



# THE FUTURE OF CLUBS

## PLAYING THE NUMBERS GAME

With engagement numbers decreasing what can we do to help grow this great game?

While blessed with over 400 courses, many ranked among the world's best, the business of golf in Ireland is all about the numbers, especially post-recession as the free spending ways of the Celtic Tiger golf boom subsided and mere survival was paramount in the aftermath. With the doom and gloom in the rearview mirror a bit, golf is still holding its own economically.

Case in point, total consumer spending on the ancient game in the Republic of Ireland is a hefty €379 million and €540 million on the island as a whole according to a 2017 report commissioned

by the Confederation of Golf in Ireland (CGI) and The R&A.

The numerical X-ray – A Satellite Account for Golf in the Republic of Ireland – was conducted to evaluate golf's economic value as well as sleuthing out where the money is spent. The top three spots for consumer golf expenditures were €94 million on club membership fees, €46 million on food and beverage in clubs and €39 million on golf equipment. That isn't small potatoes.

The research, compiled by the Sport Industry Research Centre at Sheffield Hallam University, counted 9,030 people are directly



Alex Saul of Carr Golf

employed in the golf sector on the Emerald Isle, with 6,800 in the Republic itself. As far as participants with clubs in tow, the Republic has 281,000 adult golfers with 103,000 the tally in Northern Ireland. Of these, 160,000 play the game at least once every four

weeks. Consumer spend per adult golfer in the Republic of Ireland reaches a healthy average of €1,350 per year.

A quick look back on the fiscal carnage is a good idea, especially as many golf clubs went barebones and lowered green

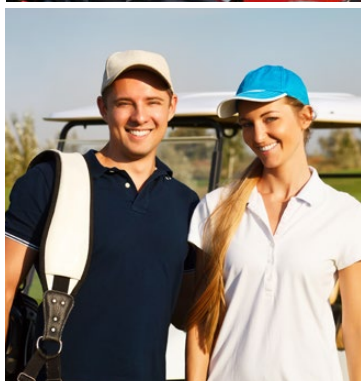




Charlesland Golf Club



Hard at work at Elmgreen Golf Club



*"The Old Head of Kinsale is the 8th wonder of the world in golfing terms."  
- Joe Carr*

Marty Carr

fees and memberships almost to the brink of closure.

"Things were great in the boom days and the industry became complacent, not a whole lot of emphasis was placed on the business side of the golf club," recalls Alex Saul, chief revenue officer at Carr Golf, Ireland's leading provider of management services to golf clubs.

Saul has long been successfully driving revenues for sporting organisations with successful stints with Connacht Rugby and Welsh Rugby Union. He now leads a new progressive team within Carr Golf providing expert insight, technology, and data analytics to golf clubs.

"When things soured, people were no longer willing to pay for golf club membership and that revenue line quickly declined. That loss wasn't picked up by demand for casual golf and clubs began to chase the market through discounts. Many didn't invest in their courses or their equipment, and without investment a golf course cannot develop. If anything, they

deteriorate and it takes a long time to get out of that hole," he continued. The financial hole was perhaps an unavoidable trap. Clubs were faced with the prospect of finding a balance between having satisfactory playing conditions, setting reasonable member subscriptions and competitive green fees. Many clubs undervalued their product in a rampant race to the bottom. The time is now ripe to right the ship and sail ahead.

#### GETTING BACK ON THE RIGHT FISCAL TRACK

"At Carr Golf, we are committed to getting Irish golf clubs back on the right track. We have spent years investing and refining our golf course maintenance solutions and more recently we have invested heavily in the talent and resources to support clubs on the business side of their operations. It's about improving efficiencies, exacting the operating model and driving revenue through great marketing and great customer experiences," said Saul.

