THE TRUTH ABOUT MILLENNIAL GOLFERS

a research initiative by

GLOBAL GOLF ADVISORS

in collaboration with

NEXTGENGOLF

Presenters

MATT WEINBERGER

Chief Operating Officer

Nextgengolf

MICHAEL GREGORY

Senior Manager

Global Golf Advisors

BENNETT DELOZIER

Manager

Global Golf Advisors

With support from KRIS HART (Chief Executive Officer, Nextgengolf) and HENRY DELOZIER (Partner, Global Golf Advisors)

GLOBAL GOLF ADVISORS

NEXTGENGOLF

Presentation Map

01 INTRODUCTION

Nextgen/GGA. Origins. Reach.
Approach. Expertise.

02 OUR RELATIONSHIP

Nextgen/GGA. Industry expertise.
Giving the gift of golf.

03 MILLENNIAL INITIATIVE

Inspiration. Aims. Value. Context.

Presentation Map

04 TRENDS SUMMARY

Attention-worthy trends.

05 KEY FINDINGS

Trends. Data. Impact. Significance.

06 ONWARD

Takeaways. Insights. Future forecast.

GLOBAL GOLF ADVISORS

NEXTGENGOLF

NEXTGEN & GGA INTRODUCTION

About Nextgengolf

"We care. We listen. We are here to help you as a young adult golfer. Live Life. Play Golf."

// Nextgengolf

Nextgengolf is an inclusive organization with the mission to provide golfing opportunities, keep golfers in the game, and make the game of golf more relevant for college students and young adults.

Origins

NEXTGENGOLF

2003
Southeastern Club Golf Association (SCGA)

2006
National Collegiate Club Golf Association
NCCGA

2011
College Golf Pass (CGP)

2012
NCCGA incorporate into CGP

2014
CGP rebranded as Nextgengolf

2015
CITY TOUR
Nextgengolf establishes City Tour

2017
Nextgengolf launches National High School Golf Association (NHSGA)

Reach

Nextgengolf does not focus on the best golfers. Rather we focus on "the rest" and care about the future sustainability of golf.

185
golf events in 2017

29
regions host NCCGA events

20
US Cities with City Leaders

2016
Kris Hart, CEO named a “futurist” by GolfDigest

18-39 year-old golf represented by Nextgengolf as governing body

GLOBAL GOLF ADVISORS

Approach

Live Life. Play Golf.

Nextgengolf is dedicated to the success of golfers in their 20's and 30's. At its core: team-based golf events exclusively for college students and young adults.

Nextgengolf is in the golf experience business.

About GGA

Serving 2,900+ clients worldwide

Leading golf industry insight from 4 global offices

NEXTGEN & GGA RELATIONSHIP

GLOBAL GOLF ADVISORS | NEXTGENGOLF

A Joint Venture

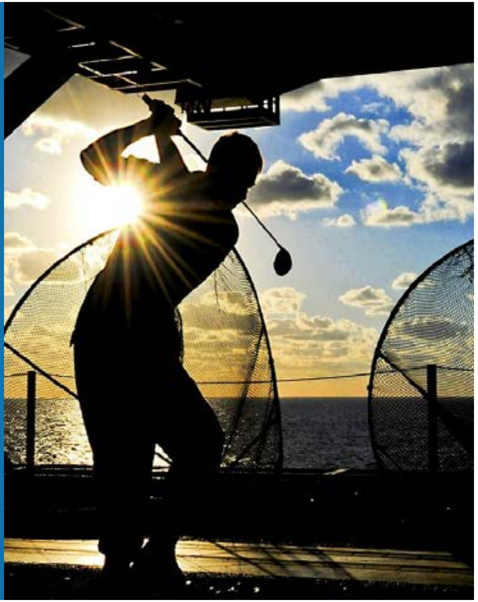
The fusion of GGA's 26-year history of golf industry research and Nextgengolf's profound relationship with young golfers afforded the unique opportunity to study to a highly valuable Millennial audience.

Research Team

Comprised of Millennials who serve golf industry owners, operators, clients, and customers.

Millennials
researching
Millennials

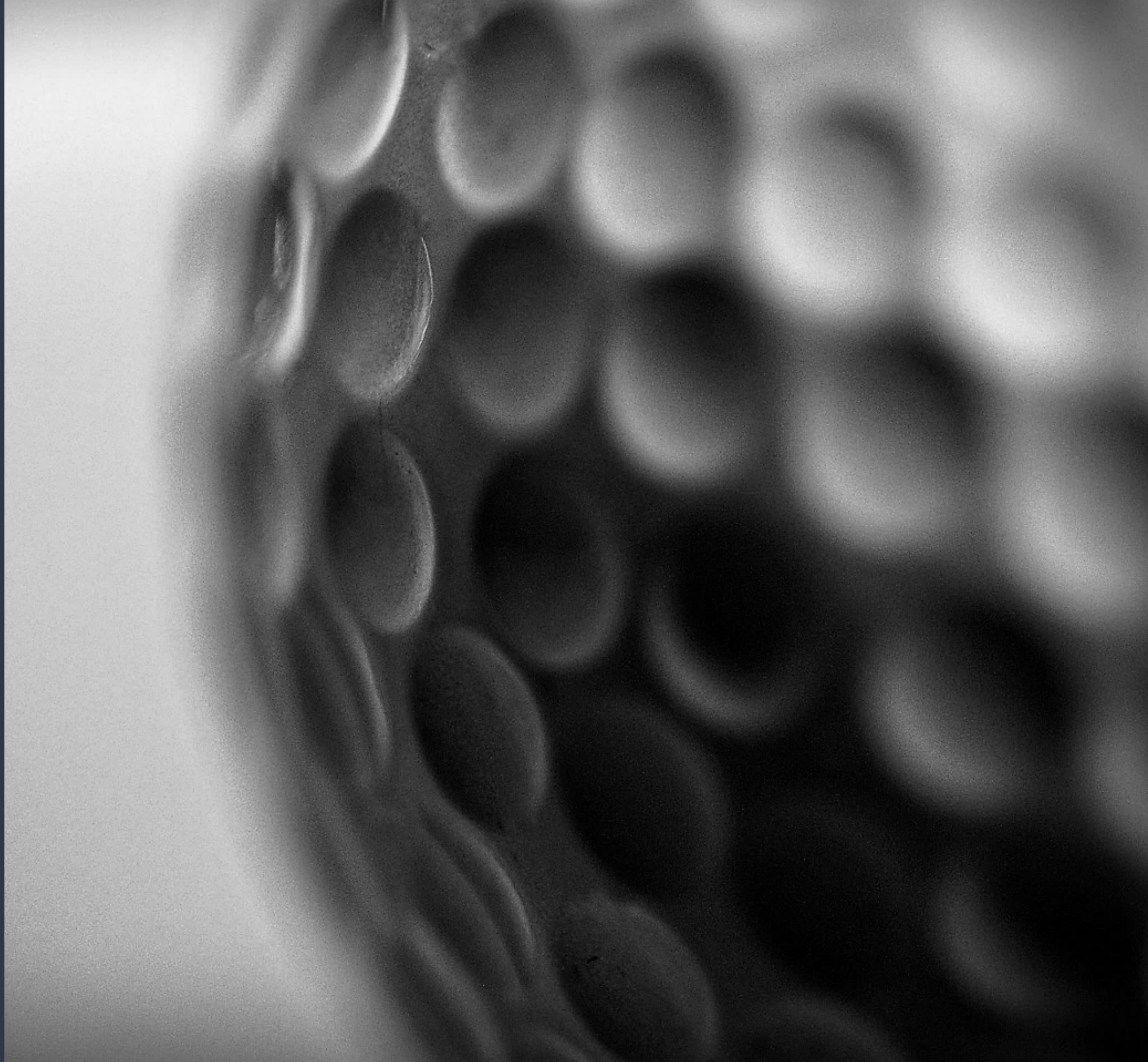
Golfers
researching
Golfers



Nextgengolf connects Millennials to golf and supports the success of their game.

GGA strategizes solutions and solves problems for golf-related businesses.

Both share a passion to grow the game and give the gift of golf.



MILLENNIAL RESEARCH INITIATIVE

Inspiration

"Will Millennials join private clubs?"

"How much are Millennials willing to pay?"

"Do Millennials care about amenities?"

"How do we appeal to Millennials?"

"Where do Millennials want to go?"

GLOBAL GOLF ADVISORS

Inspiration

- Commonplace questions for anyone charged with duty to fill membership pipeline with 'new blood'.
- Millennial generation contains future customers and members. They are integral to the future financial sustainability of golf operations.
- Coming from a research background, best way to find out information is to ask Millennials directly.

