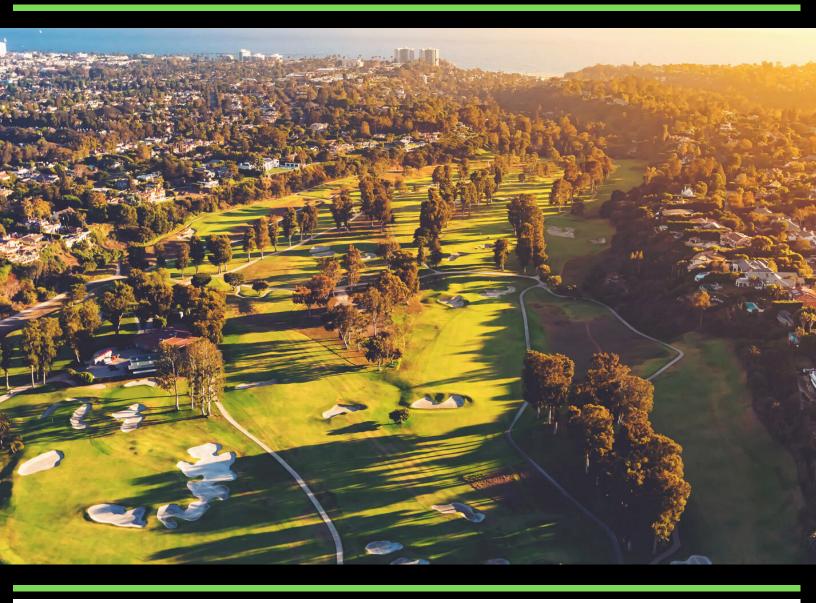
# A BUSINESS CASE FOR FREE GOLF LESSONS

• CASEY BOURQUE, PGA •



Why the golf course industry's approach to instruction needs to change ASAP



We all want to provide more ACCESS to golf...here's how I think it can be done at incredible scale, for the benefit of all stakeholders - club owners, instructors, and new players alike.

*The golf business has had some tough sledding over the past 10 years. We've seen course closures, slumping play and participation rates, and data on the immediate future is likely more of the same.* 

This guide is intended to offer country clubs a deployable and proven solution to grow revenue and greatly improve club culture. It is our belief that facilities need to act immediately and aggressively if they are to win market share and survive the next round of course shutdowns.

As golfing populations age out and/or when the market decides to make a correction, things are going to get crazy.

On the bright side, we feel that country clubs have a huge opportunity to win net new business quickly. Based on our research, we know that golf instruction is the best possible gateway into our game. Yet, clubs are failing miserably to deploy this obvious asset in ways that deliver long-term growth of the game and facility revenues.

Review this document and the associated data carefully. Consider these alternatives for your club, or refer to other club decision makers whom you feel may benefit. By far, the biggest winners are going to be the clubs which are first to market in their local jurisdictions.

I welcome you to reach out to me directly if you have comment, questions, or would like to discuss any aspect of these programs.

Sincerely,



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## The Golf Industry's Biggest Challenge

Two major factors are serving an enormous benefit to the golf course industry at present:

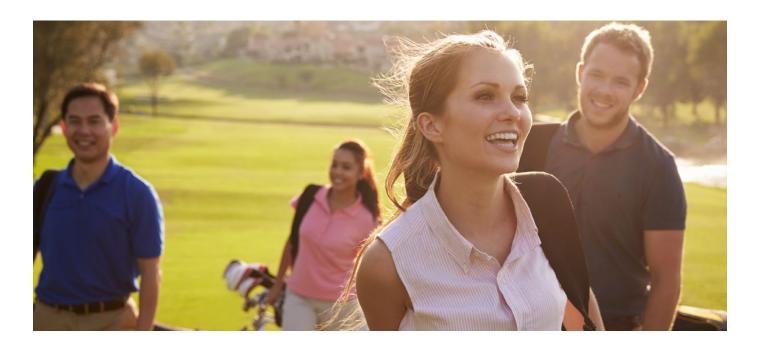
#### The Economy

The market has been soaring for the past 7 - 9 years since the last economic recession. Unemployment is at rock bottom, stock markets and real estate values have done nothing but rise during this time. As a result, disposable income is assumed to be at above average levels.

