



# Quantifying & Extending Golf's COVID Surge

Pellucid/Edgehill  
October 2021

# Two potential perspectives on '21 (and '22)



- **Half full =**  
How do we extend the COVIDend for max height/max duration?
- **Half empty =**  
How much of the COVIDend are we going to “give back”?

# '20's Gains Were Likely Even Better Than the Industry "Thinks"

	'20 Projected Value (Ms)	Rds % Chng	Golf Rev. % Chng
Allied Industry Associations	493.5	+13.9%	???
- Private		+19.9%	
- Public		+12.4%	
GMRC Portfolio Mean (Public only)		+26.5%	+28.5%

- Their sampling is much more robust and distributed but...
  - Either our portfolio “stomped” the national average or
  - Industry “keepers of the numbers” don’t know how to do sample balancing/projections very well and “missed short”
- Importantly, the Golf Revenue gain was even slightly better!

\*Source: Golf Datatech/NGF Alliance, Dec. '20 YtD  
 Golf Market Research Center portfolio, self-reported, Dec. '20 YtD  
 © 2021 Pellucid/Edgehill, all rights reserved

# Where are all those incremental rounds (possibly) coming from?

'20 Facility-reported rounds: +60M

Sole contribution

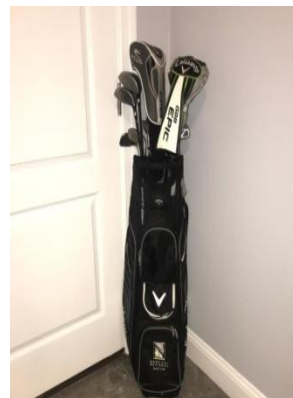
21M golfers\*  
@ +3 rds/ea

10M lapseds\*  
@ 6 rds/ea

1-2M novices\*  
@ 40 rds/ea



Current golfers\*



Lapsed golfers



New golfers

Shared contribution\*

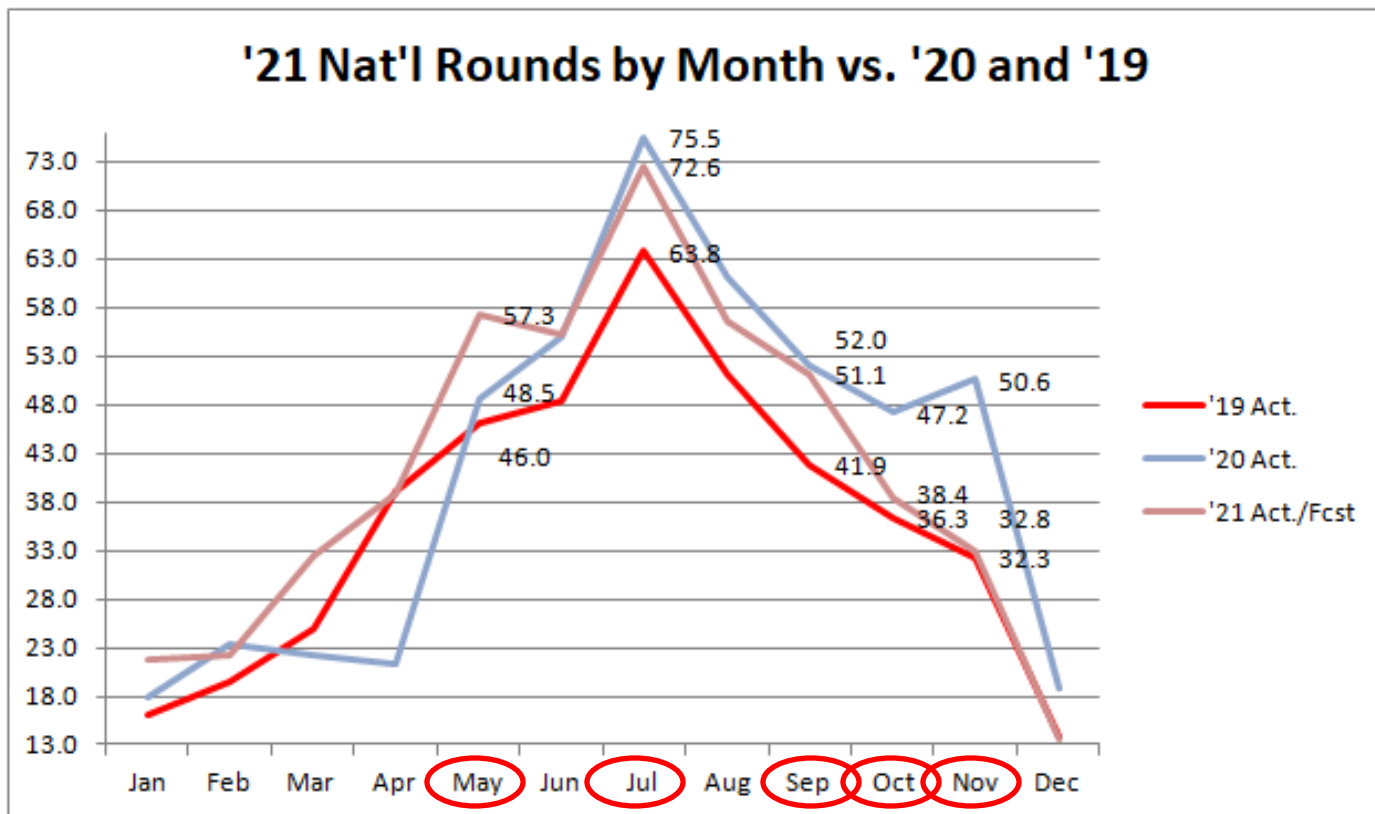
21M golfers @ +2 rds  
+42M

5M lapseds\* @ 2 rds  
+10M

4-5M novices\* @ 2 rds  
+10M

\* Pellucid estimates, don't get too excited...

# '21 has been more resilient than Jim projected



- Jan '21 “call” was to retain half the gain (~+30M vs. '19 or 465M full yr)
  - Thought that the “giveback” vs. '20 would start in Jun (oops)
  - September surprise of strength after Jul-Aug declines forces upward revision
  - Still, Oct-Dec are tough comps vs. phenomenal '20 finish
- Current “call” is 480-485M rounds, would be a strong 2<sup>nd</sup> year follow-on

\*Source: Pellucid historical rounds tracking

Pellucid current year from Golf Market Research Center portfolio, self-reported, Sep. '21 YtD

© 2021 Pellucid/Edgehill, all rights reserved

# '20's gains positive but harder to pin down going to smaller/your geographies

Market	Rds % Chng	Golf Rev. % Chng
Allied Industry Associations		
- DC/Balt	+8%	???
- VA/WV	+21%	???
GMRC Avg ( $< 5$ facilities)	+24%	+58%