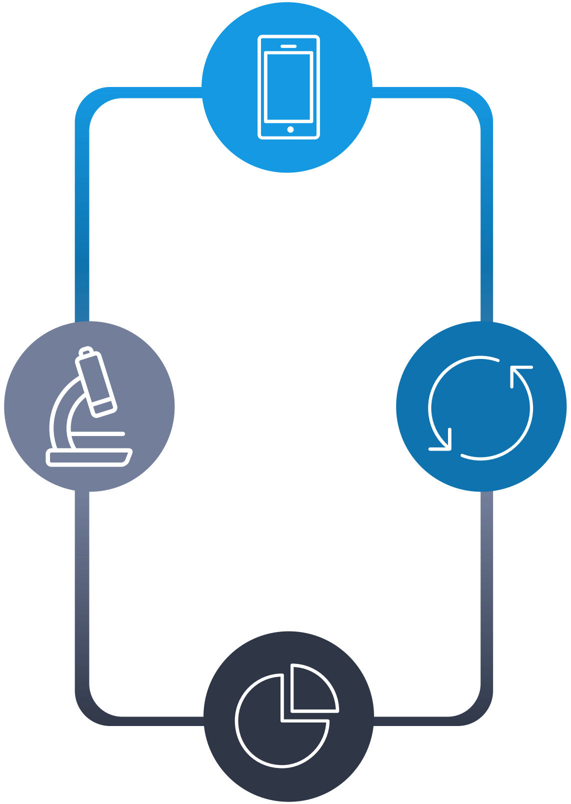
Description

Nextgengolf Surveys

Short annual surveys to several thousand avid golfers to inform Nextgen tournament scheduling and programming.

Industry Need for Data

Industry-wide need for reliable data. Business success tied to reliable data and strategic intelligence resources.



Millennial Research Study

Nextgen and GGA collaborated to gauge 'degrees of separation' between Millennials and clubs.

Collaboration

Nextgen provided network, facilitated collection of feedback. GGA analyzed response data and attempted to fit it into golf's existing body of knowledge.

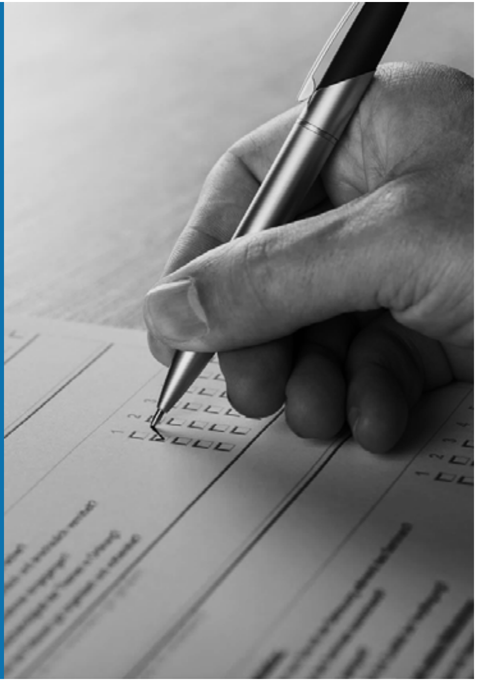
Description

Two years of research on Millennial golfers.

2017

First research instrument deployed.

Over 1,000 Millennial golfers.



2018

Secondary investigation to dig deeper.

Over 1,200 Millennial golfers.

Aims

Support Managers
Support club managers, a more informed industry.

Track Changes
Track trends over time and monitor changes.

Forecast Trends
Trends impacting golf businesses in years ahead.

Identify Success
Identify successful strategies and tactics.

Inform Strategy
Inform strategic and business planning.

Future, Now
Engage the next generation of golfers.

Value

RELIABLE DATA

Source trustworthy information and data that is not promotional or sales-focused.

Real facts that can be put to work by golf businesses in subject market segments.

APPERCEPTION

Make sense of an idea by assimilating it into existing body of knowledge.

Perceive new experiences (Millennial golfer data) in relation to past experiences (golf industry knowledge).

RELEVANCE

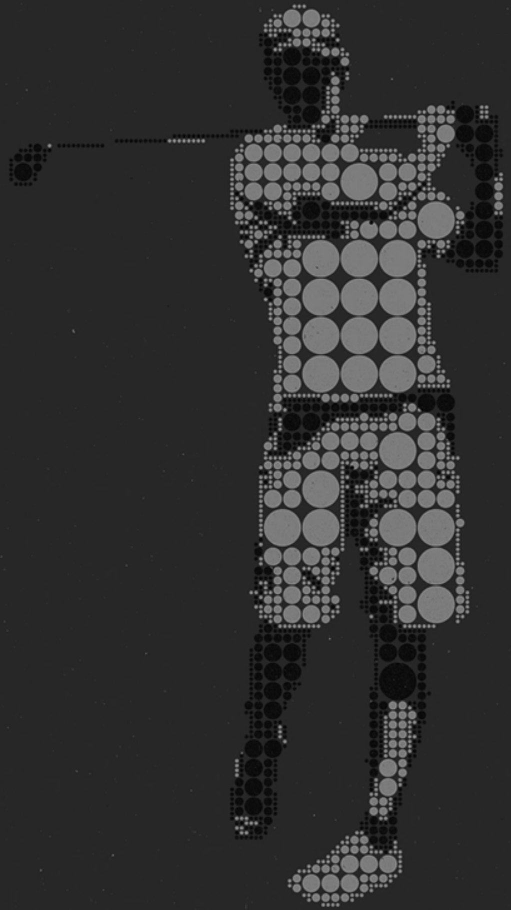
Current club membership offerings do not appeal to Millennials in the same way as prior generations.

They will want to "belong" if the club matches their values. Help clubs work to established relevance.

Context

Survey sample focused exclusively on:

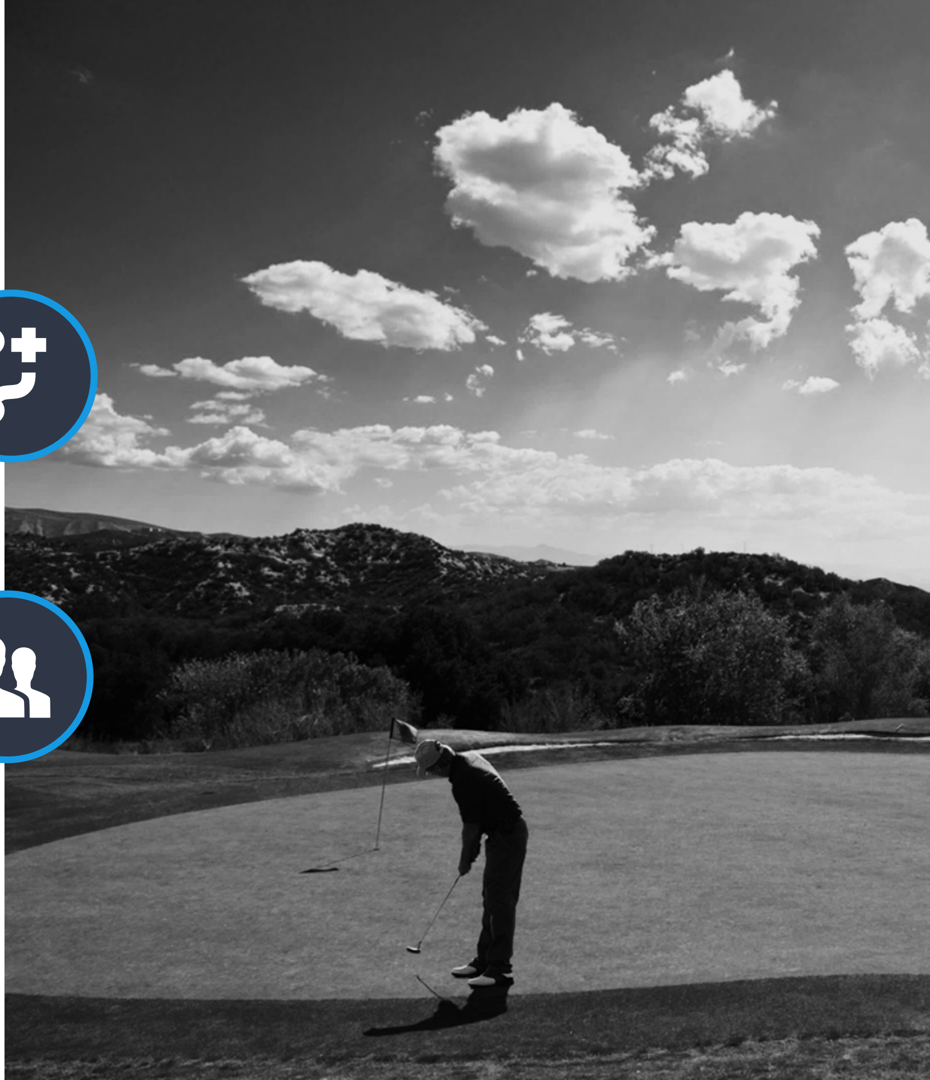
audience of active, avid, Millennial golfers with prior golf interest and experience in tournaments or golf events.



Context

Findings must be considered within appropriate context of golf skill, participation, and frequency of play.

Conclusions should not be construed as reflective of all Millennial golfers or the 'average' Millennial golfer.



GLOBAL GOLF ADVISORS

Approach

Targeting active and avid golfers was an important objective for this study since this cohort represents the best audience for:

QUALITY FEEDBACK

Obtaining informed, quality feedback regarding Millennial golf experiences and habits.

LOOKING AHEAD

Evaluating future customers and members who align with existing golfer demographics and exhibit high-likelihood for conversion.

Approach

Questions containing significant insight for clubs regarding Millennial recruitment are stratified by various demographic elements to generate deeper insight into the habits and viewpoints of avid Millennial golfers.

