

AUGUST 2010

# Golf BUSINESS

International Golf Course Owners Association

## BROAD WARRIORS

TRAVEL BUSINESS IS HARDER THAN EVER TO ATTAIN, BUT MANY OPERATORS ARE STANDING TALL IN THE FACE OF CHANGE

**NUMBERS GAME**  
The true cost of hiring and firing

**A KID'S MARKET**  
Juniors should be a source of hope for the industry

Charles Burton has found a high-touch, neighborhood-by-neighborhood approach to marketing is helping generate business at Brasstown Valley.



# ROAD WARRIORS

TRAVEL BUSINESS IS HARDER THAN EVER TO ATTAIN, BUT MANY OPERATORS ARE STANDING TALL IN THE FACE OF CHANGE



## By Steve Eubanks

It was the kind of idle chatter that always accompanies a cab ride from LaGuardia to Manhattan: “What brings you to the city? How long are you staying?”

But since the passenger had a golf travel bag, the conversation turned quickly to the game. “Yeah, I play,” the cab driver said. “My buddies and me drive down to Myrtle Beach every year. We normally stay a week and play 36 a day. This year we’re only going for four days, though. The economy. We’re still going to make the trip, but it’s tough to justify a whole week now.” In 15 seconds, a New York cabby encapsulated the current state of domestic golf travel in America.

People from all parts of the country in all walks of life and all income brackets are still taking golf trips, but they’re playing less and watching every nickel they spend. From Myrtle Beach, South Carolina, to southern California and all points in between, course operators that rely on the travel business are almost unanimous in their analysis. As Eric Branch of Myrtle Beach Golf Holi-

day puts it, “The number of rounds per visitor (to Myrtle Beach) used to be five rounds per trip. Now it’s three. The same guys are coming, but they’re playing less.”

In addition to fewer rounds per guest, golf resort operators are facing a different set of challenges than those seen at other courses. For starters, most resorts don’t rely on locals for the bulk of their business, so marketing becomes an important (and often expensive) issue. They’re also dealing with negative perceptions among their bread-and-butter corporate clients. Even those companies that are doing well in a slow economy don’t want to risk a public relations furor from hosting lavish corporate golf outings while so many people in the country are unemployed. The companies that are booking golf are doing so more discreetly and in a much shorter window than in years past.

“Corporate groups are still coming, but where they used to book a year in advance they might book 90 or even 60 days out now,” says Rachel Pinzur, director of public relations for the Fairmont Turnberry in Miami, Florida. This practice, though completely understandable, creates budgeting problems for the facilities vying for that business.

Fees are also a concern. As a rule, resorts charge more for a round of golf than their daily fee counterparts. Yes, there are usually amenities above and beyond golf—hotels, spas, banquet facilities and other sporting activities—but most resorts rely on the golf course to be a steady profit center. All of this has caused operators who cater to the traveling golfer to rethink their businesses and do things they’ve never done before.

That forced innovation has opened the door for many operators to create new programs that are driving business during a time when others are struggling. Fortunately, many of the same strategies can be applied at other courses throughout the country, regardless of the facility type.



Jeffrey Young (l) and Travis Smith are leveraging special events to attract niche groups to Waynesville Inn Golf Resort.

The days of the multi-page glossy ad buys in golf magazines or major newspapers are over for most destination properties. Even though marketing continues to be key, savvy operators are finding much greater value by narrowing their focus to very specific audiences and using online technologies to touch their potential customers.

"We discovered that we're seeing an uptick in business from anywhere Southwest Airlines flies," says Tedd Maitland, director of golf and marketing at Xona Resorts in Scottsdale, Arizona. With TPC Scottsdale and Greyhawk Golf Club right across the street, the suite-heavy property at Xona relies on a steady stream of golfers, so Maitland targets his marketing efforts to areas where people can get

in the right direction."