- Using the industry's numbers, VA/WV beat nat'l gain with DC/Balt trailed it
- Using our (limited sample) figures, the DC/NoVA participants paced the GMRC portfolio in Rounds, beat it pretty handily in Golf Rev.
- What would we have visibility into in '22 if we had more participants?

\*Source: Golf Datatech/NGF Alliance, Dec. '20 YtD  
Golf Market Research Center portfolio, self-reported, Dec. '20 YtD

# “Nothing but green” on the controllable variables vs. both ‘20 and ‘19 Sep YtD!

Measure*	Value	%/Pt Chng vs. '20	%/Pt Chng vs. '19
Rounds	35.4K	+14%	+38%
Golf Rev.	\$1.5M	+20%	+38%
GRev. per Played Rd	\$41.38	+6%	+9%
Capacity Rds	48.6K	-5%	-2%
% Util.	73%	+12 pts	+21 pts
GRev. Per Available Rd	\$30.14	+26%	+53%
% Achieved GF Rate	65%	+3 pts	+4 pts

- Only single scorecard in the industry that goes beyond rounds & incorporates weather impact
- Gain in Utilization shows that weather isn't contributing to gains
- Gain in RevpAR shows that weather isn't “goosing” GRev results
- % Achieved GF Rate shows that we're not “discounting to prosperity”

Source: Golf Market Research Center portfolio, self-reported, Sep '21 YtD

\* All measures equalized to 18-hole standard





# Trends & Observations



# Old tools and new rules: Apple and Google are changing

- Privacy Issues are the major reason
- “Cookies” are going away (Google)
- New Apple IOS requires “opt-in” authentication for email.
- Adopted by all mobile carriers
- Over 50% of emails opened on mobile devices
- Open Rates will be inflated
- Content “loading” is limited
- Delivery times are being “moderated”
- Consumer website visits become anonymous



# Data Hygiene & Consent Management

First Party Data – Customer information you collect

Third Party Data – Information from other sources

- Permissions
- Terms and Conditions
- Acceptance

You will need to add these functions to your website, loyalty programs, reservation process and more

You will need to manage and document your customers' permissions = “Consent Management”



# What information do you have?

- How many customers do you attract?
- How many do you keep?
- How many are “new”
- What contact info do you have?
- How old is the customer info?
- Have you cleaned your database(s) lately
- What email addresses have permissions
- How are your current tech providers providing assistance?