#### The Baby Boomers

There is a huge glut of senior golfers right now. The Boomers (ages 65 - 75) are retiring, playing a lot more golf, and spending the most money. In fact, the 55+ population is playing more than half of all rounds of golf. Without the engagement of this generation, the industry would be in huge trouble.





#### So, the challenge becomes...

What happens when (not if) one or both of these factors go away?

When the next market correction occurs, and the Baby Boomers age out of the game, golf courses that aren't well-positioned are going to be hit REALLY hard.

Right now is the time where golf courses need to aggressively pursue market share - while there's market share to be had. When the correction happens, nobody is going to be spending money on golf memberships, charity events, and learning new games. They'll be preoccupied with other more important things.

Somehow, golf courses need to attract younger, new players to their facilities to replace the older population. This means getting creative, learning about your marketplace, and delivering a product that younger crowds will value. The trick is to do this without alienating your vital population of senior players, which tend to favor traditional golfing methods, dress codes, etiquette, rules.



## A Proven Solution to Win Market Share

It appears that golf courses are completely failing to leverage their biggest, and most obvious marketing tool: **Golf Instruction** 

Out of necessity, we believe that the industry is going to completely change the way that golf instruction is deployed as a marketing tool for country clubs.

In the pages that follow, I have outlined the business case for free golf lessons as the gateway for newcomers to take up golf at your facility.

#### This guide addresses the following:

- The undeniable business case for free lesson programming
- How to deploy free lesson programming to market your club without cannibalizing current teaching programs
- Why free lessons serve to benefit all facility stakeholders: players, course owners, and existing instructors
- How to hire and train staff to achieve maximum return on investment
- Why a long-term mindset leads to incredible cultural shifts at facilities
- How to engage every staff member in your local marketing efforts
- Budgeting and tracking your programming revenues, expenses and returns on investment



## What's Wrong With Your Teaching Program?

Golf instructors typically work as independent contractors, providing lessons to members and guests. We believe that this system lends itself to misaligned objectives between the instructor and the facility. The instructor is trying to maximize lesson rates and build a business for themselves.

Golf courses tend to consider golf instruction as a paid amenity offered to their current golfer population - not as a significant sources of new business generation. We believe that basic golf instruction is the ultimate gateway into the world of golf.



"Learning the fundamentals of golf, understanding basic rules, and meeting new people are absolutely required for anyone who is expected to make golf a regular thing. There's no other way."

- John Brown, Master PGA Professional

The problem is that money clouds judgement and execution. We're charging as much as we can on the front end, at the expense of huge upside on the back end. Stay tuned, I'll explain.

If basic instruction is offered for free, beginners are afforded a low-cost or no-cost opportunity to learn the fundamentals, plug into the social environment at the facility, meet the staff, and begin to feel comfortable using the club as a place of primary recreation.

We know that this "indoctrination" into golf only occurs after many iterations and practice sessions not in a single deep dive session. Beginners need these "touches" to have the chance to build their skills and confidence, to meet new people, and begin establishing personal relationships in this new place. The pace at which people do this varies greatly.

At standard lesson rates, (especially for families) this learning process can be extremely costprohibitive, especially when compared to all of the other recreational activities that exist in the local marketplace.



Golf courses aren't competing with other golf courses. We're competing with fitness centers, hiking, biking, running, hobbies, events, and other activities. All forms of recreation are in play.



To be clear, free lesson programs require club ownership to deploy a longer-term mindset. We know that newcomers to golf (or any activity) spend far less money than avid participants. They don't yet know how to play golf or even if they really like golf, nor do they have a strong social network at the facility.

We break down these walls by minimizing barriers to entry, deploying empathy, courtesy, and hospitality - all without any hint of up-selling or quick profit mongering.