The same type of strategy and results are proving true for Brasstown Valley Resort and Spa, an 18-hole facility located in the north Georgia mountains near the North Carolina border. By doing away with the mass-marketing approach and going with a high-touch, neighborhood-by-neighborhood strategy, resort operators have not only generated more business, they've been able to preserve the integrity of their pricing.

"The days when we spend \$50,000 in a major publication are over," says Charles Burton, general manager at Brasstown Valley. Instead, the resort is placing ads in small-town newspapers and more targeted magazines, and doing e-mail marketing. Officials

have also dabbled in regional television spots on Comcast cable. "That's allowed us to remain relevant," Burton notes. "Our marketing strategy is to get in and out quickly, try different things, don't be afraid to make mistakes, but keep our head down and keep moving."

Not only has this bull's-eye marketing strategy saved money, it has allowed both Xona and Brasstown Valley to avoid mass discounting. "There's a tendency among hoteliers that if you cut rates, you immediately drive up occupancy and usage," Burton says. "We don't believe that. We think we should charge a fair price based on demand." Rather than blindly slashing rates or offering blanket discounts, Burton prefers to, say, hit a specific neighborhood with a package deal that includes an \$89 room as well as a deal on breakfast and another activity. The catch: The deal must be targeted to the group whose business you're seeking to attract. "If you simply drop your rate, you're just swapping dollars because the people who take advantage of the discount are the ones who knew about you and thought you were a good value anyway," Burton explains. "Take your discount to a different, targeted group and see if there's any love out there. If not, move on to the next neighborhood."

have also dabbled in regional television spots on Comcast cable.

Not only has this bull's-eye marketing strategy saved money, it has allowed both Xona and Brasstown Valley to avoid mass discounting.

Rather than blindly slashing rates or offering blanket discounts, Burton prefers to, say, hit a specific neighborhood with a package deal that includes an \$89 room as well as a deal on breakfast and another activity. The catch: The deal must be targeted to the group whose business you're seeking to attract.

"If you simply drop your rate, you're just swapping dollars because the people who take advantage of the discount are the ones who knew about you and thought you were a good value anyway," Burton explains. "Take your discount to a different, targeted group and see if there's any love out there. If not, move on to the next neighborhood."

An increasingly integral component of this approach is the Internet, which offers infinite marketing opportunities for course and resort operators at a fraction of the cost of traditional mass advertising. As Burton says, "There's plenty out there, so don't be afraid to try different things, evaluate their effectiveness, keep them or abandon them quickly, and move on to something else."

For too long, resort or destination courses have relied on traditional events to drive traffic—the 16-person golf group, the corporate sales meeting

with a tournament in the afternoon or the Saturday afternoon wedding with Friday and Sunday golf for the guests. That business has become like the prettiest girl in school: a coy and fickle object desired by all but obtained by few.

Some operators have grown tired of chasing rainbows and are leveraging non-traditional events and experiences to increase rounds. For example, officials at Waynesville Inn Golf Resort and Spa in North

hands of who would be back in 2010 and every hand was raised," says Young, who notes that following the public viewing, participants enjoyed self-guided driving tours, a putting obstacle course contest, shopping tours of downtown Waynesville and a wine tasting.

Perhaps as important as the incremental revenue was the opportunity to expose the resort to an affluent clientele. "The [owners of the] 30 or so

WHY SELL ONLY  
SODA AND  
CRACKERS WHEN

THERE ARE  
BETTER MENU  
OPTIONS?

**"OUR MARKETING STRATEGY IS TO GET IN AND OUT QUICKLY, TRY DIFFERENT THINGS, DON'T BE AFRAID TO MAKE MISTAKES, BUT KEEP OUR HEAD DOWN AND KEEP MOVING."**

Carolina hosted an event last year for Porsche enthusiasts where 40 of the luxury cars were lined along one of the club's fairways. Visitors were able to stroll up and down the rows of vehicles, viewing some of the best models the German automaker has produced over the years. Afterwards, participants were treated to a golf tournament as well as a post-round reception.

