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Business of golf, section introduction...

SOCCER, on the basis of the number of countries in which the game is played and fishing, in all its various forms and in terms of the total number of participants may be the World's 'biggest' sports. The game of golf however 'punches' well above its weight and the game's financial impact to the GDP's of the countries, wherever the game is played, makes it arguably one of the most 'valuable' sports on the planet.

The game's business influence is all pervasive running from travel and tourism, through development and real estate and on to retail and manufacturing. The commonly used reference to golf as 'the sport of business' is both an accurate and well earned moniker.

A survey commissioned by the Professional Golfers Association (PGA) of America in the United States of America (currently golf's most populous market, both in terms of the gross numbers of players involved and the number of players considered to be avid golfers) through the 1990's and completed in 2000 revealed, what many of those inside the industry had already suspected, that the business of golf was worth more per annum, at around 63.5 billion US \$, than many other sectors of the US economy including the film industry and gaming. A similar survey conducted by the PGA of South Africa revealed that the game contributed in excess of ZAR 39 billion to South Africa's GDP between 2007 and 2008.

These surveys are largely representative of golf's economic influence and impact wherever the game is played, albeit on a scale that is generally in proportion to the number of golfers resident in that particular country or region.

I qualify the statement because there are some instances where regions and countries, which have relatively few resident golfers of

their own, enjoy a disproportionate benefit of the activity of the golf business relative to the number of actual golfers resident in the region.

These benefits are often generated through the investment in golf related property and spend in golf tourism by visiting non-resident golfers and their families.

There are a number of such places and close to home the island of Mauritius in the Indian Ocean would be a typical example of this. Mauritius has one of if not the highest concentration of 5 star hotels in the World and although not all the hotels have golf courses on their properties many have access to some quite beautiful courses and will include golf on their guest programmes. The island is home to at least 10 excellent courses, but has a locally resident population of golfers which can be counted only in the hundreds. In broader terms golf has become far more than 'just' a sport and has reinvented itself to become a 'lifestyle' niche, with golf estates attracting far more residents and owners who are non-golfers than those who do play.

The reasons for this are fairly obvious – a golf course will provide an attractive lifestyle element and as core green belt which has visual appeal to both golfers and non-golfers. International figures show the breakdown between golfing and non golfing residents on an estate development with a golf course to be about 75% to 25% in the favour of the non-golfers.

Golf estates also have a particular appeal to the SA market because of the continuing and depressingly high levels of crime, which are combated effectively by the high tech security in and around most golf estate developments. The lifestyle attractions offered to non-golfers by golf developments has extended into the game's clothing and brands, which are now being worn

and recognized off the golf course as desirable leisure products in their own right.

However – as we all know all is not well in the 'kingdom'. Golf, not unlike many other sports and business activities, is under great pressure from various factors from higher staff and maintenance costs, static player numbers and on to a reduction in the real disposable income available to its traditional audience.

This 'business of golf' section is intended to open a forum to highlight discuss and debate issues affecting golf facilities and businesses of all sizes and types and the golf community in general. The focus will be to identify key problem areas, debate issues, discuss solutions, and share success stories. The section will explore issues around marketing practices, member retention, new branding opportunities and other new challenges facing Clubs, golf facilities and their management staff. It will probe and ask 'awkward' questions such as; has golf become complacent through the 'fat' years leading to the economic crisis in 2008? Does management have the innovative and pioneer skills required to combat the new challenges the industry faces? Are Clubs really in tune with what their members need and are virtual Clubs actually an issue or just a manifestation of the broader problems which see members from traditional Clubs actually voting with their wallets, because their own Club no longer gives them what they need?

It will not however be all doom and gloom! We shall be talking to and interviewing a cross section of people in golf to highlight problem areas and share solutions where Clubs, individuals and golf related businesses have found ways to continue to grow and develop despite the tough economic climate. ■