For these questions response data is broken out by factors such as age, handicap, facility, and region to assess behavioral differences within varying Millennial segments and to afford balanced evaluation of Millennial mindsets among different club types.

TRENDS SUMMARY

Year 1: Trends Summary

Flexibility & Customization are Key

Target: Low-Handicap Millennials

Referrals are Very Important

Opportunities Exist to Increase Relevance

Non-Golf Amenities Matter

Barriers Must Be Considered by Clubs

Topics

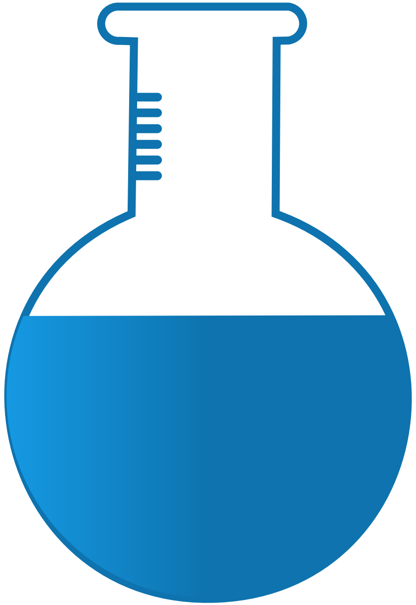
Key survey findings touch on five key topics:

- RESPONDENT PROFILE
- GOLF HABITS
- OUTLOOK ON PRIVATE CLUBS
- MOBILITY & TRAVEL
- QUESTIONS & ANSWERS

RESPONDENT PROFILE

Year 1 and Year 2 Results Consistent

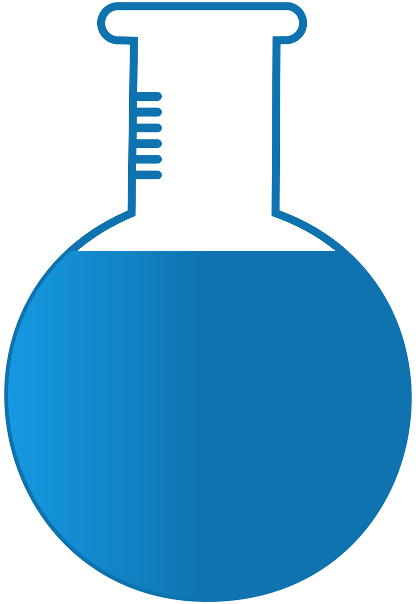
2017



1,033
responses

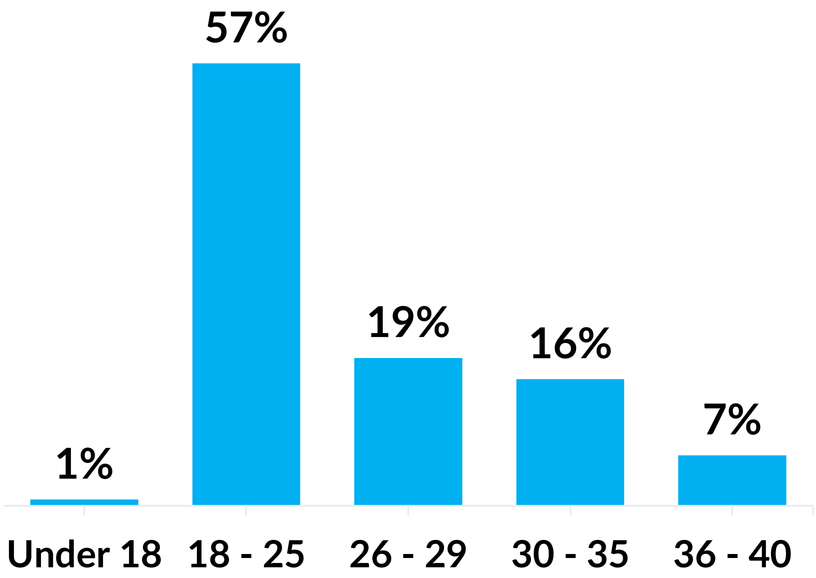
1,242
responses

2018



Largest survey of Millennial golfers to-date.

Age

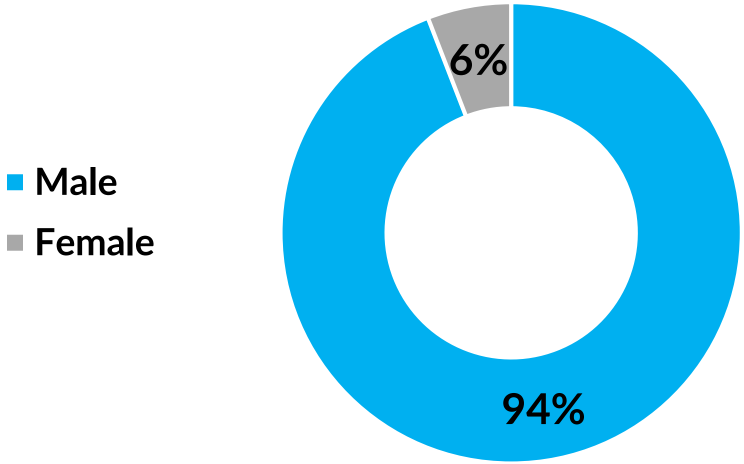


Average age: 25.5 years

Well over half (57%) of respondents are between the ages of 18 and 25.

Slightly more than one-third (35%) are between the ages of 26 and 35.

Gender



Vast majority: Male

More than nine in ten (94%) participants identified as male.

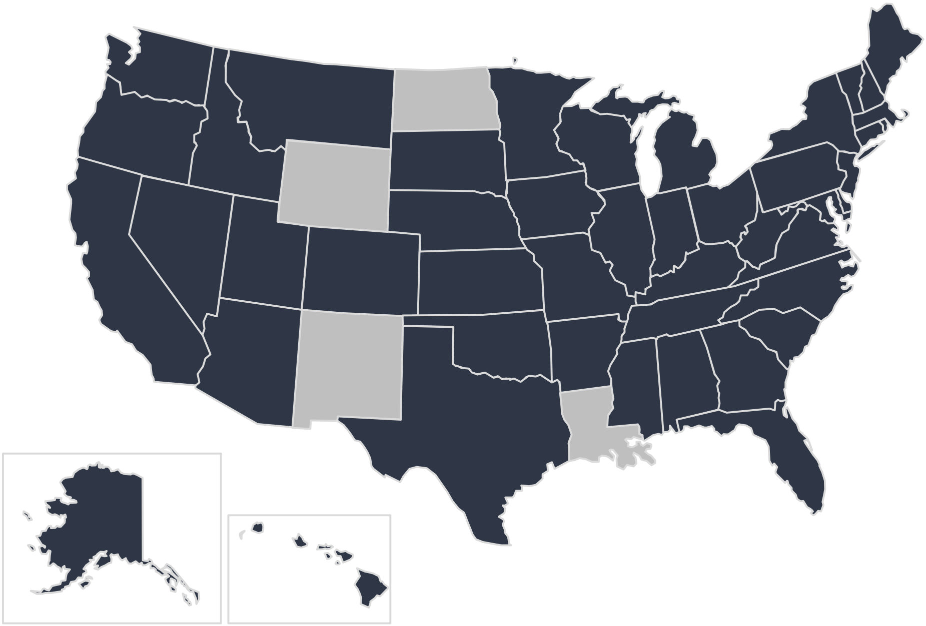
Women represented less than one-tenth (6%) of participating Millennials.

Top 10 States by Concentration:

1. Texas (9%)
2. California (8%)
3. Massachusetts (7%)
4. Ohio (7%)
5. Illinois (7%)
6. Pennsylvania (5%)
7. Florida (5%)
8. North Carolina (5%)
9. New York (5%)
10. Virginia (4%)

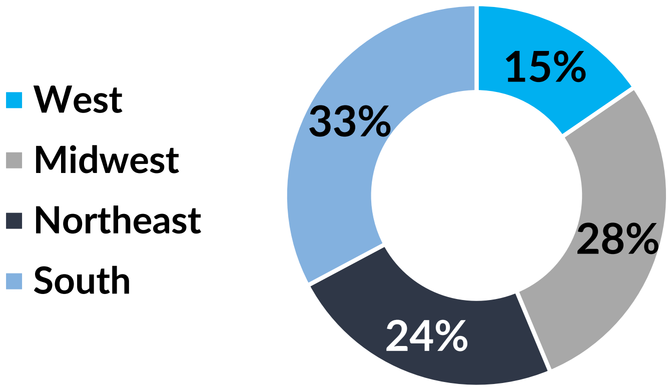
= 61% of respondents

Represented: 46 states

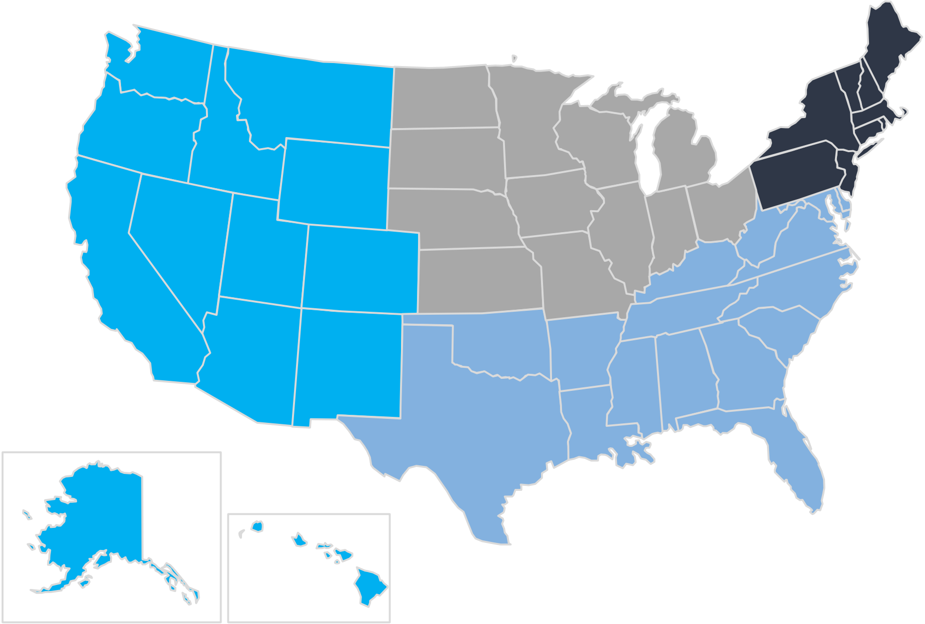


Region

States Split into Regions:
(US Census Bureau)