Over time, as we have documented here and in other places, the long-term returns to facilities far exceeds that of any hourly rate which would otherwise be charged for paid lessons. These returns come in the form of additional lessons, green fees, food and beverage spending, referral business, membership sales, equipment purchases, and the like.

Truth is that we're far less likely to tap into this greatly profitable back-end if we sabotage their indoctrination process with short-term sales pitches.

Below, we've outlined exactly how we would recommend deploying, hiring, and marketing this programming - along with detailing anticipated returns on investment to the club.

## Free Lesson Program Overview

Basic golf instruction is offered for free by the club to all players. Programming is designed for beginners, newcomers, less experienced players, casual players, families, and senior golfers.

Clubs can choose to define each session, or leave things open-ended and more student driven. We believe the help should extend beyond simple shot hitting into etiquette, rules, and procedures around the club. These areas play a big role in helping people feel comfortable adopting the club as their own. They need to know that they are welcome and that they'll fit in.

Avid golfers looking for more technical help are better served in paid private instruction programs. Over time, students will tend to "graduate" beyond the topics covered in the free sessions. This should happen without any pressure and at their own comfortable pace.

The free lesson program serves as a "feeder system" for your existing private instructors offering paid programming, deeper analysis, coaching, hourly rates, etc.





## A Culture of Empathy is the Secret Sauce

Returns on free golf instruction come by way of longer-term benefits - rounds, merch, F&B, membership, club culture, etc. In fact, the long term dollars far outweigh any lesson rate that could be charged in the short term, even at very low conversion rates. I'll get into that shortly.

For best results, the free instruction offering needs to be made without any strings attached whatsoever. No short-term sales pitches or disguised angles to sell them stuff. NONE.

As Gary Vaynerchuk says, "When you give, give...and when you ask, ask". Basically, he's saying that people will sniff out your intent. Acting like you're giving away free instruction, but then slipping in a sales pitch for a \$400 lesson series at the end won't ever work. Don't do it.

If you're giving it away for free, then do so with out any expectation whatsoever. You'll earn trust and attention. Later, when you have something genuine to offer, then you ask. Never mix the two.

It must be clearly understood facility-wide that gains come over time. Patience wins because the longterm returns are much more substantial in terms of customer lifetime value.

Students are introduced to people or welcomed into other areas of the club based on their interest levels - not a quick sales pitch to book a lesson series or sign up for weekly paid clinics.

## *I'll say it again. Persistent up-selling or pushy sales practices will sabotage your long-term results and your program will fail.*

Training your staff is crucial. The program will fail if your staff is taking a short-term approach. Be sure that your team understands that it's bad business practice to shoot for small quick wins at the expense of the enormous long-term upside and financial health of the club.



## Converting Free Lessons into Paid Customers



We fully understand that not every free lesson student will become members of the club, play lots of golf, and deliver positive ROI. We know this going in, and we don't expect everyone to love golf and make it their lifestyle.

It's a numbers game. Our mission is to expose as many new people to golf and the facility.

We are trying to maximize what we consider "conversion rates". The more people that enjoy golf and love the club as a place of recreation, the greater the ROI in the aggregate.

Do not obsess over individuals who are not ideal for the program, or even those who seem to be abusing the program. Always be hospitable, accommodating, welcoming. There will be people who are not good fits, and that's expected.

With lots of participation, i.e., 30-50 people per day, even a 2 - 5% success rate is a huge win at most clubs - depending on average customer values.



## Deploying Your Marketing Campaign

## Re-Allocating Existing Resources

If you've bought into the idea so far, you're probably wondering how you can deploy free golf instruction at your club right now, without a big budget.

I've got an idea.

Before you jump in 100%, why not take a look at your current staff of instructors. Chances are, you've either got some independent contractors out there, or have worked out "deals" with staff members to utilize the facility for private instruction.

Maybe they pay the club some modest percentage of their lesson revenue.