"Were they there for the golf?" asks Jeffrey Young, sales and marketing director for the Waynesville Inn. "No, they were there for the cars, but golf was part of the event."

In terms of business, the resort booked 30 rooms for two nights (\$75 each), staged a VIP luncheon for the Porsche club members and conducted an awards banquet for 75 that evening after the event. "At the awards banquet, we asked for a raise of

Porsche cars in the parking lot that came to see the event also expressed interest in participating in the event [this year] and staying at the resort," Young adds. What's more, a portion of the proceeds were donated to the local animal rescue, which helped foster community goodwill.

Later this summer, Waynesville Inn is piggybacking off a large international music and folk festival headed to Waynesville by having the Russian dance team perform for hotel guests and locals. Young admits that's not something the resort would traditionally do, but it illustrates what he describes as the need to "think differently."

Tom Davidson, director of golf at Circling Raven Golf Club at the Coeur d'Alene Casino Resort in Worley, Idaho, certainly isn't afraid to try new programs and promotions



**ViSAGE**<sup>™</sup>  
MOBILE GOLF INFORMATION SYSTEM

Introducing Visage, the first mobile golf information system. See what one touch of our 10-inch screen can do for your operation.

To learn more, visit [visagegolf.com](http://visagegolf.com).

Visage is a joint development from Club Car, Inc., and GPS Industries.

POWERED BY  
**GPSi**

MORE CHANNELS  
THAN BASIC CABLE,  
BUT WITH

# THE SAME PROFIT POTENTIAL.



**ViSAGE**<sup>™</sup>  
MOBILE GOLF INFORMATION SYSTEM

Introducing Visage, the first mobile golf information system. See what one touch of our 10-inch screen can do for your operation.

To learn more, visit [visagegolf.com](http://visagegolf.com).

Visage is a joint development from Club Car, Inc., and GPS Industries.

POWERED BY  
 GPSi

to stimulate business. He's found that tying into other events within the casino (concerts, poker tournaments and special events, to name a few) brings more golfers to the course. "That protects the integrity of our rate, but gives the customer a sense of value," he notes.

Even those clubs and resorts that don't have a casino or a Porsche Owners Club nearby can parlay other activities into additional rounds and revenue. "People are looking for unique experiences," says Prem Devadas, president of Salamander Hospitality, the parent company of Innisbrook Resort in Tarpon Springs, Florida. "They're looking for a variety of things to do that can satisfy the entire family. There really is this very interesting trend toward

golfers in those groups to play a round or two once they have them on property.

"Resorts that are independent (not branded chain resorts) are, in coming years, going to become more popular than they are today," Devadas predicts. "People are not looking to necessarily go to a branded property that they can experience anywhere else but to go somewhere that's truly unique."

Most resort photography and ad copy looks the same these days: a glossy shot of a beautifully presented entrée, a laughing couple with impossibly white teeth on the golf course and, perhaps, a peaceful smile on a dark-haired woman getting a massage at a spa. Consumers have grown wise to the fluff and lighting, and are

**"WE'RE NOT JUMPING  
UP AND DOWN FOR JOY YET,  
BUT WE SURE SEE THINGS TRENDING  
IN THE RIGHT DIRECTION."**

generational travel that's pretty exciting, where grandparents, parents and grandchildren are choosing to go places where they can all be together."

Devadas believes this trend presents a unique opportunity for well-positioned resorts and destination-oriented facilities because it will allow them to differentiate themselves from the competition. For instance, Innisbrook's proximity to an array of wildlife areas and natural springs attracts golfers and non-golfers alike. Rather than discount or ignore these attractions because they aren't technically part of the resort, officials offer an array of programming and events that dovetail with these indigenous amenities, knowing that they'll eventually get the

becoming far more discriminating. The best thing an operator can do to separate his or her property is be refreshingly honest about what you are—and what you aren't.

For example, Duncan Millar, executive director of golf tourism for Gulf Shores, Alabama, understands that his has always been a regionally based golf and beach market where 96 percent of the traffic drives in. Because he's not reliant on airfare, courses in his area are able to provide a less-expensive alternative, which is a particularly appealing option during a downturn.