Founded by Marty Carr, son

of World Golf Hall of Famer Joe, Carr Golf was set up in the 1980's to assist local authorities to develop golf courses on council owned land banks. The company over time steadily expanded its reach into three core areas – club management, course maintenance and golf travel & events. Today they are the largest golf course operator in Ireland and the travel business is firmly established in international markets as a leading luxury golf tour operator, receiving a best international golf tour operator award from Golf Digest USA in each of the last 3 years. Places at their annual World Invitational Father & Son Tournament in Waterville are coveted across the globe.

From a golf services perspective, the offering developed by identifying the key attributors to the industry's suffering over the last number of years. Carr have honed their expertise in this arena to give clubs an alternative way out.

Ed Pettit, Managing Director of the services division explains the evolution of the offering; "Initially

we offered golf maintenance services for clubs. By expertly managing and maintaining their courses, our clients were in a stronger position to offer an outstanding playing experience, in a cost-effective way. A golfer's experience on the course has a direct effect on membership and green fee sales, and our clients, past and present such as Royal Curragh, Ballykisteon and Castleknock Golf Club, reaped the benefits on the revenue side."

Finding viable solutions remains a constant struggle in today's market, but golf clubs now must shed practices that weren't helping their viability.

"Golf clubs were spitting out the same membership as they had done in the boom years. Some had even raised their subscription to try fill the void of lost revenue post Celtic Tiger, which forced golfers to move away in search of a better deal. The flip side of that saw golf clubs selling their green fees for 10 or 15 euros, or two for €29 – which is completely unsustainable. You can't maintain a golf course charging those prices," says Pettit.

"These challenges meant there was a natural progression to our relationship with clients whereby our services expanded from course maintenance to full management of certain properties, and in the last eighteen months we have responded to the increasing demand for specialist marketing, sales and revenue services. We have made huge commitments in technology and people to grow this side of the business, so we can offer a cost-effective service model to drive revenue. We know this is the way forward and we're excited to see how this approach will develop," Pettit added.

#### REVENUE TELLS THE TALE

For Saul, the key for success is a laser-focus on revenue. "A key part of the services we provide is revenue management; analysing and understanding a tee sheet to





maximise the revenue potential of every line. You must believe in the product and the golfing experience you offer. We've found that club managers and committees have lost some of that belief, and because a competitor has slashed prices, they have too."

Although Carr Golf acknowledges that members are the cornerstone of any golf club, understanding and accepting the value that societies and corporate business brings to a golf course is a large component of their success.

"We can review green fee pace and pick-up on a weekly basis, to give us early visibility on demand to know where the pressure points lie. With early visibility, there are ways and

that figure had fallen to 135,000 at the beginning of last year. It's a worrying decline Carr Golf is determined to counter.

"We place a big emphasis on getting to understand the needs and wants of our members in each club. We run regular surveys and recently we held extensive focus group sessions across several clubs. This insight enables us to refine and shape the product mix and to improve user experience. You'd be surprised by the amount of 'low-hanging fruit' there is. It's just that club managers don't have time to focus on this insight," said Petit.

A report, commissioned by the Confederation of Golf in Ireland (CGI) and undertaken by Dr. Pete Lunn and Dr. Elish Kelly of the Economic and Social



Ballykisteen Golf Club

means to change pricing and remarket those times to new customer segments to fill space. Group business brings a certain yield in each month and that base revenue enables tee sheet managers to position the pricing of other time slots accordingly. This foundation offers dynamic pricing opportunities and a flexibility to adapt," continued Saul.

#### GET BACK TO GROWING MEMBERSHIPS

When the recession hit, people re-evaluated personal expenditures. Golf club memberships were often the first to go. If a golfer was only playing 10 times a year, it didn't take much math skill to figure out the cost per round was exactly a bargain. The Golfing Union of Ireland's membership peaked at 177,000 in 2007 and

Research Institute (ESRI), found that participation numbers have declined in recent years primarily because fewer people under the age of 55 playing the game. What's going to suit the 25-55-year-old golfer until they have time to play 60 times a year? The enemy of the golfing industry is no longer a crippled economy but most everyone's premium on time. There's been a cultural shift in modern Ireland as there has throughout most of the world.