What if you decided to forego the few dollars you collect from your instructors. Instead, require them to give several 30-minute FREE golf clinics every week on a regular schedule. Think of it as a marketing play.

Without coming out of pocket, you can now advertise to the world that unlimited free golf lessons are available at your club. Because the instruction is simple, your instructors will benefit from a newfound "feeder system" for their own book of business.



## With "Proof of Concept", Let's Go All-In

Presuming you're seeing some positives arise from some small-scale free instruction, maybe it's time to up the ante. Whether you deploy free lessons a couple times a week, or bring on a full-time marketer/instructor to really get things going, results will be proportionate.

The cost associated with running free instruction (payroll, supplies, advertising, etc.) should be considered a <u>marketing expense rather than a payroll expense</u>. Marketing the club is this person's primary responsibility, not teaching - in fact, this position could supplant your "Membership Director" position.

**Note:** This position does not need to be extremely high-paying - and should include a contingency component. The instruction itself is intended to be short lessons, basic in nature, and designed for beginners, casual players, seniors, families. A motivated 2nd or 3rd year apprentice would be perfect. More important is that they are personable and eager to demonstrate their personal value for the facility. They do need to get paid when the needle starts moving though.

#### The duties of this new position will be as follows:

- Marketing for the club is primary responsibility
- Available for regularly scheduled group and individual golf lessons
- 10+ Hours per week invested in follow-up, outreach marketing
- Lesson content is focused on beginners, newcomers, families, senior golfers
- Lessons are basic fundamentals, how to play, rules, etc. (more technical lessons paid)
- Lessons are offered for free best booked online
- All club staff is authorized and encouraged to personally invite people to free golf lessons and to experience the club
- Students can come to as many golf lessons as they want for weeks/months so long as they are not clearly abusing the privilege
- Instructor is expected to facilitate social connections introduce newcomers to other members, golfers, offer club events, etc.
- Highly targeted social advertising campaigns may also be a helpful means of attracting newcomers

## How to Market Free Golf Lessons

All staff members know that free golf lessons are available, and they are expected to personally invite befitting families and friends out to the club. Everyone on the team is expected to help market the club, and invite people into golf.

#### **Buyer Personas**

Determining people to invite should be more inclusive than exclusive. Don't shoot for perfection. That said, try to choose people and families who seem as though they would derive the most benefit from using the club. If you club is family oriented, find people with kids and invite them to a series of free golf clinics.

#### Local Community

Everyone on your team goes to the supermarket, to sporting events, to church, family gatherings, etc. Promoting in schools, and youth circles as a family activity will bring people out to try the game. Carry cards or invitations and personally invite the people in your local community who may have never, or rarely considered golf.

#### Targeted Online Advertising

We suggest highly targeted social ads on Facebook and Instagram to supplement your ground game. It's very easy to laser focus on your immediate local area based on demographics, income, interests, etc. I'd suggest this as a last resort - personal invitations work best.

#### Be First to Market

The biggest marketing impact is realized (by far) by those first to market with these oerings. Imagine being the first club in your area to announce free golf lessons to all comers. It'll be big news and a very easy sell. Now, consider you're the 5th club in your area to launch this program. Not such a big deal, right?



This <u>Market Positioning Ebook</u> is a great exercise for your team or club Board of Directors. You'll need to understand your own value proposition, market niche, dierentiators, competition and your reason for existing.

## Streamlining Registrations

We suggest building an online registration system for all lesson bookings like the one we use. Lesson invitations include a direct website url to the booking page where people select the day and time that works best for them.

The value of registering online is that it's best for the customer. It has to be quick, simple and accessible from anywhere. They can edit or cancel their reservation anytime they want without interrupting with calls, emails or text messages. Also, you can deploy whatever booking restrictions you like (although we don't recommend any at all).

Auto responders and reminders help to limit missed appointments. You also need to fill them in on the basics - when to arrive, where to go, what to wear, what you're covering in the lesson, etc. Letting them know exactly what to expect will help them feel welcome and comfortable.