Consolidation: 4 regions

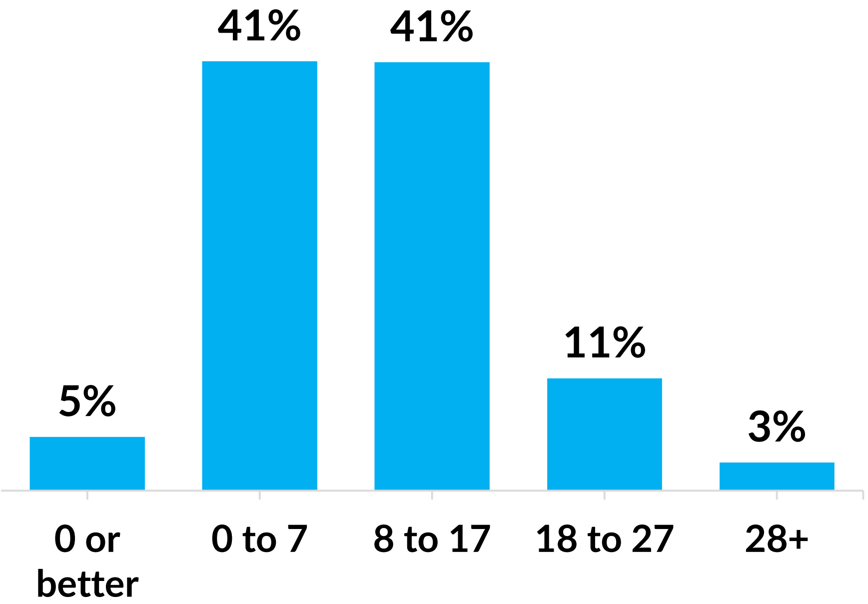


Golf Handicap

Average Handicap: 9.8

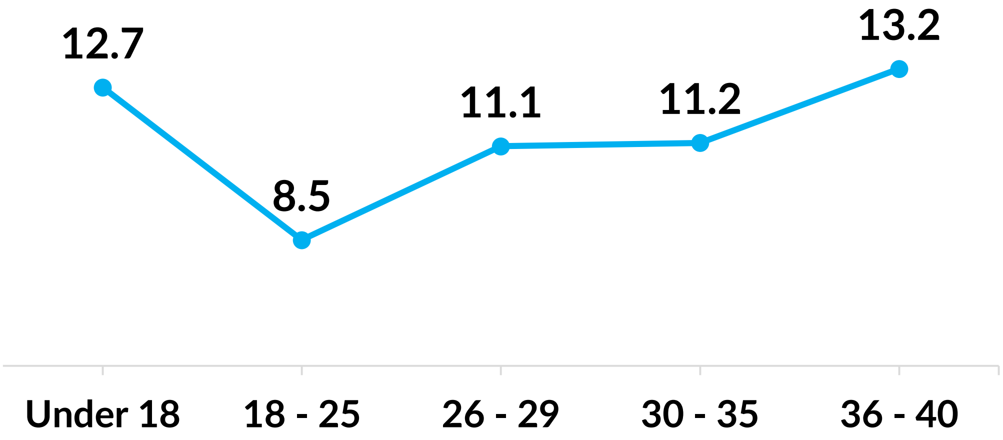
Nearly half (46%) of respondents play to a handicap of 7 or under.

Skill level significantly below industry average which ranges from roughly 14 to 17 (men) and 26 to 30 (women).

