Turnaround Strategy: Overview of the Business and Marketing Challenges Facing the Golf Industry and Initiatives to Reinvigorate the Game

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ABSTRACT

This paper presents an overview of challenges facing the U.S. golf industry, the subsequent impact, and the implementation of programs to address the problems. The challenges addressed in the U.S. and beyond include the overbuilding of golf courses, low participation in the game, and a decreased demand for golf rounds. The impact of these challenges has resulted in discounting golf rounds, along with closures, conversions, or selling off of golf course properties. To remedy these challenges, several managerial and marketing initiatives have been implemented, including the provision of women-friendly facilities, tee positioning systems appropriate for recreational golfers, the Get Golf Ready program for beginners, and a dramatically increased marketing campaign by major golf entities. This situation analysis of the golf industry can be used to illustrate various challenges and possible responses to the decline in participation in golf, which include changing consumer preferences; managing a business in a market with declining primary demand; managing the tension between innovation and tradition in the golf industry, and others. These business challenges can be extended beyond golf to other service industries facing a changing environment.

Keywords: Golf, Management, Marketing, USGA, PGA, LPGA, Course

INTRODUCTION

The management of many golf courses in the United States has fought for survival in the last few years due to the problem of supply and demand. The supply of golf courses has grown to be excessive, while the demand for participation in the game has gradually decreased, leaving course managers to compete for players. The purpose of this paper is to briefly overview the problem of supply and demand, examine the subsequent consequences of golf rounds being discounted and courses being closed, converted, or purchased by management companies, and review some of golf management's efforts to attract new golfers and to retain the regular players by implementing structural and marketing initiatives. Although this paper primarily focuses on the state of the golf industry in the United States, several other world golf markets share similarities, particularly Europe.

Golf industry business professionals are facing multifaceted challenges. This situation analysis of the golf industry can be used to illustrate various challenges and possible responses to the decline in participation in golf. The golf industry is faced with aging and declining numbers of people interested in playing a traditional round of golf. A consumer who seeks a more casual, less challenging, less expensive alternative is emerging. Should golf's loyal players try to shape younger people into golfers, or change the game to accommodate their needs? How can one preserve the cherished history of golf at a time when "legacy" is a word that connotes obsolete and behind the times?

The challenges facing golf can be used to illustrate a variety of business challenges:

* Adapting a service to changing customer, while not alienating traditional consumers
* Finding opportunities for growth for a service with declining primary demand
* Running a high-fixed-cost business with declining demand and revenues
* Choosing whether to adopt or ignore innovations in service design
* Facing the challenges of marketing a service, which has unique characteristics when compared to physical products (intangibility, perishability, inseparability, variability).

EARLY AMERICAN GOLF COURSES

St. Andrew's Golf Club built in 1888 in Yonkers, New York, is generally recognized as the first modern [private] American golf course. However, according to Kirsch (2009), Vermont's Dorset Field Club and Pennsylvania's

Foxburg Club “have challenged [St. Andrew’s] claim to be the oldest golf club in continuous existence in the United States” (p. 4). By 1895, 50 clubs had developed courses throughout cities and suburbs as the fascination with golf surged among the elite and upper middle classes in the United States. According to a journalist for the *Montclair Times* of New Jersey on November 24, 1894, “The victims of acute golf mania are to be avoided by all who are not in touch with the passing vogue, for they can talk of nothing but golf, dream of it, radiate it in fact, in spite of the mournful fact than an expert has said that it takes three years to become proficient in the game” (Kirsch, p. 6). Additional prestigious golf clubs that laid out courses during this period included Newport Golf Club (presently known as the Country Club), Chicago Golf Club, The Country Club (located in Brookline, Massachusetts), and Shinnecock Hills Golf Club.

U.S. GOLF COURSE BUILDING BOOMS

As the private golf clubs continued to form, public golf courses soon followed, beginning in 1890 with the 9-hole Dutcher Golf Course in Pawling, New York, and in 1895 with the 18-hole Van Cortlandt Park Golf Course, located in the Bronx. As the popularity of golf grew, both private and public courses were constructed throughout the Roaring Twenties—a time referenced as the First Building Boom of golf courses (Beditz, & Kass, 2010). By 1931, there were 700 daily fee courses (i.e. public access courses), 543 municipal courses, and 4,448 private golf clubs in the United States, giving a total of 5,691 courses. As seen in Table 1, just prior to World War II, the number of daily fee courses continued to increase, with the exception of private courses (National Golf Foundation, 2016).

