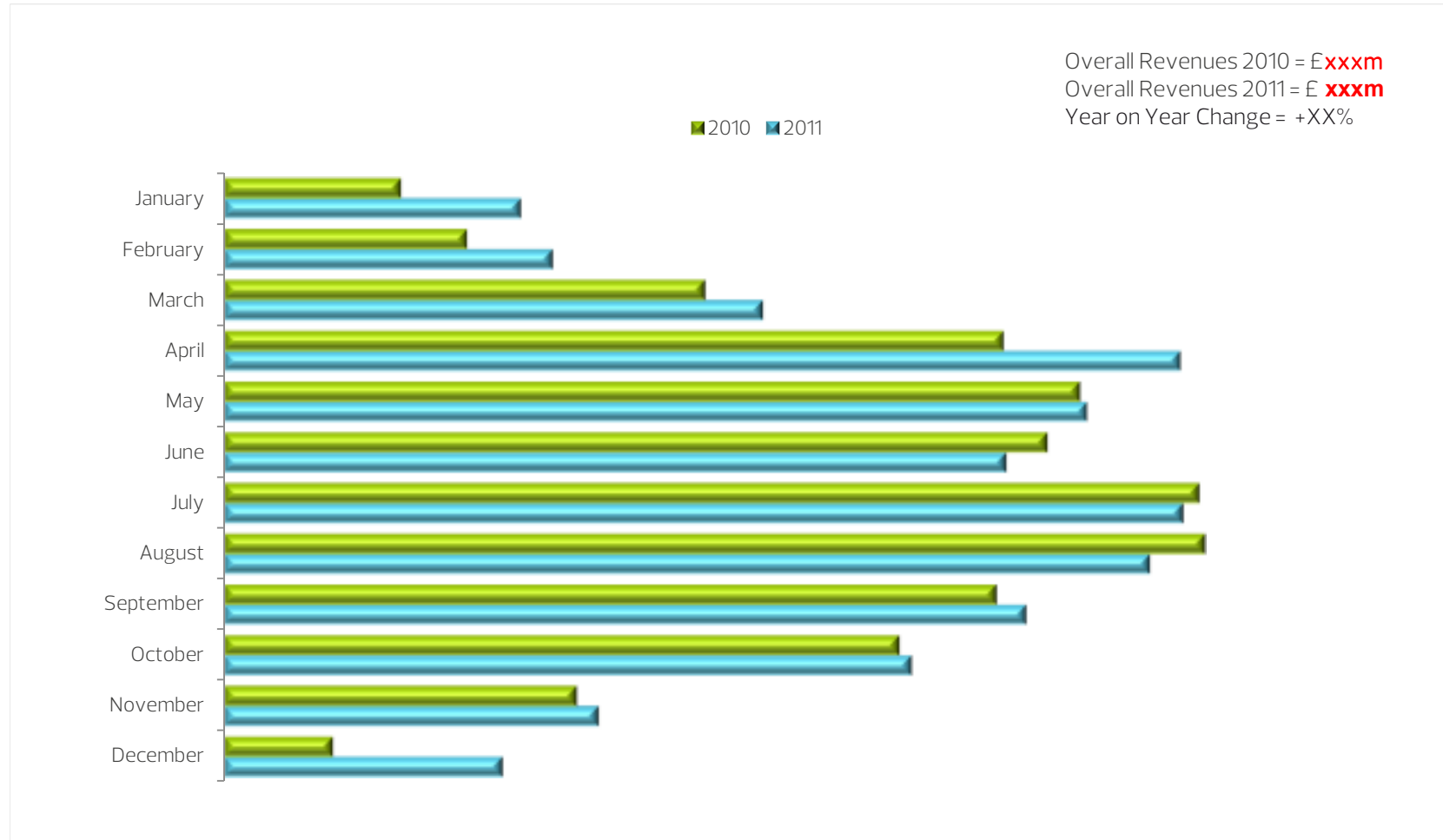


Green Fee Revenues Overall 2010 v 2011



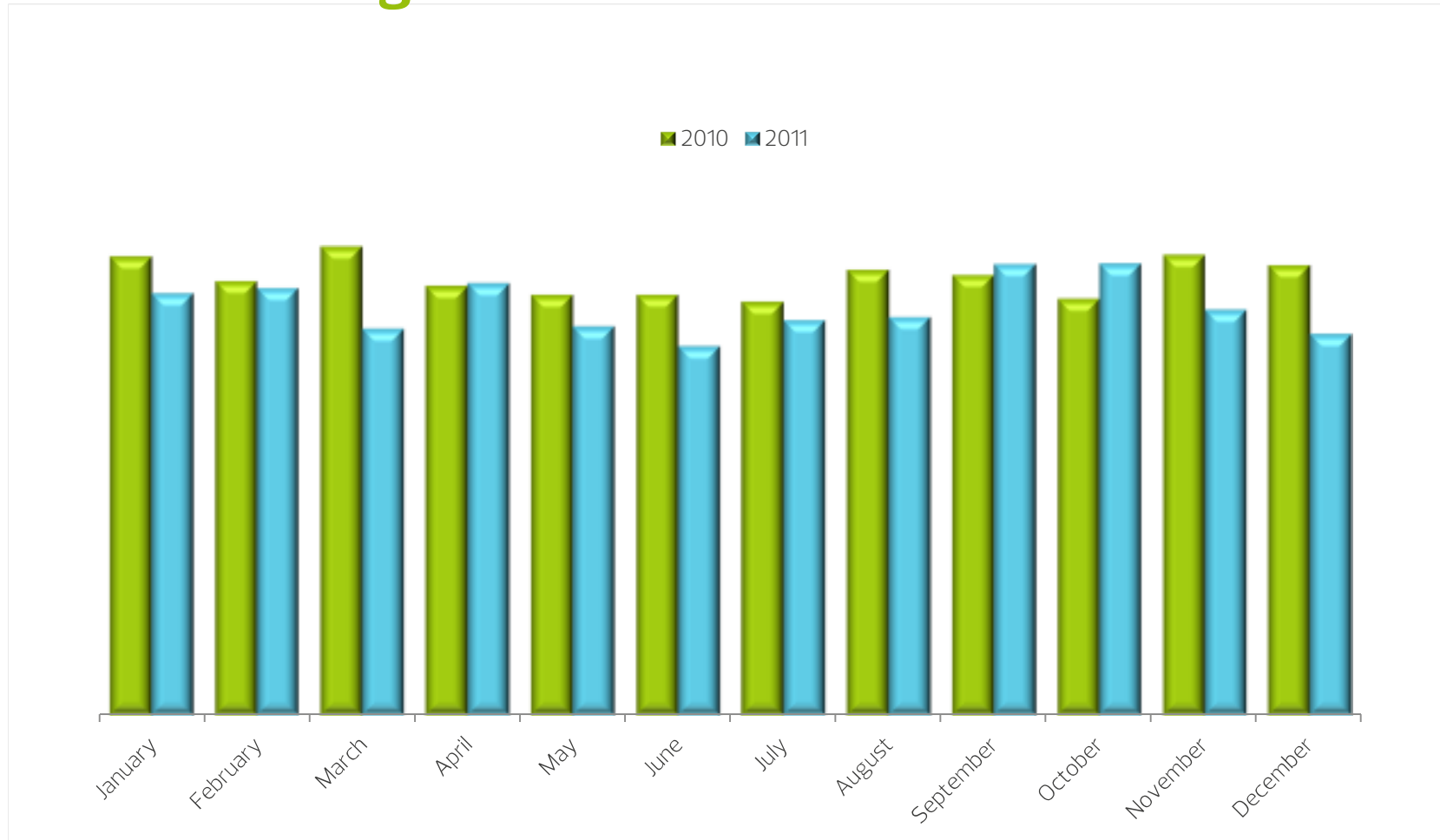
▶ Analysis of findings available in the full report for participating venues & clubs.

Green Fee Revenues Visitors 2010 v 2011



Analysis of findings available in the full report for participating venues & clubs.