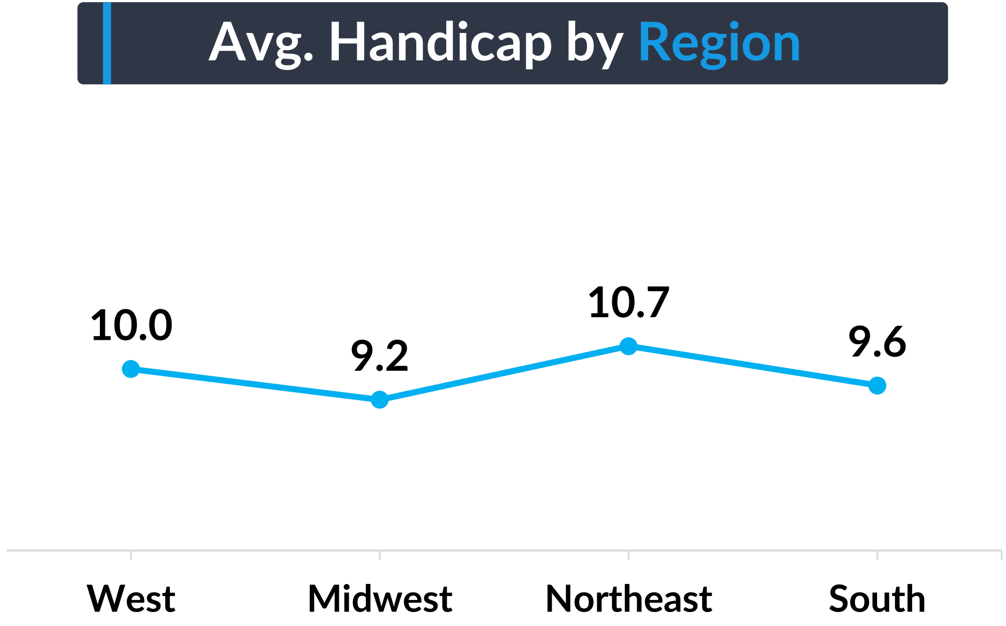


Golf Handicap

Avg. Handicap by Age

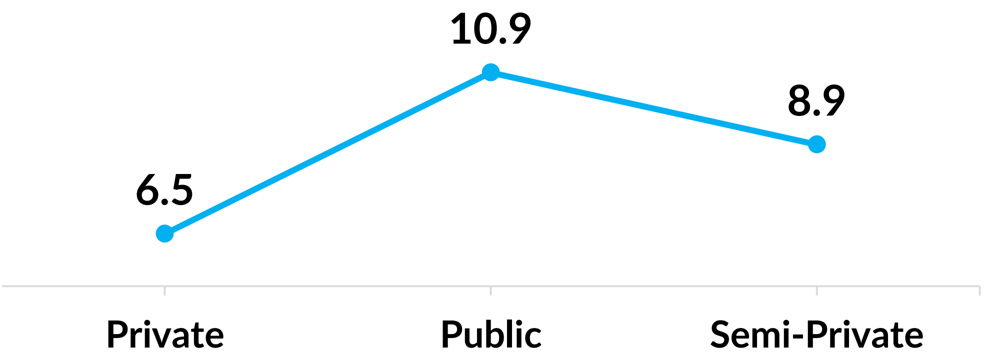


Golf Handicap

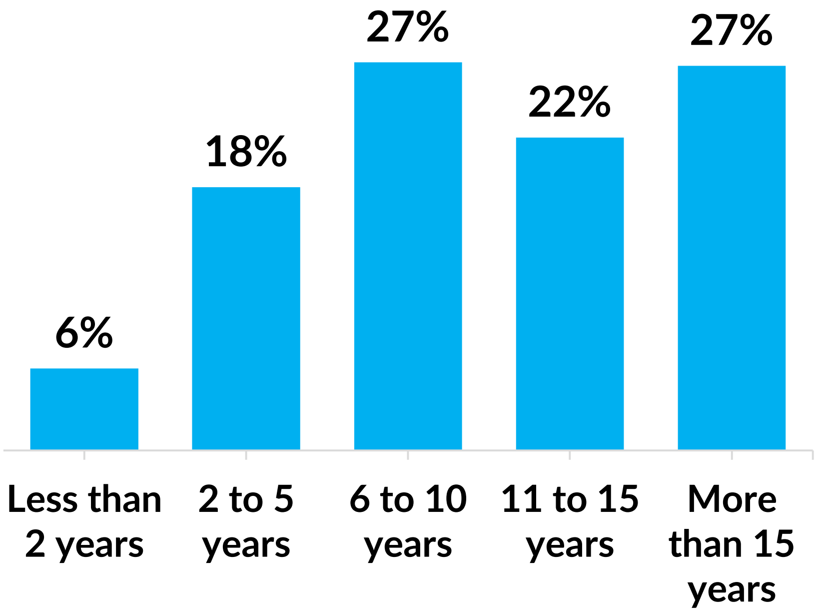


Golf Handicap

Avg. Handicap by Facility



Golf Tenure



Average years a golfer: 11 years

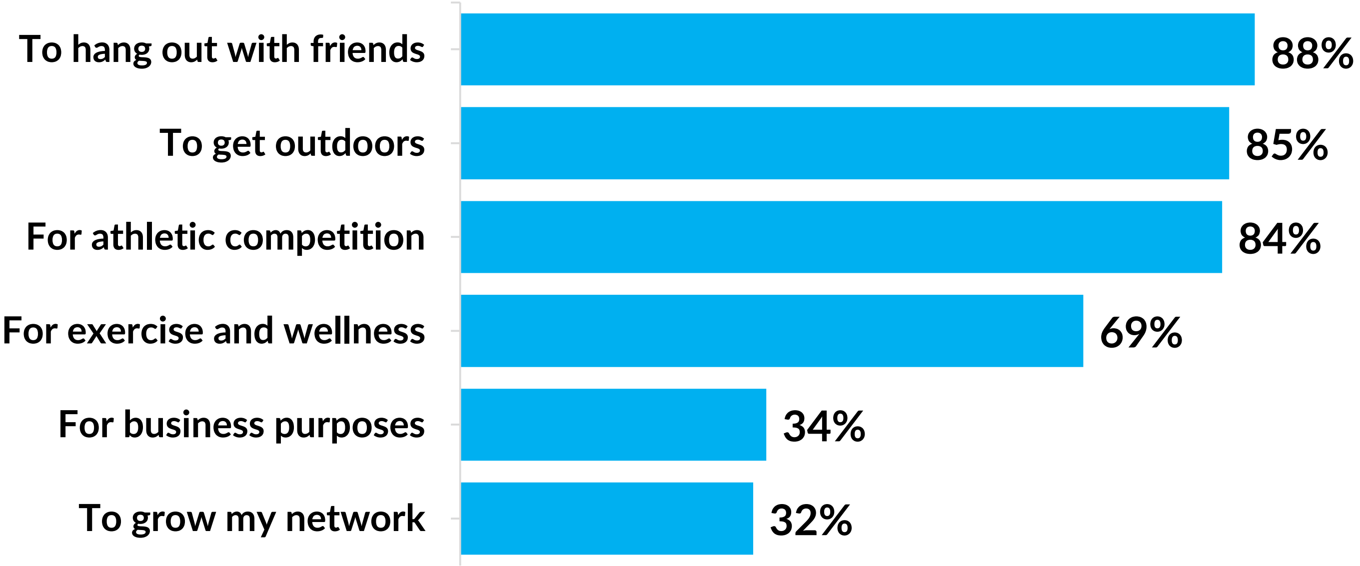
Roughly half (49%) have been a golfer for more than 10 years.

Approximately one-quarter (24%) have adopted golf within the last 5 years.

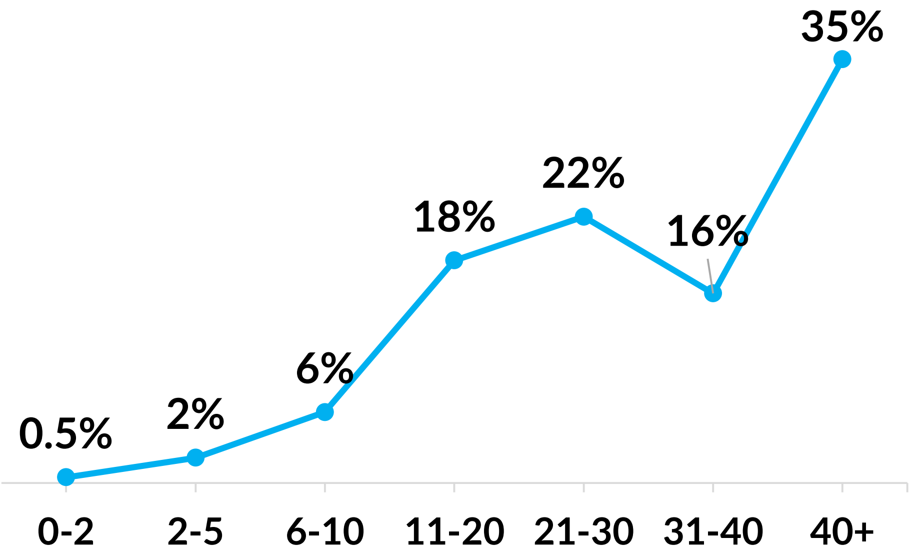
MILLENNIAL GOLF HABITS

Why Golf?

Reasons for Playing Golf:



Annual Rounds



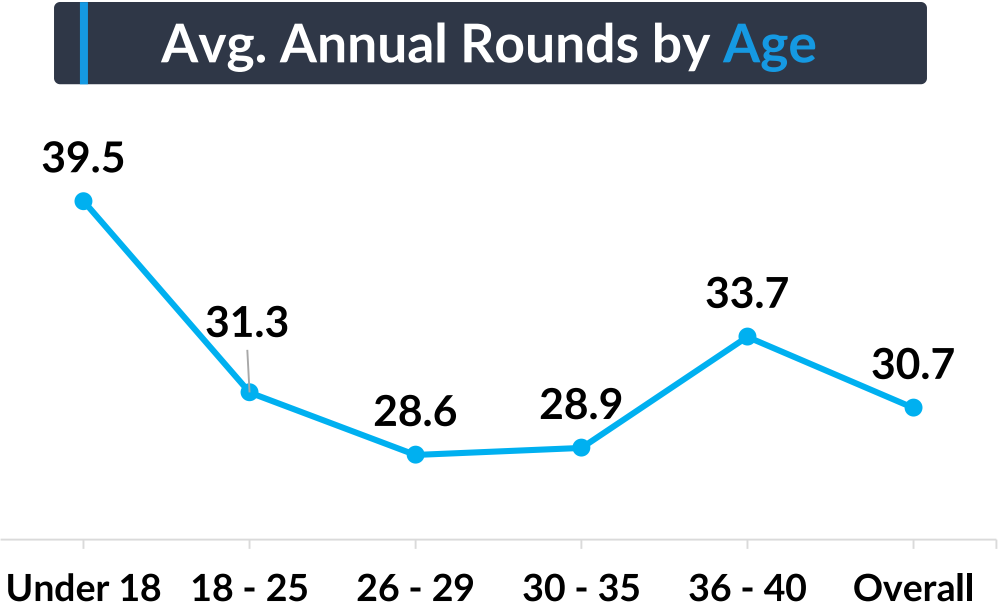
Average Annual Rounds: 30.7

More than one-third (35%) play 40 or more rounds each year.

Consistent with industry averages of 20.8 rounds per year (men) and 34.0 rounds per year ('avid' golfers).

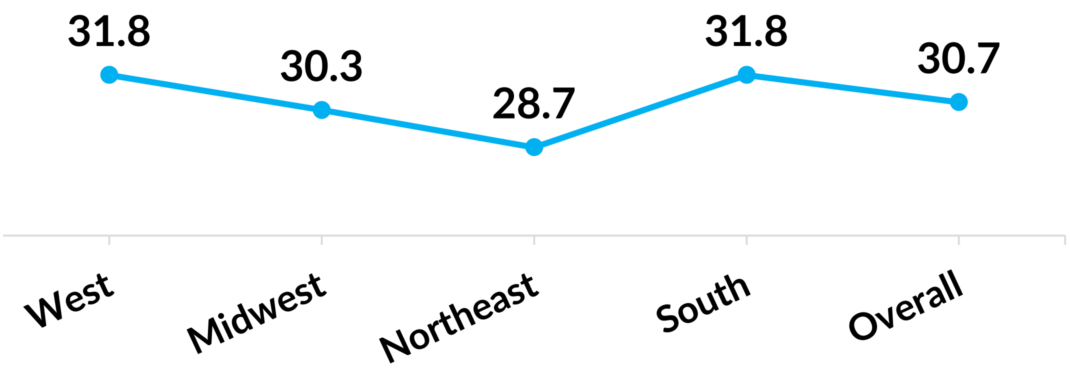
via National Golf Foundation (NGF)