During the years of World War II, people lost interest in golf and became primarily concerned with physical and financial survival, leaving golf construction relatively stagnant. Again, in Table 1, it was not until the 1960s and 1970s that an interest in course development re-emerged in a Second Building Boom (Beditz, & Kass, 2010; National Golf Foundation, 2016). By 1979, the total number of courses had more than doubled to 11,966 (National Golf Foundation, 2016).

In the late 1990s, the National Golf Foundation (NGF) used projected economic forecasts and future population demographics to announce a strategic plan for building substantially more golf courses. The plan came to be referenced as building “a course a day.” The NGF believed the plan would assist in providing a sufficient number of courses with a potentially rising demand of golfers, including a large population of Baby Boomers advancing toward retirement (Vasilak, 2010, p. 1).

Having convenient and easy financing available in the 1990s and seeing courses as enhancing real estate and high-end housing pricing, investors and real estate developers quickly responded to the NGF’s strategic plan, making way for the Third Building Boom and an oversupply of golf courses (Beditz, & Kass, 2010). Table 1 shows the construction of courses had significantly grown to 15,195 by 1999. Construction continued until mid-2000s, resulting in a total of 16,057 courses by 2004 (National Golf Foundation, 2016). The building of golf courses only began to slow down in the early 2000s. By 2010, the number of courses had grown little since 2003, with 9,233 daily fee courses, 2,395 municipals, 4,262 private courses, along with a total of 15,890 courses. By the beginning of 2015, the total number of courses had fallen to 15,372 (National Golf Foundation, 2016).

Indeed, in 2015, 34,011 golf courses are in the world, and the U.S. has 45 percent of them (Royal and Ancient, 2015, p. 4). As critics looked to lay blame for the industry’s oversupply of golf courses on the National Golf Foundation’s decision to build a “course a day,” Joe Beditz, Ph. D., president of the National Golf Foundation, defended the Foundation and claimed the blame lay with developers. In an interview with *Sports Illustrated*, he stated:

> What no one remembers is that . . . we issued a second report saying our assumption of 3 to 4 percent growth wasn’t happening…. Baby boomers were working more, not less, than their parents. Supply was outpacing demand by a considerable amount. We said, ‘Stop!’ But the developers went ahead and built another 1,500 courses anyway [across the Sunbelt from the Carolinas to Arizona]. They saw gold in them thar fairways. Instead of a golf boom we had a construction boom, and everyone built in the same markets at the same price points. The only way to win was to hurt your competitor. People built irrationally, and now they’re blaming us (Swift, 2004, p. 78).

Regardless of who or what forces were to blame, the reality of an oversupply of golf courses became a major challenge to the golf industry.

GOLF PARTICIPATION AND GOLF ROUNDS

In the early years of the building boom, management of the golf industry was pleased with the growing number of participants, totaling approximately 27 million. From 1991 through 1999, there was some uneasiness among the ranks of management as the number of golfers moderately fluctuated between 19 million to 26 million players (National Golf Foundation, 2012b).

Nonetheless, by 2005, participation had climbed to 30 million golfers, and all looked well for golf managers. Then, in the next few years as the number began to decrease, management realized there was a need for greater numbers of golfers to play the extensive number of golf courses. By 2010, the number of participants had significantly dropped to 26.1 million players (National Golf Foundation, 2012b). By 2011, there was a historic drop resulting in 25.7 million golfers playing the game (National Golf Foundation, 2012a). The decline in golf participation had become another major concern for golf management.

Golf participation numbers were mimicked by the number of rounds of golf; as seen in Table 2, the lowest number of rounds was 418.3 million rounds in 1994, with the highest number of rounds at 518.4 million being reached at golf's peak in 2000, with a steady decline after that (National Golf Foundation, 2015b).

IMPACT OF OVERBUILDING AND DECREASED PARTICIPATION AND ROUNDS

The imbalance between the oversupply of golf courses and the inadequate demand for participation and number of rounds forced management in the golf industry to make changes for the survival of golf courses. In addition, research found that most golf course development in recent years was tied to real estate development, and that course difficulty was far too great in these courses, thus discouraging golfers (Hueber, 2012).