Additionally, online registrations mean that you're able to capture basic contact info such as name, email and phone for following up. This is called lead nurturing. Not everyone is ready to sign up on day 1, but it's important to continue to deliver value and stay top of mind. Circling back with surveys, fun opportunities and offers, and maintaining an open feedback loops increases conversion rates wonderfully.





## What Instruction Content Are You Delivering?

The instruction should be basic level help. You should also make demo or used equipment available to those who may not have clubs. We want to specifically target the "fringes" of the golf population.

#### Beginners

Most instruction should be for casual golfers and beginners. Simple technique, lots of reps, and fun. Spinoff sessions could touch on how to play golf, basic rules, etiquette, etc.

#### Families

If the lessons are free, who cares how many you have in the session. Invite multiple families to come out at the same time. More social the better. Get the kids having fun, but also pay attention to the adults and get them acclimated. Basics, basics.

#### Seniors

Most seniors won't pay lots of money for golf lessons, yet we want to retain them at the club as long as possible. Develop programming specifically for them. Helping them swing around physical ailments or limitations can prolong their enjoyment in the game.

## Following Up and Lead Nurturing

At least ¼ of the instructor's time should be spent on reaching out, following up, gathering feedback, making introductions, etc.

We know that most people will not be ready to buy a golf membership after one day on the range. They'll need some time, and you'll need a plan to stay top of mind over the long haul. This is where lead nurturing comes in.

Marketers need to continue to deliver value over time through helpful communication, educational materials, follow up visits, etc. It's part art and part science.

Certainly, there are automated email workflows to scale these processes. If someone attends a clinic, it could theoretically trigger a sequence of emails that present related golf tips, videos, articles, and resources to help them along.

Automation is great, but a personal approach is best. Each individual is going to have their own opinions, questions, feelings and reservations. It'll take empathy and understanding to know how and how frequent to reach out.

If there's one rule of lead nurturing, it's that there's no hard selling. Pushing for a quick sale destroys trust. Rather, be patient and allow prospects to move forward through the "pipeline" at their own unique pace. They know you sell stuff, and they'll reach out when they're interested.

#### **IMPORTANT: No Sale Pitches!**



Surveys are great to follow up with. How did you like golf? Is there anything we didn't cover? Is there anyone you'd love to play golf with? Would you like to get on a weekly or bi-weekly lesson cadence until you're feeling more confident?

Here's an article on Lead Nurturing online at scale:

## THE WORLD'S MOST EFFECTIVE LEAD NURTURING TACTICS



90% of new leads are not ready to make an immediate purchase. Here are the world's most effective lead nurturing tactics.

Read more

## Digging Into The Numbers

I don't want you to just take our word for it. Let's try to run some basic numbers using some extremely conservative assumptions.

## Understand Customer Lifetime Value



The numbers here are going to vary tremendously. Private clubs selling high-end memberships will be very different than municipal or public golf courses.

Regardless, if we're going to take a long-term approach to growing the club, we need to understand what our customers are worth to us.

A simple method to calculate an annualized average customer value is to take the total number of customers and divide into your gross revenues. Private clubs are easier than public courses of course.

Let's say that a club does 30,000 rounds of golf, and grosses \$2 Million. Of those 30,000 rounds, the average customer returns to the club 10 times. That means we've got 3,000 "customers". Divide that into \$2 M and we get an average annualized customer value of \$667.



#### Each new customer is worth \$667 on average each year.

Looking at retention rates, we may be able to determine how long the average customer sticks around - let's say 4 years.

#### The average lifetime value of each new customer is \$2,668.

Of course, this is a very simple representation, but you get the idea. Come up with whatever number you feel makes sense for your club.

### Maximizing Conversion Rates

This math is very simple. Let's say that we're running free golf clinics, private lessons, family sessions, and senior helpers as we've discussed.

For every 100 people that enter into the top of this "funnel", let's assume a worst-case scenario conversion rate of 5%. Just 1 out of every 20. We're defining a conversion as someone who becomes a "customer" of the club - signs up for other programs, buys some stuff, signs up for advanced lessons, plays golf, eats and drinks in the restaurant, etc. You can establish whatever definition you like, but they pull out their wallet at least once.