Green Fee Avg Prices Visitors 2010 v 2011

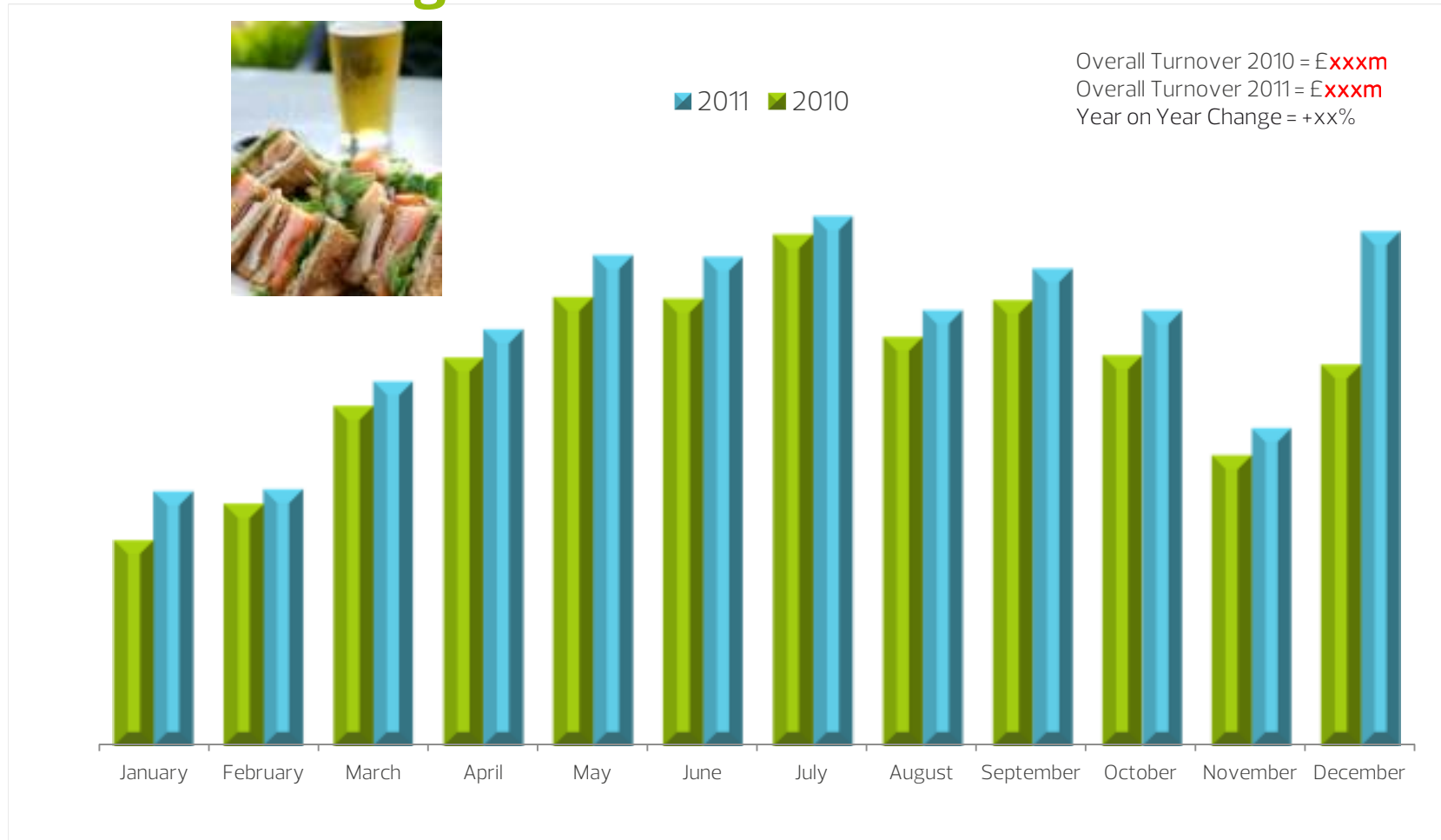


► Analysis of findings available in the full report for participating venues & clubs.