Closures, Conversions, Third-Party Management Take-Overs

The mix of an oversaturated market of golf courses, low golf participation, decreased number of rounds, along with discounting golf rounds, placed several golf facilities in financial difficulties. Although "many of the most established, old-money clubs across the country, particularly those including Augusta National, Shinnecock Hills Golf Club outside New York City, and Riviera Country Club in Los Angeles remained impervious to the current downdraft" (Foust, 2009, para 3), there remained 10 to 15 percent of clubs that were highly likely to experience financial troubles (Beditz & Kass, 2008).

The economic outlook was most bleak for daily fee courses. According to the National Golf Foundation, 1,500 to 2,000 daily fee and public courses were facing financial threats to their livelihood. Some of those in the gravest danger were the "9-holers…courses at the lower price points, alternative facilities (par-3 and executive) and those in less populated area…[and] certain very high-end/highly debt-leveraged facilities" (Beditz & Kass, 2010, p. 3).

When private clubs or public courses could not recover on their own, they often resorted to closures, conversions, or third party management takeovers. The year 2011 witnessed many distressed golf properties undergoing these legal processes. According to the National Golf Foundation, closures of domestic golf courses included 95.5 daily fee courses, 10 municipal courses, and 17.5 private courses. Conversions consisted of 83 private facilities converted to public ones and 25 public facilities converted to private clubs (National Golf Foundation, 2011, p. 13). Furthermore, takeovers by some of the largest third-party management companies in 2011 acquired and managed 1,653 18-hole equivalent golf courses (Crittenden, 2011). Of the top 25 largest management companies, the top ten are found in Table 3; as one can see, super companies with the capital enough to do so took over many small courses in the years between 2011 and 2016, especially since the smaller companies failed.

European Similarities

The golf bust seems to be mostly a U.S. and European problem. KPMG's "Golf Participation in Europe 2015" report states that in 2014, Europe as a whole lost 77,000 golfers and that "the only countries where it might be considered that golf is well established and which registered significant increases in golfers in 2014 were Belgium and Switzerland (+2.8% and +1.4%, respectively)" (KPMG, 2015, p. 4). Numbers of golfers in Europe leveled off after 2010 and lost around 2-3% per year since then (KPMG, 2015, p. 6). Therefore, golf is spreading to the East in Europe—to places such as Belarus and the Czech Republic; there are 8 courses in Latvia and 6 in the Ukraine; there are even two courses in Greenland (R & A, 2015, p. 12). Of course, Germany and the U.K. dominate with over 50% of European courses (R & A, 2015, p. 12).

MEETING CHALLENGES WITH MARKETING INITIATIVES

In a large reversal of fortune, in 2016, *Golf Digest* reported that in the U. S., the "number of rounds played is through the roof," with March 2016 alone at a 13.2% increase (Beall, 2016), and that the number of rounds have increased for the first time since 2012 (Kiernan, 2016). Perhaps this uptick in play has to do with the aggressive marketing and rebranding techniques of golf entities and the many initiatives to bring in new players in recent years since the decline in golf was confirmed.

LPGA Tour

The LPGA (Ladies Professional Golf Association) has been especially concerned with increasing awareness of the LPGA tour, which would hopefully bleed into more numbers of fans, and ultimately new golfers. The LPGA instigated a large social media campaign in the last few years. Tina Barnes-Budd, Senior Director of Social Media Marketing and Communication with the LPGA, stated that the tour wanted to "humanize" the brand, and that people identify with people instead of logos (Bae, 2015, p. 150).

Even so, a new logo for the LPGA tour was developed in 2007, which seemed to show a sexier, more athletic alternative (Bae, 2015). The tour instigated taglines such as "These Girls Rock" and the current "See Why it's Different out Here" campaign. In 2016, several new ad spots were debuted with marketing campaigns entitled "Mentors" and "Raising the Bar 2.0." The ads may be seen at http://www.lpga.com/news/2016-lpga-debuts-new-ad-campaign (LPGA, 2016). This is year six of more aggressive ad campaigns, which started back in 2010. "A total of 18 different players are featured in the spots that continue the popular "See Why it's Different out Here" tagline" (LPGA, 2016, para 2). Also, social media platforms such as Google+, Pinterest, Instagram, and Snapchat were ramped up, along with old favorites Facebook and YouTube.

