

Tragedy Creates Golf's Golden Opportunity: A Chance to Fix Golf's Sins of the 21st Century

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With the current COVID pandemic small businesses have taken a beating, forced to close for circumstances beyond their control. Nobody can empathize with these business owners like golf course owners. Forced immediate closing and unsure reopening? Ha! Try having Mother Nature as your business partner every year. Economic downturn that immediately affects your revenue stream? Golf courses and their residential subdivisions were one of the hardest hit sectors in 2008. Coming up with creative solutions just to try and stay open, alive, and in business? Surely you jest. This has been the way of life for golf courses for the last 20+ years. For all you fellow small business owners, "welcome to the party".

This has been a tragedy, there's no doubt about it. People have died, and the golf course industry can never be described as an "essential" business, especially when compared to medical professionals, pathogen scientists, food chain providers, and other industries that make this country run. But if you're a golf course owner and operator, and I told you to close your eyes and imagine a scenario where your business thrives after decades of decline? The current situation and post-COVID world is pretty close to the ideal business setup. Your entertainment competition is crippled or non-existent. Movie theaters, sports stadiums, and bowling alleys will be way behind golf courses in terms of opening dates and post-COVID business availability. Restaurants will look different and dining-in capacity will be limited. The stock market is down, but not crippled. Golfers will be working from home and more available during the week. People have been cooped up and are looking to get outside to do anything; especially something that is social, fun, and provides an excuse to get away from their quarantined household!

In my opinion, this "black swan event" will turn out to be a Golden Goose for the golf industry. And if it is, the opportunity shouldn't go to waste. Instead of doing what we've always done (a golf industry specialty), we should take this time to correct the golf industry's Four Major Sins of the 21st Century.

Sin #1 to be Fixed – Establish Pricing Power – People can't go to other entertainment options or restaurants like before (or combo venues like TopGolf), and golf has built-in advantages that other sectors don't and won't have. We're socially distant, we're a healthy option for walking, we're outdoors for when you've been cooped up and staring at a computer screen, and we're overall less prone to the spreading of disease than other businesses. With that in mind, it's time to reestablish the pricing power that has been missing for decades. For those of you who have been too afraid to raise the price of your green fees more than a buck or the price of your beer more than a quarter because "you're afraid of the backlash from the customer", don't feel bad. This is simply a chance to re-correct the market to the days before Super-Twilight rates, resident rates, coupons, price shopping, beer smuggling, and hot deals (more on that later). You're not taking advantage of the customer any more than they have taken advantage of you for the last two decades. The market is being corrected and that's OK; it's strictly business.

Additionally, if your business has changes/additional costs due to COVID, or has struggled the last 20 years, you might need to charge more! Say it again, but this time with confidence...I NEED TO CHARGE MORE! Let's look at the reasoning:

- You might have tee times spaced out at longer intervals. Charge more.
- You might have higher credit card fees for online processing (versus in-person swipes). Charge more.
- Your cart costs might be higher due to single ridership and deeper cleaning. Charge more.
- You need to make up for lost revenue on merchandise, F&B, and outings. Charge more.
- Your CapX account hasn't been at adequate levels since fairway woods were made of wood. Charge more.
- You don't have 3-6 months of cash reserves when the next interruption hits. Charge more.
- You haven't had a raise (or salary) since Tiger Woods' first Masters win. Charge more.

For every customer pushback, have a script for you and your staff to make the business case clear and concise to the golfer. "Why are you charging \$30 for a cart when it used to be \$15?" "Ma'am, we understand the price increase is shocking, but our pre-COVID pricing doesn't make sense anymore. Due to single riders and cleaning costs, we have higher overhead cost with less capacity, and therefore must charge more to pay our bills. We also encourage golfers to walk, take a pull cart, or bring their own pull cart".

The #1 way for a golf course to take advantage of this situation is to regain pricing power. Charge more...after the last 20 years, you've earned it!

Sin #2 to be Fixed – Collecting Customer Data – Historically, the golf industry has done a sub-standard job at collecting customer information. Now more than ever, collecting a golfer's database information, mobile phone number, email address, and their proper customer type for charging the correct rates is critical. Before it might have been a luxury to collect golfers

2/3/4 information; now it's mandatory. Your operation needs to keep tabs on who is there, what they should be charged, and how to contact them before, during, and after the round. Make sure you and your staff are collecting every piece of information for all of your golfers. When the crisis is over your database will be bigger and better, and your staff (along with your golfers) will be accustomed to getting every piece of information your business needs to survive.

Sin #3 to be Fixed – Correcting the Discounted Tee Time Distribution Model – With demand likely at an all-time high, you no longer need to discount your green fees. By that logic, there is NO need to barter/discount tee times, right? Right?!? If your tee sheet is more spaced out, and every spot is valuable, why do business with third parties that don't sell your tee times at your FULL RATE? Remember the mantra from above, charge more. As an industry friend said to me recently with regards to discounting and tee time distribution; "It's time for the industry to put down the crack pipe". Examine and adjust your existing contracts, revamp your technology products, and limit your marketing agreements to those companies that sell YOUR product at YOUR price. If not now, when? This high-demand period is the perfect chance to reclaim your market and the industry to band together and remedy this flawed business model.

Sin #4 to be Fixed – Implementing Technology – Now is the time to implement technology that is long overdue. You will either be forced to change by the government (with rules to being open), or you will be forced to change by your golfers and their desire for a contactless environment. Whether it's online reservations, mobile apps, web-based check in/payments, tap-to-pay credit card terminals, targeted email marketing, text messages that call golfers to the tee, or 100 other items that require your attention, this new era requires technology more than ever before. Embrace this digital transformation of your operation, maximize the resources you have, look to other owners for solutions, and work with your available customer support avenues to make your business fit this new age.

There is no time for delay. Changes need to be implemented. Your business, and the golf industry overall, have a moment in time to redirect their fate. Let's seize this opportunity and have a stronger and healthier industry as a result.

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