4. FOOD AND BEVERAGE

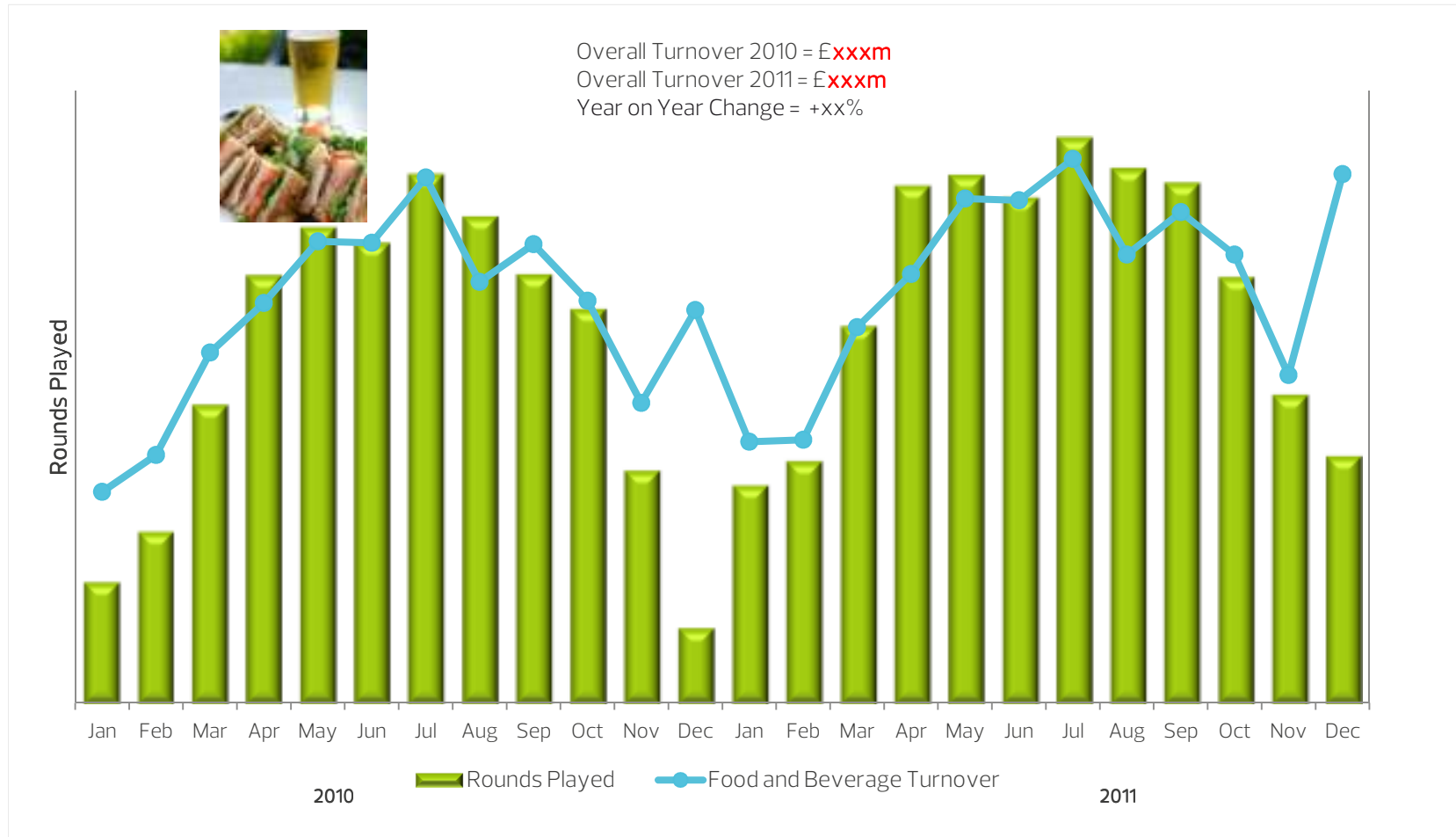


Food & Beverage Turnover 2010 v 2011



► Analysis of findings available in the full report for participating venues & clubs.

Food and Beverage Turnover v Rounds Played 2010 v 2011



▶ Analysis of findings available in the full report for participating venues & clubs.

SPORTS MARKETING SURVEYS INC.



UNITED KINGDOM
GOLF COURSE OWNERS ASSOCIATION

USING SPORTS MARKETING SURVEYS INC. DATA



Using SPORTS MARKETING SURVEYS INC. Data

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- ▶ If you have any questions regarding these guidelines, or the appropriate uses of our data, please feel free to call.

SPORTS MARKETING SURVEYS INC.



UNITED KINGDOM
GOLF COURSE OWNERS ASSOCIATION

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INVESTIGATION

INSIGHT

ACTION

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