Indeed, the LPGA encourages players to be engaged in social media, as fans want to hear from them. "Twitter Takeovers" by players during Golf Channel broadcasts proved popular (Bae, 2015). Every week on tour, players are given the correct handles and hashtags from that week's tournament sponsors to use in their personal posts, and players' Twitter handles are displayed on caddy bibs (Bae, 2015, pp. 151-152). Golf lessons are advertised on the LPGA website. Also, the international field of the LPGA seems to be a good connection to diversity, as the more segmented male PGA tour (European Tour and PGA tours) usually only gets together for the four major tournaments and the Ryder Cup. Much investment in the LPGA tour is made via foreign countries ($29.1 million of a $61.6 million season purse in 2015) (Bae, 2015, p. 153).

PGA Tour

Since Tiger Woods sank from the PGA (Professional Golf Association) tour, helping both dabblers and potential players know the game's new top players is helping to market golf. "The top spot in the world rankings has changed hands nine times in the past eight months alone" ("How Golf," 2016, para 9). Millennials (18-34 year-olds) identify with the top hot players of Jordan Speith, Rickie Fowler, Jason Day, and Rory McIlroy, who are all well under 30 years old. Millennials are larger fans of golf, seeing it as cool, than other age ranges. It wasn't always this way, as several tell-tale symbols said that youngsters were not interested in golf, such as low t.v. ratings and little golf merchandise sold (Heine, 2015).

However, marketing efforts seem to have helped. According to the "#Golf and the Millennial Generation," published by the National Golf Foundation (2015a), around 6 million of the generation play nearly 90 million rounds and spend $5 billion per year. Ideas that courses have marketed to millennials include "golf bikes" to get to their shots at Palmetto Dunes, to SNAG (Starting New at Golf) courses in Loveland, Colorado. Southern California Golf Association is reducing rates for young players (National Golf Foundation, 2015a, 69-70), like many courses in the country.

Several big events are currently being marketed in 2016, such as all four majors, the Olympics, and the Ryder Cup. Several stars in other sports are seeing that golf gets in the limelight by Tweeting about their playing, such as Steph Curry (basketball star), One Republic (music group), and Kelly Rorhback (*Sports Illustrated* swimsuit model and collegiate golfer at Georgetown) (Heitner, 2015). The PGA tour is "touting outside the ropes "experiences" at its 16 owned and operated golf tournaments with social media-friendly, targeted marketing including "hash-taglines" such as #Morethangolf at the recent Northern Trust Open in Los Angeles" (Gray, 2015, para 4).

For the Northern Trust Open, the tour used "food trucks, a Green Room sponsored by SoCal hip clothing brand johnnie-O, and a concert by alt-rockers O.A.R. after Saturday's round concluded" (Gray, 2015, para 14). In fact, 2500 fans came to see O.A.R., and just happened to be doing it on a driving range. The tour is doing more and more of these events targeting millennials. Also, the PGA tour launched the "These Guys are Good" spots on t.v., YouTube, Spotify, and all over the Internet. These spots feature many young stars in the game such as Dustin Johnson, Speith, and many more. The Golf Channel's funnyman David Feherty seems to be having an uptick of young stars on his show doing interviews. Baar (2015), writing for *Marketing Daily*, noticed that the "new round of advertising for the tour showed off the work and dedication the professionals competing for the FedExCup have for their sport." Baar also commented on the new commercials in the PGA tour's "This Guy" campaign (2015, para 2).

USGA

The USGA (United States Golf Association) has joined in with the PGA and LPGA tours to market golf via several USGA spots entitled "A Lot to Love about Golf" (video can be seen here: https://www.ispot.tv/ad/7h_j/usga-a-lot-to-love-about-golf) and shows people from all walks of life practicing wherever they are. USGA commercials recently surged in the effort to market the game as a whole. In early 2015, it was announced that viewers of such channels with 21st Century Fox, including Fox, FX, and National Geographic Channel would be seeing many golf ads. "The supply is a result of the deal the USGA struck with Fox Sports in 2013 that includes broadcast rights to the U.S. Open…" (Schultz, 2015, para 2).