Annual Rounds



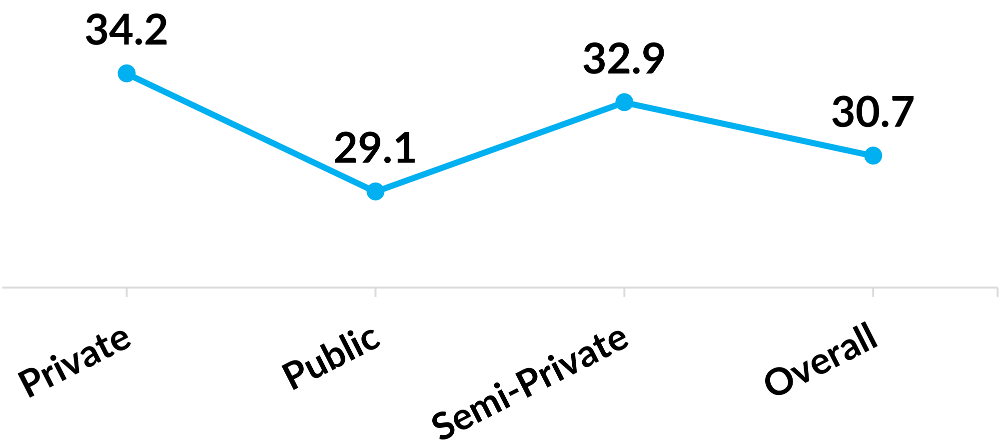
Annual Rounds

Avg. Annual Rounds by Region

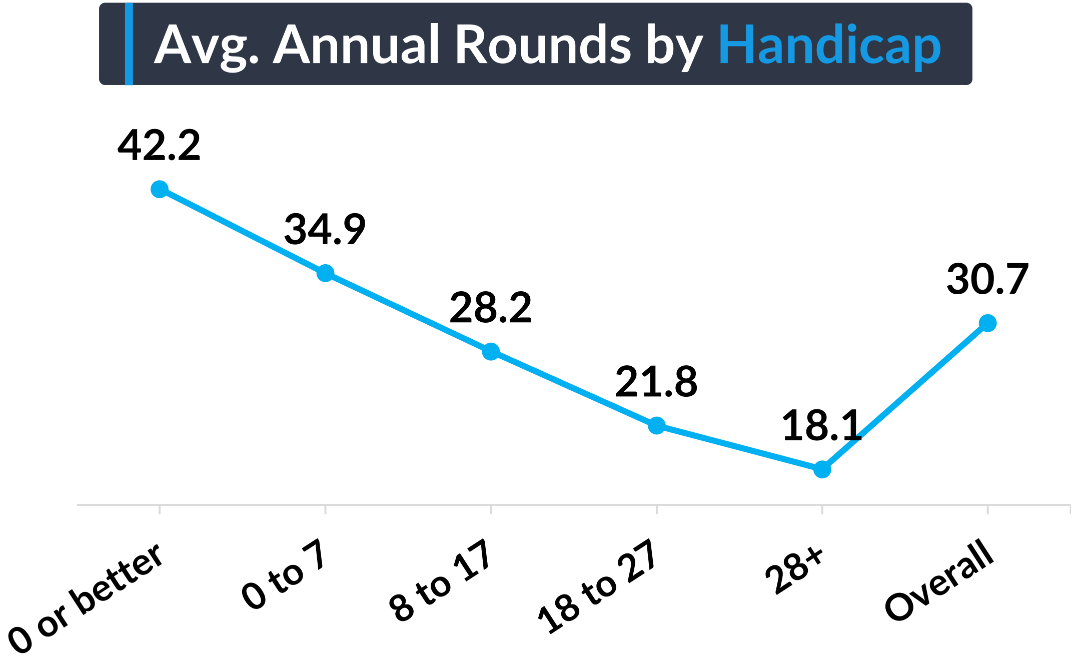


Annual Rounds

Avg. Annual Rounds by Facility



Annual Rounds

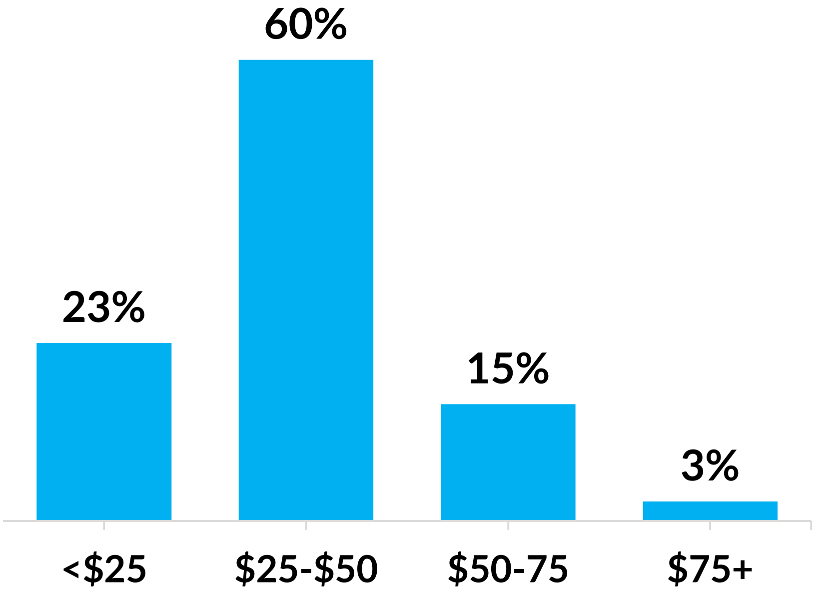


Spend Per Round

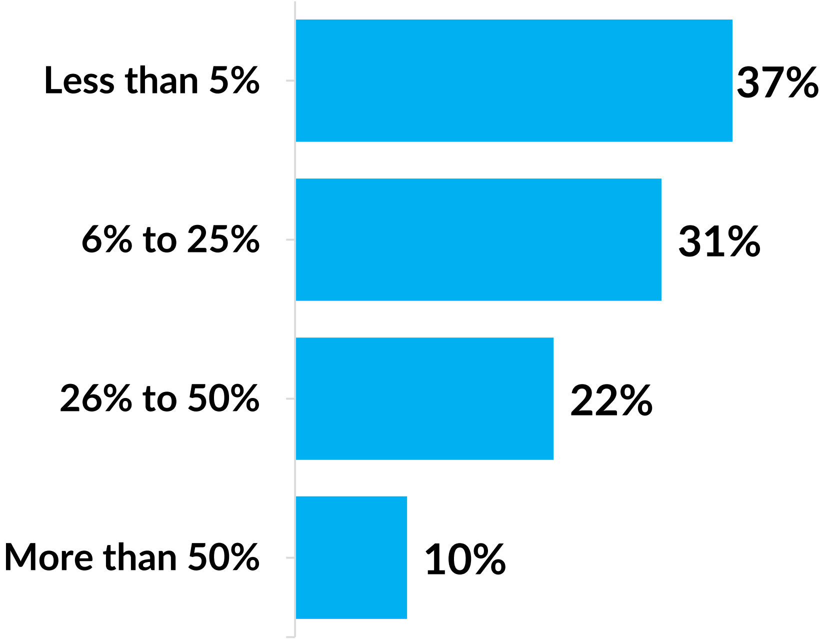
Spend per Golf Round:

More than four in five (83%) prefer to spend $50 or less on a normal round of golf.

Six in ten (60%) typically spend between $25 and $50.



9-Hole Rounds



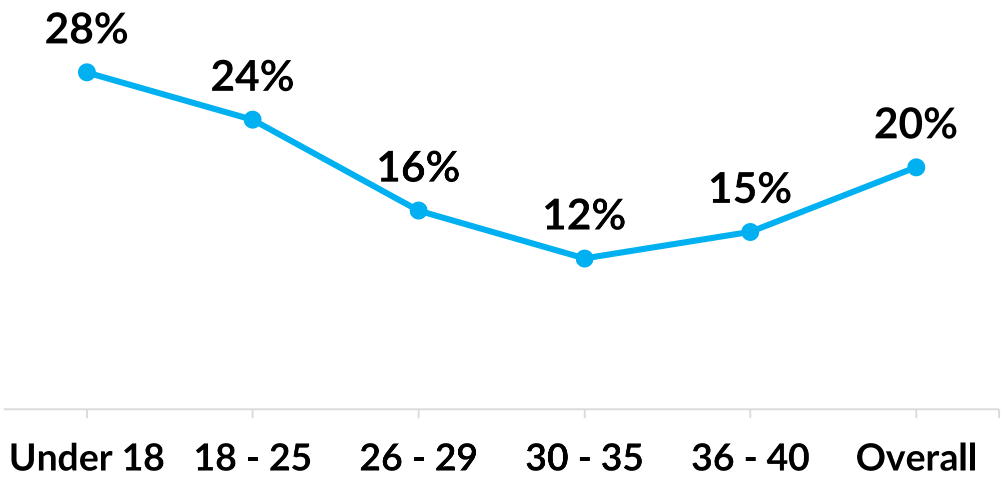
Average 9-Hole Rounds: 19.9%

Approximately one-third (32%) play 9-hole rounds for at least one out of every four of their rounds or more.

Only 10% play 9-hole rounds more than half of the time.