The truth is that 5% is a terrible conversion rate, but it still works like crazy. That mean for every 20 people we invite out to the free golf lesson programming, 19 don't ever sign up for anything else, ever.

#### <u>BUT, the 1 person that becomes a customer means that the club is bringing in \$667 of gross revenue</u> for the year, \$2,668 overall.



Each 30 minute lesson is designed to have multiple people - families, groups, clinic-style. Staying conservative, let's say that each session has just 4 people on average. If the instructor is teaching just (12) 30-min sessions per week (6 hours of time), that's 48 golfers.

So, we have 48 people each week, but considering 1/2 of those people are repeat lesson-takers, we'll play it super conservative and assume only 20 newcomers per week.

This means that every week of instruction yields 20 newcomers to the club, and 1 new customer. Once things get going, that means about 4 new customers per month, 48 new customers per year...depending on seasonality of course. Annualized, that's \$32,016 (\$667ea.) of newfound revenue. In terms of lifetime value, that's \$128,064 generated for the club.

Conversion	Customer Avg.	Customer Avg.	Weekly	Ann Gross	Total Gross
Rate	Annual Value	Lifetime Value	Newcomers	Rev. Gain	Rev. Gain
5%	\$667	\$2,668	20	\$32,016	\$128,064

## Your Marketing Expenses

Doing the math on this kind of program, we're assuming that the club is allocating some resources. As mentioned previously, this work could be done by your membership director, a part-time staff member, a "repurposed" independent contracting golf instructor, or even a 3rd party part-timer that shows up 1-2 days per week. Numbers on both sides of the ledger just get smaller.

As mentioned previously, this position does not need to be a highly paid position because of the simplicity of instruction.

Let's assume you're paying a staff member \$20/hr (\$40k salary equivalent). This means you're able to offer 30-minute golf lessons for \$10 apiece. Add in supplies, follow-ups, etc., let's double that number to \$20 of cost per session. If you're able to get 4 people per session, you're only spending \$5.00 to get each body out to your golf course!

In the marketing world, that's insanely cheap, considering the long-term lifetime value of your new customers.

Additionally, your bandwidth for offering these golf lessons is virtually unlimited. It's not like you're giving away tee times or cannibalizing your "real" business offerings. If demand was there, you could theoretically have 3 people on the range at the same time, all day doing the same thing.

You can scale up or scale back your "marketing" very easily.

Weekly	Monthly	Cost of Each	Annual Spend
Free 30-Min Sessions	Marketing Spend	30 Minute Lesson	
12	\$960	\$20	\$11,520



## The Bottom Line

All considered, these estimates and assumption are extremely conservative. A 5% conversion rate is very low for public facilities, but for private clubs may be very high (of course average customer values are also much higher).

In this example, after a full year of paying your marketer/teacher along with all costs, the club will have netted \$116,544 in future Total Gross Revenues (10x marketing spend!).

Of course, your instructor will have plenty of time to teach avid golfers on the side for a fee. In fact, this program becomes a feeder system for your staff instructors charging their regular hourly fees.

The club has developed an enormous differentiator vs. the local set of golf facilities. Marketed well, the club will be able to attract the lion's share of newcomers to the game in the area, indoctrinate them into the club, and develop a culture of giving/generosity/hospitality while they're at it

Guests feel more welcome over time because there are no hard sells or sale pitches. All staff members participate in marketing the club, and inviting new people out to try golf becomes ingrained in company culture.

Combined with solid membership sales specific programming, clubs can further capitalize on the power of word of mouth, positive company culture, and membership referrals.

Golf courses are going to look and feel different as we move into the future. We think that's okay.



#### Casey Bourque, PGA

I'm a former playing professional and golf course operator, now running my own digital marketing agency. I welcome your feedback. Find me on social, through my websites, or shoot me an email. Good luck!

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