MEETING CHALLENGES WITH MANAGERIAL INITIATIVES

This paper also reviews a few managerial initiatives designed to counter some of the problems facing the golf facilities, and thereby promote recruitment and retention of golfers. These initiatives include notations of needed provisions on golf courses from women's points of view, implementation of two types of tee positioning systems appropriate for recreational golfers, and the adoption of the Get Golf Ready program by facilities across the country. Golf associations and courses have also courted new golfers with grow-the-game initiatives, and new sources of revenue with non-traditional means such as shorter rounds, enhanced driving ranges, and new games such as FootGolf.

Golf Round Discounting

Beditz, the NGF President, foreshadowed the advent of discounting in his *Sports Illustrated* interview noted earlier when he said, "The only way to win [survive in golf course management] was to hurt your competitor" (Swift, 2004, p. 78). One form of the "hurt your competitor" was known by many as discounting golf rounds.

For example, a manager of a typical municipal golf course located somewhere in the Sunbelt may record 420 rounds of golf in the month of April accompanied by a green fee of $25 per round. The resulting revenue would be $10,500. However, if golfers purchased those rounds from a third party at a 15 percent discount, the revenue in this case for the municipal golf course would drop to $8,925--a loss of $1,575, yet expenses and taxes would either remain constant or perhaps increase. Although this is a simple example, it demonstrates the negative impact that "discounting" golf rounds may have on golf facilities.

"Discounting" is a practice in which third parties purchase rounds of golf from clubs at the lowest possible rates and then, with a substantial mark-up, sell them for sizable profits in forms of "discounted coupons" to interested buyers. Although club facilities understand they are selling rounds at a rock-bottom price, they tend to justify their actions in that it is better to earn at least some marginal revenue from third party discounters than to receive only a bare minimum from clients/members who may or may not choose to play one or more rounds of golf.

However, the general opinion from golf course managers and executives in the field regarding discounting has been that it was a negative impact on golf. According to Palmer, a golf course manager for more than 20 years, "Discounting rates and selling to third parties is the death of public golf" (Hammond, 2012, para 9). Jeff Schwister, Executive Director of the Golf Course Owners of Wisconsin, also acknowledged "discounting" as a serious problem for golf facilities. To avoid the danger of "discounting," Schwister encouraged clubs to manage their own sales of golf rounds and tee times by building databases of their customers and other potential golfers and promoting their golf courses and tee-times via emails and websites. In addition, he urged clubs to set up partnerships with local hotels, bed-breakfast accommodations, or resorts, and promote their courses in a form of attractive golf packages (Schwister, 2011).

Women-Friendly Golf Facilities

With women only comprising 21 to 22 percent of the golf population, golf management has realized the importance of promoting and retaining their participation by effectively responding to their needs in a golfing environment. Several of these needs were addressed in a study by the Sports & Leisure Research Group (2011).
The first area of needs noted by women was "eliminating physical and emotion stressors" (p. 14).

Satisfaction of this need included the availability of drinking water and bathrooms throughout the course, provision of nutritious food in the pro shop, clear signage on the course, and GPS systems installed in golf carts. A second area listed was the need to "reduce the frustration with the game." Since 50 percent of women were unable to reach the green in regulation, they requested the advancement of women's tee boxes to complement their golf swing distance. They also preferred routine maintenance to keep the course clean and aesthetically pleasing to the eye. The third area listed was the need for having various expense options of play available. Women requested a platform in which they could choose to pay for 9-holes rather than 18 or to pay for a specific number of holes less than nine (Sports & Leisure Group, 2011). In summary, the study of these areas of needs strongly recommended golf management to consider incorporating these concerns in golf facilities throughout the United States.

Another initiative designed to attract women golfers is accredited to Arthur Little and his wife Jann Leeming who set up a daycare center at their renovated facility at Province Lake Golf Course on the Maine-New Hampshire border. The service allowed mothers to play golf with a peace of mind while their child(ren) were in the care of a professional. The program resulted in an increased number of women golfers from 15 percent to 35 percent (Little, 2011).

Tee Positioning Initiative--Playing it Forward

When Leeming and Little bought Province Lake Golf Club out of bankruptcy, they knew one of the keys to attracting and retaining customers was to offer golf as a fun experience. They advised, "If golfers don't have fun and are uncomfortable at your course, they will not be customers for long" (Leeming & Little, 2011, p. 16).

