

GOLF WEEK

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SPECIAL SERIES, P32

IT'S GROW TIME

WITH GOLF IN CRISIS,
GAME'S LEADERS
PLANT SEEDS
OF HOPE

PLUS

CLINTON, WILSON
DELIVER LANDSLIDE
FOR HUMANA, P16



IT'S GROW TIME

A *GOLFWEEK*
SPECIAL SERIES

A red watering can is shown from the top right, pouring water onto a white golf ball. The golf ball is resting on a small green plant with several leaves, which is growing out of a terracotta pot. The background is a clear blue sky. The overall scene is a metaphor for nurturing and growing the sport of golf.

Slumping participation is the biggest threat confronting golf and its relevance in America's sports landscape. *Golfweek's* "It's Grow Time" is a continuing series that will tackle the hot topic throughout 2012, casting a spotlight on the individuals, programs and facilities that are striving to make golf thrive again.

Part I

Golf answers urgent call

By **Gene Yasuda**

Palm Beach Gardens, Fla.

Golf 2.0. It's a title that will become part and parcel of the game this year, lexicon that will roll off the tongues of Jack Nicklaus, U.S. Golf Association and PGA of America executives, TV commentators and just about anybody who's anybody in golf.

So what exactly is it?

It sounds like the name of a video game or a software update, but it's neither. Its creators call it a "strategic plan," but that doesn't do it justice. After all, shouldn't every plan be strategic?

What the PGA of America describes as the most important initiative ever undertaken by the 96-year-old organization is perhaps best explained by the point man hired to oversee it. Sounding much like a preacher, Darrell Crall says Golf 2.0 is a philosophy, and even more simply, committing to a belief that golf must change now.

"Millions of people love this game, but the staggering statistic is that (in 2010) we lost 4.6 million people," he said. "It's terribly important that we recognize that golf shouldn't fit into the lives of consumers.

"We need to figure out a way for consumers to have what they want, when they want it."

Trying to make the game more user-friendly to halt slumping participation is nothing new. In fact, for the better part of two decades, industry leaders have talked about the challenge ad nauseam. They've held summits and conferences to share ideas. They've aired public-service

advertisements featuring celebrities and super models. But as much as Samuel L. Jackson and Kathy Ireland urged – "Play golf, America!" – they, too, failed to stop the decline. Even



COURTESY OF THE PGA OF AMERICA

Golf 2.0 aims to boost participation by targeting nine consumer groups with tailored programs. Seniors and retirees are among those who will gain extra attention from PGA professionals such as Martin Hall (right).

when proven player-development programs such as Get Golf Ready were rolled out, the vast majority of U.S. course operators didn't adopt them.

There are plenty of explanations

and excuses for the disconnect between problem and solution, but the lack of progress can be summarized simply: Knowing that action should be taken and actually doing it often are separated by a chasm that few know how to bridge.

Addressing that missing link is the critical difference between Golf 2.0 and previous efforts to boost participation. Rather than huddle in conferences for a select few, 2.0 will send staff members – disciples, if you will – across America to convert course operators into believers and turn their facilities into centers

of hospitality. They'll teach anyone willing to learn how to address a wide range of issues, from retaining best customers to courting women, and quote tenets from **Golf 2.0, P34 >>>**

GROW THE GAME

Courting the often-ignored women's market is a Golf 2.0 priority being championed by PGA pro Suzy Whaley (kneeling).

<<< Golf 2.0, P33

customer-service manuals that are revered as gospels at companies such as Ritz-Carlton and American Express.

Just as important, Golf 2.0 is a sustained and evolving effort to keep golf relevant and desirable among consumers who increasingly have less money to spend and more entertainment options to pursue.

Unlike "one-and-done" initiatives of the past, Golf 2.0 is a permanent department within the PGA and designed to work on behalf of the industry. By March 1, the association is expected to hire 24 full-time employees dedicated to 2.0's mission.

"Rather than just come up with a 'white paper' that (researches the problem) but no one does anything, the PGA has taken the high ground and committed the dollars to create infrastructure," said Peter Hill, CEO of Billy Casper Golf, which operates 130 courses. "What's unique is, we finally have the execution component for the ideas we've talked about forever."

At its official unveiling at this week's PGA Merchandise Show, Golf 2.0 will present a unified front among industry executives, and spokesmen such as Jack Nicklaus will share its multipronged approach to solve golf's biggest problem.

In a nutshell, 2.0 aims to retain core golfers, re-engage those who have left and create new players. It plans to achieve these goals by tailoring messages and delivering customized programs to each of nine consumer groups identified by the Boston Consulting Group, which was retained by the PGA during the formation of 2.0. These groups represent a broad demographic: core golfers making at least \$150,000 annually; occasional men and women golfers with no



COURTESY OF THE PGA OF AMERICA

Regional profiles of U.S. golfers

	Participation rate*	Total players (in thousands)	Rounds per golfer	Total rounds (in millions)
New England (CT, MA, RI, ME, NH, VT)	10.6%	1,443	15.2	21.9
Middle Atlantic (NJ, NY, PA).....	8.7%	3,353	15.8	53.0
East North Central (IL, IN, MI, OH, WI).....	12.9%	5,644	16.1	90.9
West North Central (IA, KS, NE, ND, SD, MN, MO).....	11.5%	2,180	16.4	35.7
South Atlantic (DC, DE, MD, FL, GA, NC, SC, VA, WV) ...	8.4%	4,664	22.0	102.6
East South Central (KY, TN, MS, AL).....	6.3%	1,073	19.6	21.0
West South Central (TX, OK, AR, LA)	7.1%	2,272	21.3	48.3
Mountain (AZ, CO, ID, WY, MT, NM, NV, UT)	11.0%	2,217	21.6	47.9
Pacific (CA, HI, OR, WA).....	7.3%	3,276	15.4	50.4
Total	9.2%	26,122	18.2	475.0