"We don't try to market this area as a Palm Beach," he says. "We know what we are and who we attract, and because of that we've withstood the



Prem Devadas (l) and Sheila Johnson are marketing to multiple generations of families to lure business to Salamander Hospitality's facilities.

golfers] on to our partners. We're the engine that facilitates the [golf] package."

Operators at Waynesville Inn Golf Resort also understand who and what they are, and they market it proudly. "There's still corporate business out there, and we're getting our fair share," Young says. "In the past, companies have booked their group outings at the Ritz-Carlton Naples, the Greenbrier, the Grove Park Inn or Pinehurst. Now, they aren't doing that. But they can sell a meeting to their executives and their accountants by coming to a place like

economic downturn better than some others."

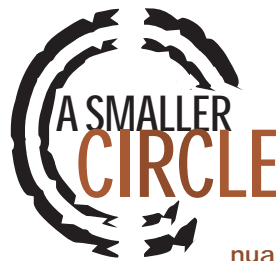
Gulf Shores also understands the benefit of collectivism. Rather than each course fighting to the bitter end with the course down the road, all the facilities in the area pool their resources to promote golf in the region, not one individual facility.

"I'm not affiliated with one course but work for all of them," Millar says. "We spread the word about Gulf Shores, and we forward the request [from interested

ours, which is a beautiful property but not as high-profile."

Honesty goes a long way in tough times. Sticking to your niche and marketing to people who find value in what you have is one of the keys to thriving in tough times. Those courses that do it well have created a clientele that continues to spend with them in a down economy. More importantly, they've built a loyal customer platform to build upon when things finally begin to improve. **FB**

*Steve Eubanks is an Atlanta-based freelance writer and former golf course owner.*



A UNIVERSAL TRAIT OF TOUGH ECONOMIC TIMES IS THAT PEOPLE'S TRAVEL CIRCLES TEND TO SHRINK. If a golfer historically journeys 1,000 miles annually to play in good times,

he or she might only travel 600 miles to play in a lean economic year.

That's certainly what Gareth Rees Jones, director of marketing at Celtic Manor in Wales, has discovered as he prepares to host the Ryder Cup this fall. With economic uncertainty even more prevalent in Europe than in the United States, Celtic Manor has seen a huge influx of domestic business that would have normally gone overseas.

"We've had a record year, up 22,000 rounds on our three golf courses and up 20,000 room nights over last year," Rees Jones says. "Obviously, being the next venue for the Ryder Cup was a big boost, but it also helps that 95 percent of our leisure market came from the United Kingdom."

With Europeans (like Americans) being a bit more frugal with their disposable spending, Rees Jones and other operators have found that fewer people are traveling abroad, opting instead to stay in the U.K., and drive the two hours from London or Birmingham rather than flying to Spain, France or Portugal. What's more, the current exchange rate between the pound and Euro favors the golfer who chooses to stay home to play rather than paying the airfare and the extra baggage charge for hauling his or her golf clubs across the European continent.

But Rees Jones isn't merely sitting back and letting the business come to him. Recently, he instituted a tiered rate structure for the first time at Celtic Manor, a concept American resorts have been using for years. "It's a red, yellow and green light system where you have different rates for different times of day," he says. "Everyone wants to go out at half-past 10 or 11 a.m. We're trying to encourage people to go out earlier or later than that."

The results have surprised even the management at Celtic Manor. The 2010 Course (venue for the Ryder Cup) ran at 99 percent capacity for the first quarter of the year, an unheard of percentage in an area whose weather often proves fickle at best.

"The leisure market for the first quarter was the strongest we've ever had," Rees Jones says. "The vast majority of that is domestic. We're touching wood and hoping that it remains that way." —S.E.

**Online EXCLUSIVE**  
Want the rest of the story? Read more **TRAVEL TREND** predictions online [www.golfbusiness.com](http://www.golfbusiness.com)