To attract and retain golfers and set up the course to "survive economically," Leeming and Little designed a tee positioning system named 'Playing It Forward.' The system was designed to determine a golfer's tee position by his or her swing speed. The swing speed corresponded to an average yardage course length recommended for the player. The system, as seen in Table 4, indicates suggested tee colors, the average drive in yardage, the calculated course yardage, and handicap. The golfer's swing speed was also associated with a specific colored marker designated by the club facility. The system required a player to play from his or her assigned colored marker for the complete round (Little & Leeming, 2010).

For managers of golf facilities who incorporated the "Playing It Forward" initiative, Little and Leeming (2010) reported that they found it encouraged seniors, women, and juniors, any minority groups, as well as all other golfers to play greens in regulation, have a few birdies, and experience faster play (p. 18).

Impressed by the "Playing It Forward" tee positioning philosophy, several notable golf course owners, including Milan Kapel of Berkshire Hills in Chesterland, Ohio, and Mike Keiser of Oregon's Coastal Bandon Dunes Resort, implemented the system on their courses. It is interesting to note that Bandon Dunes is ranked as the Number One Golf Resort in North America by *Golf Digest* in 2011 (Whitten & Finch 2011), a ranking, which may be due, in part, to the tee positioning system introduced by Little and Leeming.

Tee Positioning Initiative--Tee it Forward

Golf facilities also might consider implementing a similar tee position system known as 'Tee It Forward' to encourage golfers and family members to enjoy golf more frequently and play the game in a shorter period of time. The system is based on the contributions of Barney Adams, founder of Adams Golf (Auclair, 2011), and is supported by Little and his wife Leeming, who pledged to help advance the program. "Tee It Forward" was introduced in 2011 by PGA of America and the United States Golf Association as a national initiative to encourage golfers to play the course at a length that is aligned with their average driving distance (ESPN, 2011). For facilities that adopt this tee positioning system, they should see their golfers playing from tees that give them the benefit of using shorter clubs in their approach shots and hitting the green in regulation.

Online feedback from approximately 600 individuals regarding their experience in the Tee It Forward program was as follows:

- 85 percent had more fun
- 56 percent played faster
- 56 percent were likely to play more often
- 83 percent hit more lofted clubs into greens
- 93 percent were likely to *TEE IT FORWARD* again (Play Golf America, 2012).

Get Golf Ready

With almost 27 million individuals expressing an interest in playing the game, golf management decided to tap into this pool of latent golfers by implementing the Get Golf Ready (GGR) program, a 2008 Play Golf America initiative. It is a five-day program costing $99 and consisting of a 60-90 minute daily group lesson on golf fundamentals, aimed at adult golfers. As of 2011, there were 1,888 GGR certified facilities with an average of 40.5 students per facility, which is an increase of 8.6 percent over 2010 (Get Golf Ready, 2011).

Grow the Game

Although Get Golf Ready is for adult beginners, there are several programs focused on introducing golf to youth. One is the PGA Junior League Golf, a team format for boys and girls 13 and under, which has increased 233 percent since 2013 (Heitner, 2016). Also for girls there is the LPGA-USGA Girls Golf. “The First Tee” offers after-school and in-school programs in 8,000 elementary schools and 700 youth centers (Heitner, 2016) and is supported by golf's major organizations, including the LPGA, Masters Tournament, PGA of America, PGA TOUR and USGA (“The First Tee,” 2016).

Another youth program is the Drive, Chip and Putt Championship, “a golf development initiative founded in 2013 by the Masters Tournament, United States Golf Association and The PGA of America” (Hall, 2016, para 2). These initiatives are all focused on increasing primary demand for traditional golf by introducing golf to young people. Although the junior programs are successful in the 5 to 12 age range, there is a window of time in which 12 to 15 year olds are less active in golf, although they may return to the course at high school age (Snodgrass, 2016).

Play Fewer Holes

The challenges of marketing golf to millenials goes beyond using advertising to generate awareness and interest in the game. Golf is, in some ways, incompatible with the lifestyle of millenials, and is faced with barriers to increased participation. An oft-noted issue is the time commitment to play a round of golf. An 18-hole round of golf, including travel and warm-up, can take 5 hours or more. Golf is competing for people’s time spent with non-golfers, including friends, life partners, children, and other family. Prime golfing time is on the weekends, which is also prime family time. According to a teaching golf pro, among golfers the 30 – 45 age range is missing from the course due to activities with children (Snodgrass, 2016); he offers 9-hole packages for the time-pressed golfer.