* Percentage of golfers among general population

Note: Alaska not included in NGF report

— Source: National Golf Foundation (2010)

Number of golfers in the U.S. (millions)

Each category includes all players ages 6 and older:

Annual rounds	1985	1990	1995	2000	2005	2010
Occasional.....1-7	6.1	11.5	8.3	9.1	12.0	11.3
Core 8+	13.4	16.0	16.4	19.7	18.0	14.8
Avid 25+	6.9	8.3	8.4	10.2	9.1	7.0
Junior (age 6-17)..... 1+	2.0	2.9	2.8	3.0	3.8	2.5
Female..... 1+	4.1	5.9	5.0	5.4	7.0	5.4
Non-Caucasian* 1+						5.5
Total 1+	19.5	27.4	24.7	28.8	30.0	26.1

* Includes golfers who identified themselves as black, Asian or Latino

– Source: National Golf Foundation

children; “lapsed” or former golfers, including men, women, retirees and parents; children; and Latinos familiar with the game.

Recruiting players from these various pools and courting them simultaneously are essential, Crall says, to stem the game’s well-chronicled decline: The number of annual rounds played in the U.S. fell from 518 million to 475 million in the past decade, and it declined for the fifth consecutive year in 2011. The number of players peaked at 30 million in 2005 and has been sliding since, to 26.1 million golfers in 2010, the most recent year for which numbers were available.

Though the task seems daunting – and critics point out the flaws of the industry’s plan – 2.0 leaders insist there is opportunity for tremendous growth. Their optimism is buoyed by their recent research findings.

According to Boston Consulting, more than 90 million Americans previously have played golf and enjoyed the experience. More importantly, 70 percent of them have some interest in playing again. In addition, BCG says, there are 20 million Americans who have never played but aspire to learn the game.

Such interest, in particular, lies untapped among women. At 20 percent of the golfer population, they remain underrepresented in the game. Though past efforts to court them have failed, Donna Orender – former WNBA president and ex-PGA Tour senior executive who is serving as a 2.0 strategist – insists women represent a real opportunity that’s finally being recognized by course operators.

“I’ve had six years of hard-fought,

frontline experience working in the WNBA, where I felt like I had to work hard to create and find women basketball fans,” Orender said. “That’s not the case in golf. . . . You just have to take away gender as a highly politicized element. At a time with so many economic challenges, people are much more receptive.”

Based on these findings, Golf 2.0 has set a goal of increasing the U.S. golfer population to an unprecedented 40 million by 2020. Critics, however, scoff at the projection, considering it’s a 50 percent jump from current levels.

Jim Koppenhaver, an industry consultant who often has challenged what he calls the golf establishment’s “rosy” forecasts, actually applauds the PGA for spearheading 2.0, which he calls the most comprehensive effort to date. He says 2.0 strategies are sound, but doubts whether the PGA and course operators have the resources to execute them effectively. For example, Koppenhaver says, most U.S. courses aren’t equipped with point-of-sales systems that “profile” their customers or their spending behavior.

“If you want to offer a women-friendly program, how are you going to get a mailing list to reach them?” he asked. “Can your database separate and cull out the women from the men?”

He also is skeptical that PGA personnel will have the hospitality and management expertise necessary to achieve what it calls a “transformational retail experience.” Said Koppenhaver: “The likelihood of their army being able to carry out the mission that they say needs to be done . . . I think the odds

of that happening are very low.”

Crall counters that it’s unrealistic to expect 2.0 trainers to be masters of every discipline, but says all of them will have proven track records in creating player-development programs. Furthermore, the curriculum that trainers take into the field will be crafted by strategic-initiative teams. The PGA is tapping its business partners, including service-oriented icons such as American Express, to share their knowledge with these teams.

Initially, 2.0 trainers will be dispatched to nine major metropolitan markets identified as having the most growth potential: Atlanta, Boston, Chicago, Dallas, Los Angeles, New York, Phoenix, Seattle and Washington. (Courses in other markets can contact the PGA for assistance or access a new online player-development “playbook.”)

Trainers will provide one-on-one instruction for individual courses as well as host seminars in the field. Most importantly, such coaching will be provided free, not just to PGA professionals, but to anyone working at a golf facility.

“You have one chance to communicate effectively with a consumer,” Crall said. “We have to cover every touch point.”

Customer service in the 2.0 context goes well beyond friendliness. It’s about understanding what specific consumer groups want and delivering programs that satisfy them. Many such programs already exist, but 2.0 will strive to make sure that over the long term as many facilities as possible offer them. It also will underscore the relentless pursuit of existing customers so they don’t become former ones.

If it seems like a lot of hard work, it will be. And 2.0’s success ultimately will depend on those who are willing to embrace it.

“It’s going to come down to people who say, ‘How can I become a better businessperson?’ ” Orender said. “If you’re good, you’re going to get rewarded with more business, and others will look to their right and left and say, ‘I need to start accelerating, too.’ ” ○



‘You have one chance to communicate effectively with a consumer. We have to cover every touch point.’

– Darrell Crall, senior director of Golf 2.0