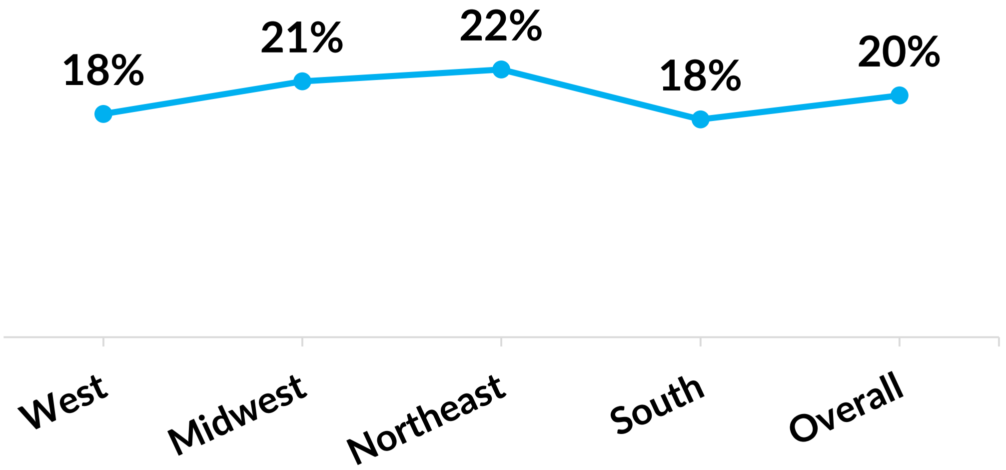
9-Hole Rounds

Avg. 9-Hole Rounds by Age

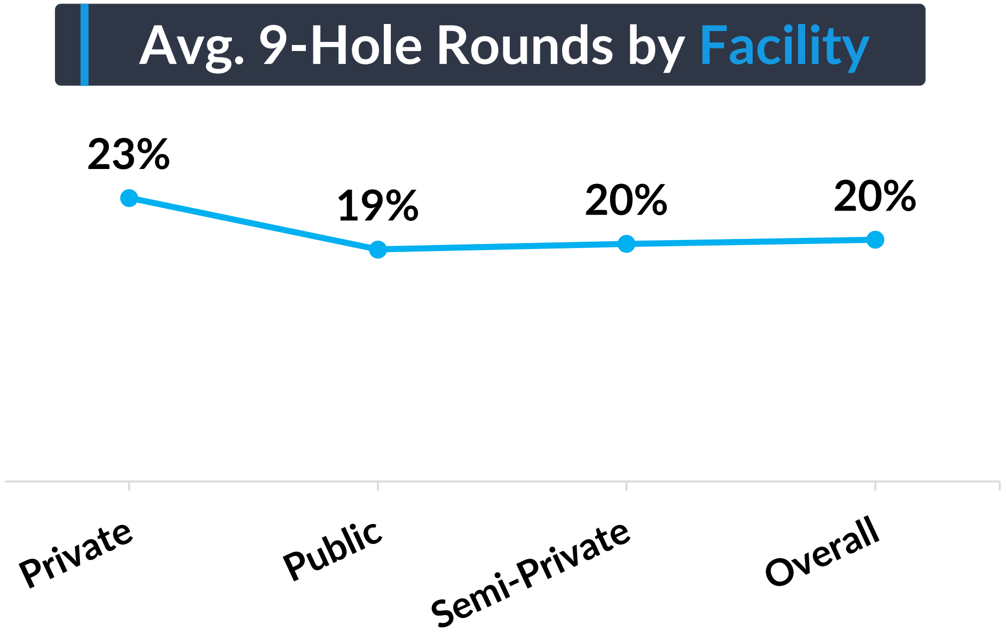


9-Hole Rounds

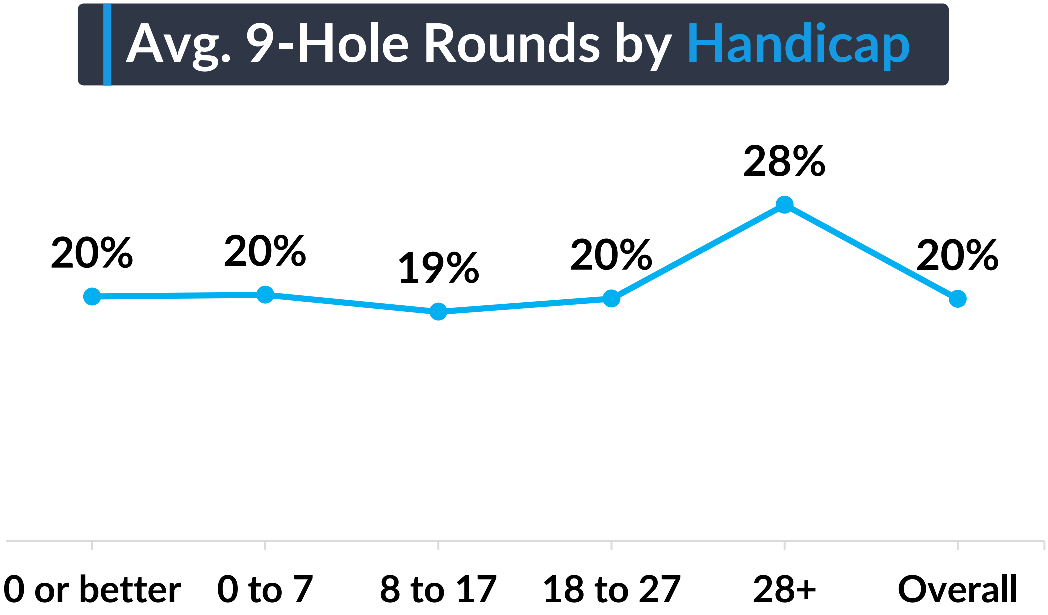
Avg. 9-Hole Rounds by Region



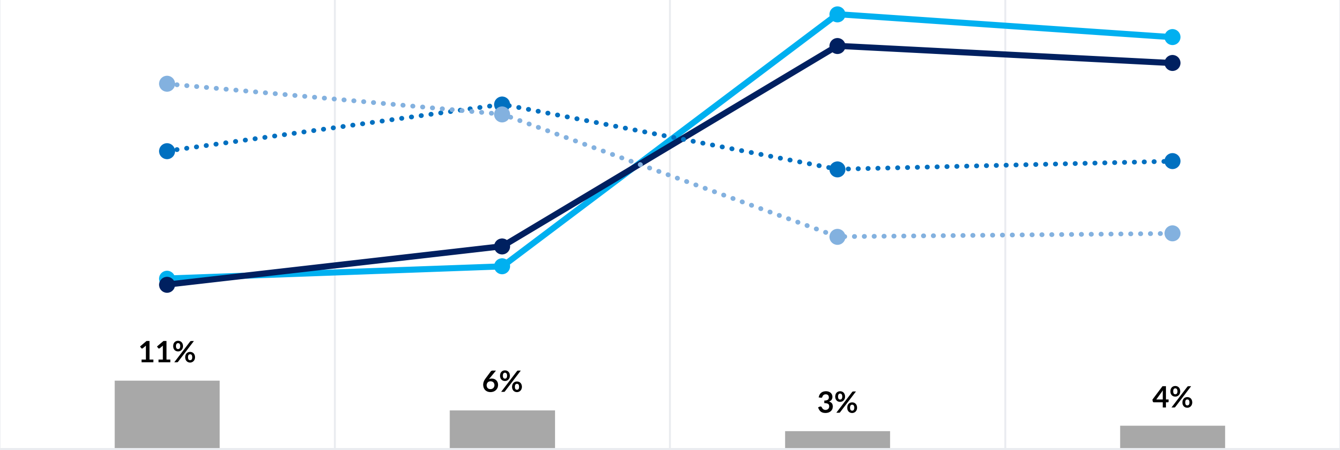
9-Hole Rounds



9-Hole Rounds



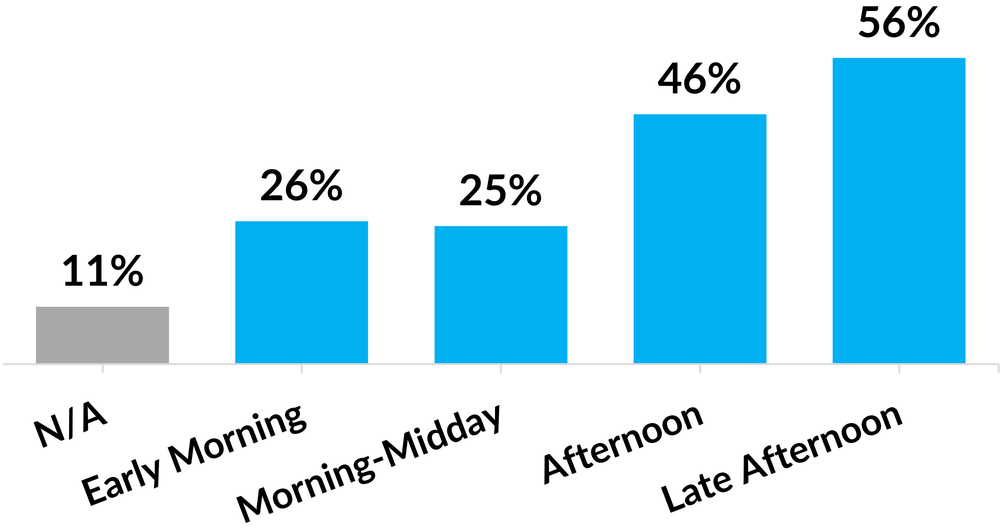
Preferred Golf Schedule



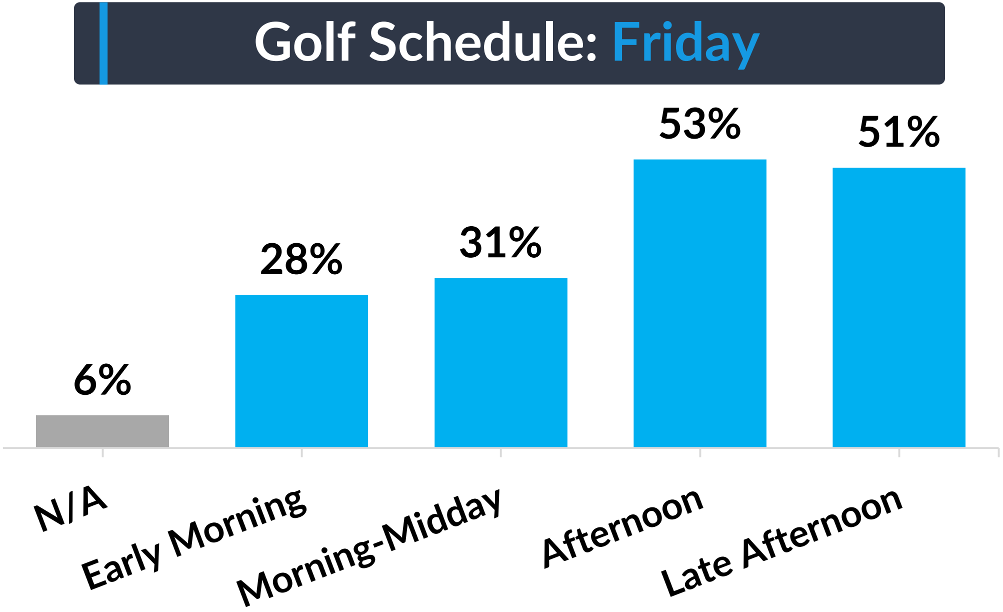
	Monday-Thursday	Friday	Saturday	Sunday
N/A	11%	6%	3%	4%
Early Morning	26%	28%	67%	63%
Morning-Midday	25%	31%	62%	59%
Afternoon	46%	53%	43%	44%
Late Afternoon	56%	51%	33%	33%

Preferred Golf Schedule

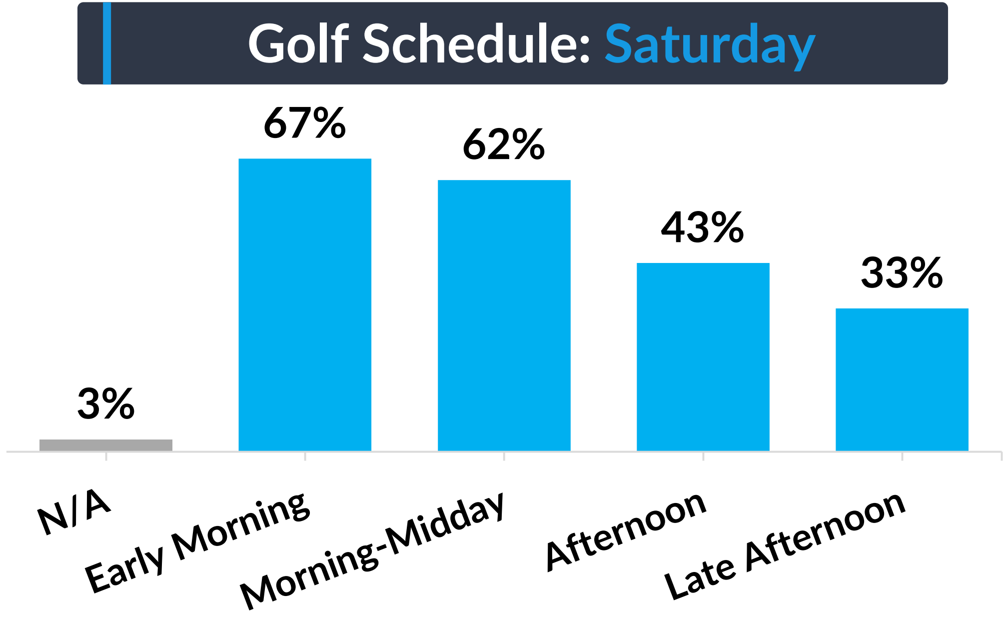