Arlington Lakes Golf Club (Chicago area) reconfigured its course to allow for 3-hole, 6-hole and 12-hole rounds, which take about 30, 60, and 90 minutes to play. According to Greenstein (2016, para 18) “shorter, easier courses lead to faster rounds, lower scores and happier customers.” Arlington Lakes offers green fees that attract casual golfers, such as $14 for 6 holes (cart not included). Nationally, the USGA promoted 9-hole play with its PLAY9 initiative. According to the USGA (2016), “the USGA’s PLAY9 program has been actively educating and rallying golfers around the concept of the nine-hole round as a simple yet effective solution to address the challenge of fitting golf into busy days” (para 2). The USGA claims its PLAY9 Days have increased nine-hole rounds, as measured by scores posted to its handicap network.

Non-Traditional Golf

According to Tim Finchem, PGA tour Commissioner, people are also experiencing golf outside of traditional golf courses with more than 18 million participants, 7 million of which are non-golfers, taking part at driving ranges, Topgolf facilities and simulators (Heitner, 2016). According to Topgolf (2016), “Topgolf is the premier golf entertainment complex where the competition of sport meets your favorite local hangout. Players hit golf balls containing computer microchips that track each shot’s accuracy and distance while also awarding points for hitting targets on the outfield” (para 1). Topgolf is essentially a driving range that offers competition and opportunities to socialize to everyone, an attractive combination for millenials.

Some golf courses are providing golf-like experiences with non-regulation equipment. One relatively simple variation on traditional golf is an entry-level version in which the holes are 15 inches wide, about four times the width of a standard hole (Pennington, 2014). The wider hole helps junior, beginners, and older golfers play better golf and enjoy it more.

Another variation on golf includes a wider hole and a different ball – a soccer ball. Footgolf has been a financial success at some traditional golf courses, leading the National Golf Course Owners Association to recognize the American Footgolf League (AFGL) as the governing body for the hybrid soccer/golf sport of Footgolf in U.S. ("American Footgolf," 2014). The AFGL lists over 490 sanctioned Footgolf courses.

Disc golf is played with a flying disc and a basket; no clubs, balls, or holes. According to SportsPlanningGuide, disc golf courses popping up all over the world and with an estimated 8-12 million people having played the sport at least once (Morrill, n.d.). Typically disc golf is played on courses in public parks and free of charge, but an increasing number of traditional courses are hosting disc golfers who play alongside regular golfers. There are examples of courses that host traditional golfers, disc golfers, and footgolfers on the same course (Finley, 2015).

AND THE REST OF THE WORLD?

Although this paper has concentrated on the U.S. and Europe, it must be called to attention that the rest of the world has experienced a different supply and demand problem. When a golfer in the U.S. thinks about a large golf market outside the country, one often hears one word "Asia," complete with oft-told tales about tee times booked for years in advance, golfers swinging on Astroturf driving ranges well into midnight, and the boom of Asian pros on the LPGA. "It is odd that golf, a game born in the windswept moorlands of Scotland, should have taken such a hold in South-East Asia. The scorching heat and downpours of the tropics do not lend themselves to long trudges around unshaded fairways and greens. Yet golf's insidious charm has led to a boom in the construction of golf courses all around the region—from well-established golfing zones such as Japan to supposedly communist new frontiers such as China and Vietnam" ("Asia," 1997, p. 85).

Indeed, according to the Royal and Ancient's *2015 Report*, Japan accounts for half of the courses in Asia and has no new courses under development at all due to land need, and that in China "the government imposed a ban on golf course construction in 2004 in an effort to protect the country's land and water resources. The ban, still in effect, applies to all areas of China except Hainan Island, a major tourist area" (R & A, 2015, p. 10). The R & A report also says that South Korea does not have enough public courses for demand; private courses have lost memberships due to extreme taxes of memberships and fees. In fact, "17 countries in Asia have 1 golf facility," (R & A, 2015, p. 11). In other areas of the world, land is not an issue. For example, many courses are being built in Africa, such as in Gambia (Jobe-Nijie, 2011).