# Where to Start ? Your current Email Database

## Customer Franchise Development

### Customers Defections

<i>Customers</i>	<i>Transactions</i>	<i>Total Revenue</i>	<i>Avg Trans</i>	<i>Avg/Cust</i>	<i>Avg Trans/Cust</i>
6,945	11,547	881,201.08	76.31	126.88	1.66

### Customers Acquisitions

<i>Customers</i>	<i>Transactions</i>	<i>Total Revenue</i>	<i>Avg Trans</i>	<i>Avg/Cust</i>	<i>Avg Trans/Cust</i>
12,687	29,516	1,873,256.55	63.47	147.65	2.33

### Customer Value Segments

<i>Quintile</i>	<i>2019 Customers</i>	<i>Retained 2020</i>	<i>% Retained 2020</i>	<i>Avg Val/ Cust</i>	<i>Revenue 2019</i>	<i>Retained Rev 2020</i>	<i>Diff</i>
1	3	3	100%	224,585.86	673,757.59	1,125,979.55	452,221.96
2	41	32	78%	13,366.52	548,027.45	468,402.44	(79,625.01)
3	294	256	87%	2,047.45	601,950.20	651,701.23	49,751.03
4	1,858	1,196	64%	257.57	478,559.56	598,561.52	120,001.96
5	9,118	2,882	32%	26.29	239,717.33	597,539.01	357,821.68

### Contact Information

	<i>Customers</i>	<i>Email</i>	<i>%</i>	<i>Address</i>	<i>%</i>	<i>Phone</i>	<i>%</i>
Retained	4,369	3,427	78%	1,622	37%	1,378	32%
Defections	6,945	3,839	55%	1,675	24%	1,639	24%
Acquisitions	12,687	7,199	57%	2,404	19%	3,222	25%
<b>Totals</b>	<b>24,001</b>	<b>14,465</b>	<b>60%</b>	<b>5,701</b>	<b>24%</b>	<b>6,239</b>	<b>26%</b>

### Defectors By Quintile

	<i>Customers</i>	<i>Email</i>	<i>%</i>	<i>Address</i>	<i>%</i>	<i>Phone</i>	<i>%</i>
2	9	0	0%	2	22%	5	56%
3	38	26	68%	11	29%	6	16%
4	662	490	74%	274	41%	289	41%
5	6,236	3,323	53%	1,388	22%	1,359	22%
<b>Totals</b>	<b>6,945</b>	<b>3,839</b>	<b>55%</b>	<b>1,675</b>	<b>24%</b>	<b>1,639</b>	<b>24%</b>

### Retained By Quintile

	<i>Customers</i>	<i>Email</i>	<i>%</i>	<i>Address</i>	<i>%</i>	<i>Phone</i>	<i>%</i>
1	3	0	0%	0	0%	1	33%
2	32	5	16%	8	25%	11	34%
3	256	225	88%	135	53%	90	35%
4	1,196	1,076	90%	547	46%	480	38%
5	2,882	2,121	74%	932	32%	816	28%
<b>Totals</b>	<b>4,369</b>	<b>3,427</b>	<b>78%</b>	<b>1,622</b>	<b>37%</b>	<b>1,378</b>	<b>32%</b>

# Data Hygiene = Opportunity

- You will need to extensively analyze your email database(s) – weed out old ones, see what ones have permissions and proactively contact everybody to get the proper “opt-in” documentation
- Data Hygiene specialists will append valuable additional information – Age, Income, Location and a host of other points
- Some may provide updated email addresses for your older ones
- It is an investment you will have to make, but it will lead to better marketing if you use the data well



# Maintaining momentum: We finally get a different ship to talk about



- “Mighty Mo”



Photo # USA C-4626 Scene on USS Missouri at end of surrender ceremony

# Engineer = The glass is twice as big as it needs to be



- Early 2000s - We built a golf operations infrastructure bigger than it needed to be
- '20-'21 significantly helped us rightsize it through increased demand
- If we can't figure out how to sustain that demand, it will again be ... too big
- You control your individual destiny



**For further information:**

**Jim Koppenhaver — [jim@pellucidcorp.com](mailto:jim@pellucidcorp.com),  
847.612.6717**

**Stuart Lindsay — [edgehillgolf@msn.com](mailto:edgehillgolf@msn.com),  
262.241.7088**