"In certain golf venues, where it is relevant, a flexible membership model is undoubtedly one of Carr's most successful adaptations. 'Flexi-membership' is just one in a number of ways that clubs can combat falling numbers," said Ed Pettit. "We recognised the need to come up with alternatives to a five-hour round of golf to build retention."



Charlesland Golf Club



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#### A BLUEPRINT FOR GOLF CLUB SUCCESS

"Twenty-seven-years ago the Evans family started construction on what used to be a farm on site in Greystones, Co. Wicklow and in 1992 they opened the golf club", explains Pettit. "It was very much a family run business."

After a series of discussions, the Evans family placed their trust in Carr Golf and saw an unprecedented growth of 230 members in their Charlesland Golf Club over the last two years. The pristine property, positioned between the Wicklow Mountains and the Irish Sea, is one of fifteen affiliate courses benefitting from working with Carr Golf.

A €1million refurbishment was undertaken recently to strengthen the club's offering. And, working alongside the owners, the club unveiled a new three-

hole academy on the grounds last year, resulting in 40 new junior members. The timing was ideal as Charlesland celebrated its 25th year in business in September, with owner Lance Evans delighting in the progress of his beloved club as it reached the impressive milestone:

"We are proud to be 25 years in business and very happy with the positive changes Carr Golf have implemented since coming on board in 2015, bringing with them specialist expertise and huge experience to the many challenges of golf management. The club has grown from strength to strength, shown recently by the record number of new members who have joined."

#### THE PROOF IS IN RESULTS

For Carr Golf, finding avenues to make the game as accessible





management firms can provide a fresh perspective and ability to meet the challenges head on. In neighbouring countries like the UK and France, golf management groups are an accepted and common feature of the industry. Not to mention the US with large multi course operators such as Troon, Billy Casper & American Golf.

“The important thing for clubs is not to be afraid to give companies like Carr Golf a call. We’ve built up a huge amount of intelligence and learnt through delivering for clients. That accumulated knowledge and skill set is available for anyone looking to grasp the opportunity and grow their golf business.” concluded Saul.

When golf club committees meet now to discuss future plans and development, it’s important to keep an open mind and research the variety of support options available for future success. As any business relies on strategic partnerships to enhance and grow, a new services partner to help boost revenue may be a more effective solution than you think. After all, the business of golf is all about the numbers.

as possible is key to maximise interest in the sport moving forward. Developing a detail plan is key. To show clubs how important relying on research is, Carr Golf forged its new products and services division from polling the views of everyday golfers, whom after all are the customers. Their voice matters more than any.

Ironically, golf clubs most in need of help are the most reluctant to seek guidance from industry professionals. In the golfing industry like any walk of life, people are proud, members are proud and often committees would rather protect control than reach out to protect the club properly. Carr Golf well understands these concerns as their hands-on process begins with an informal chat. Alex Saul explains:

“We understand that fear amongst member clubs, the notion of change is unsettling to most. Typically, with any prospect the two areas of most concern to them are a) control and b) identity. When we can demonstrate that our approach doesn’t dilute either of these two areas then things begin to move quite quickly. We encourage prospects to meet with our existing clients and to see a live case study in action. This has been really helpful in breaking down those barriers and increasingly we are seeing more referrals from our client network.”

Saul continued, “The next step in the process involves an informal discussion, followed by an audit or business “health check” which allows our team evaluate how things are run,

understanding who’s responsible for what and identifying the challenges facing the respective golf clubs. From this we make a set of recommendations to committee or owners for their consideration. Equally if we don’t feel we can make an impact in a meaningful and sustainable way then we will say so. In these cases, we’ve pointed them towards other solutions”

There can be a false impression attached to a relationship with a management company like Carr Golf that deters those in need of help. Where at one time or another such an association meant a large, often daunting partnership, Carr’s current team of focused specialists means such fears are no longer an issue.

In a market as saturated and competitive as Ireland the likes of Carr Golf and other specialist