SUMMARY

This paper discussed problems facing golf management, the impact of these problems, and initiatives to assist in remedying the situation. The problem is described as one of supply and demand which comprises further concerns of overbuilt golf courses, a decrease in golf participation, and a diminishing number of rounds played. The paper further explains some of the effects the problem had on the golf industry, namely, discounting golf rounds for the purpose of encouraging golfers to play courses that they might not otherwise play and restructuring the ownership of golf courses, whether that be in closing, converting, or selling golf courses for the purpose of financial security. The discussion in the paper also includes a description of some business initiatives strategically designed to attract and retain golfers, and several marketing ideas that were put into action to attract new players to the game. The management and marketing tactics employed to attract new players and golf fans seem to be those which set good examples for business and non-profits.

Questions for discussion:

1. How does the "perishability" characteristic of a service relate to golf, and how can golf course marketers minimize its negative effects on their business?
2. What are some characteristics of millennials that have brought challenges and opportunities to the sport of golf? How have golf course managers adapted to the needs of millennials?
3. Should golf course managers chose between serving the traditional golfer, and the emerging target market of millennials with non-traditional sporting interests? Or can golf courses accommodate both target markets? If so, how?
4. What are the options for a golf course manager who runs a high-fixed-cost business, when being faced with declining capacity utilization and associated declining revenues?
5. How can golf course managers use business process management to be more efficient, more effective and more capable of change than a functionally focused, traditional management approach?

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Table 1: Growth Development of Private, Municipal, and Daily Fee Clubs

Year	Private Golf Course (exclusive membership)	Municipal Golf Course (owned by a tax-supported base--city or county)	Daily Fee Golf Course (open to public)	Total Courses
1931	4,448	543	700	5,691
1941	3,288	711	1,210	5,209
1979	4,848	1,778	5,340	11,966
1999	4,285	2,440	8,470	15,195
2004	4,367	2,406	9,284	16,057
2010	4,262	2,395	9,233	15,890
2012	4,174	2,431	9,146	15,751
2015	3,902	2,480	8,990	15,372

Source: National Golf Foundation. (2016). Cumulative Number of Golf Courses by Year. National Golf Foundation: Jupiter, Florida. Retrieved from http://secure.ngf.org/cgi/faqa.asp

Table 2: Number of U. S. Golf Rounds Played, 1994-2013

Year	Number of Rounds Played (in millions)
1994	418.3
1999	507.6
2000	518.4
2005	499.6
2010	475
2011	463.1
2012	489.5
2013	465.5

Source: National Golf Foundation. (2015b). Golf Participation in the U.S. National Golf Foundation: Jupiter, Florida. Retrieved from http://secure.ngf.org/cgi/faqa.asp

Table 3: Ten of the Largest Golf Management Companies in 2011 & 2016

Management Company	2011 Ranking	Golf Courses in Operation or Development, 2011	2016 Ranking	Golf Courses in Operation or Development, 2016
Troon Golf (Scottsdale, AZ)	1	209.5	1	245.5
ClubCorp (Tokyo, Japan)	5	157.5	2	198
Accordia Golf (Tokyo, Japan)	3	138	3	160.1
Billy Casper Golf (Vienna, VA)	4	131	4	158
Pacific Golf Management (Tokyo, Japan)	2	128	5	156
KemperSports (Northbrook, IL)	7	109	6	124.5
American Golf (Santa Monica, CA)	6	107	7	86
Blue Green Groupe Saur (Saint-Quentin-enYvelines, France)	(Formule Golf, Blue Green merger)	-	8	86
Century Golf Partners/Arnold Palmer Golf Management (Addison, TX)	9	65	9	71
Arcis Golf (Dallas, TX)	8 (as Evergreen Alliance)	73	10	66

Source: Crittenden, J. (2011). 25 Largest Management Companies. *Golf Inc*. pp 26-28. Retrieved from http://www.golfincmagazine.com/news/features/25-largest-management-companies-2011; Largest Golf Management Companies. (2016). *Golf Inc.* Retrieved from http://www.golfincmagazine.com/management-companies

Table 4: Corresponding Tee Color based upon Average Drive, Course Yardage, and Handicap

*Colors for Tees	Average Drive (yards)	Appropriate Course Yardage (30 times average drive)	Women's Handicap
Yellow	Less than 150	4171	30+
Purple	150-175	4963	16-29
Blue	175-200	5887	5-15
Orange	Over 200	6440	0-5

Source: Little, A. D. & Leeming, J. E. (2010). Proportional Tee Positioning for Design Fairness and Fun….and Profit. Retrieved from http://www.golfwithwomen.com/?p=296