Golf Schedule: Monday-Thursday



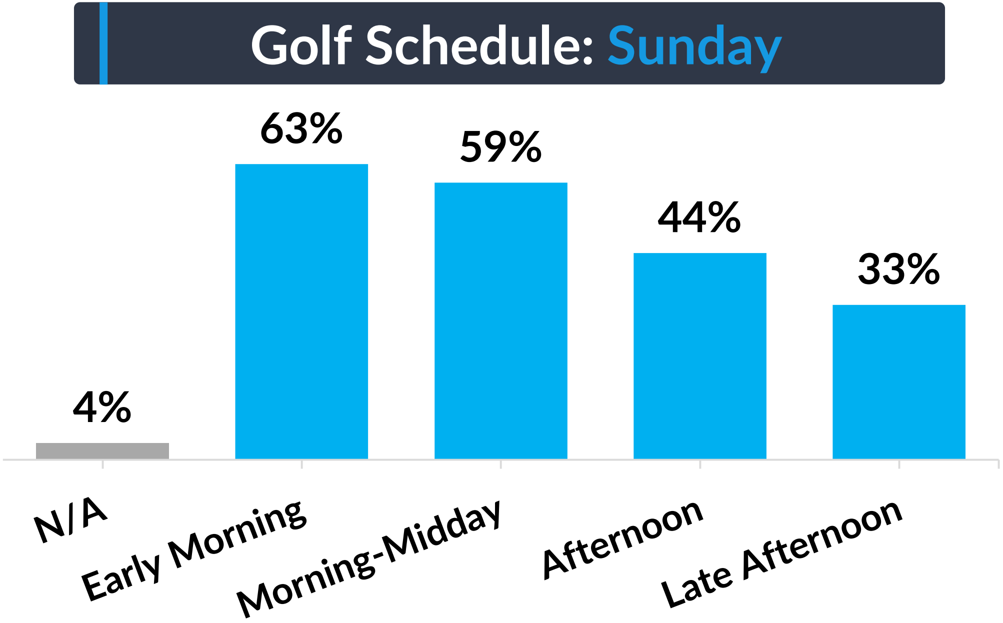
Preferred Golf Schedule



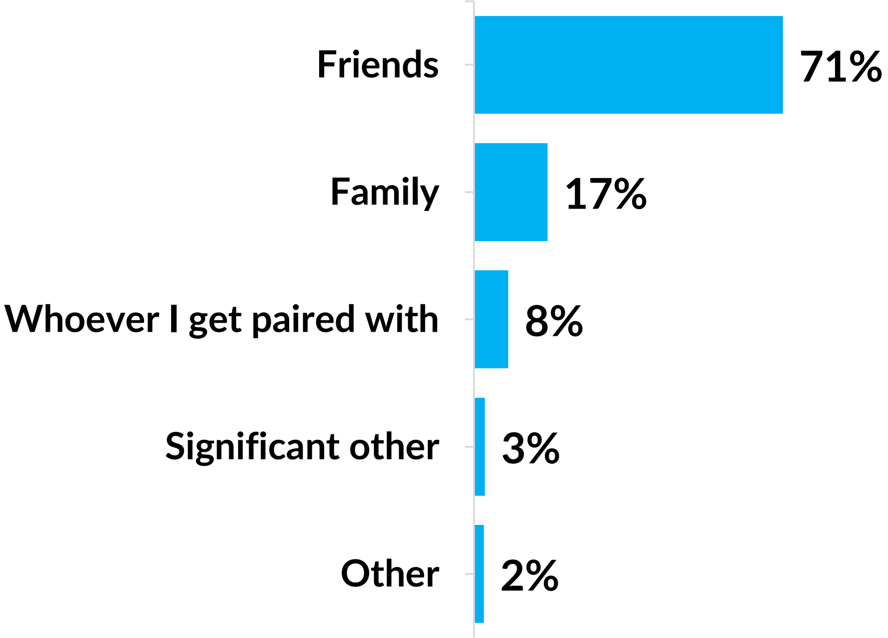
Preferred Golf Schedule



Preferred Golf Schedule



Golf Partners

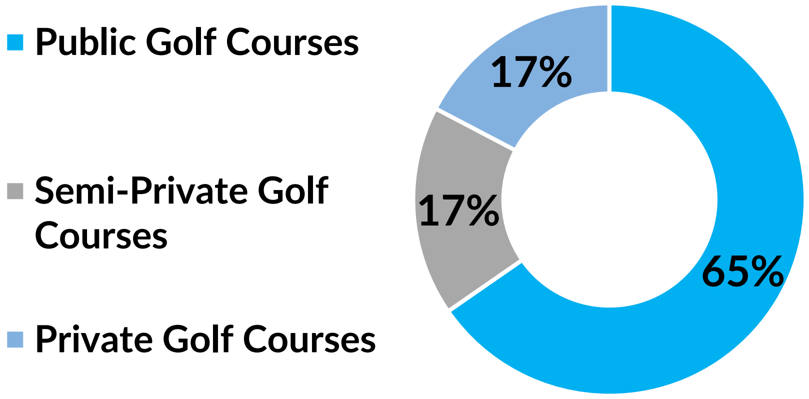


Nearly nine out of ten Millennials (88%) typically play golf with their friends or family, with a wide majority (71%) playing with friends most often.

Other golf partners (2%) might include:

- A combination of all
- Business associates, colleagues, clients, coworkers
- Teammates, other club members
- Solo play, personal practice

Golf Facility

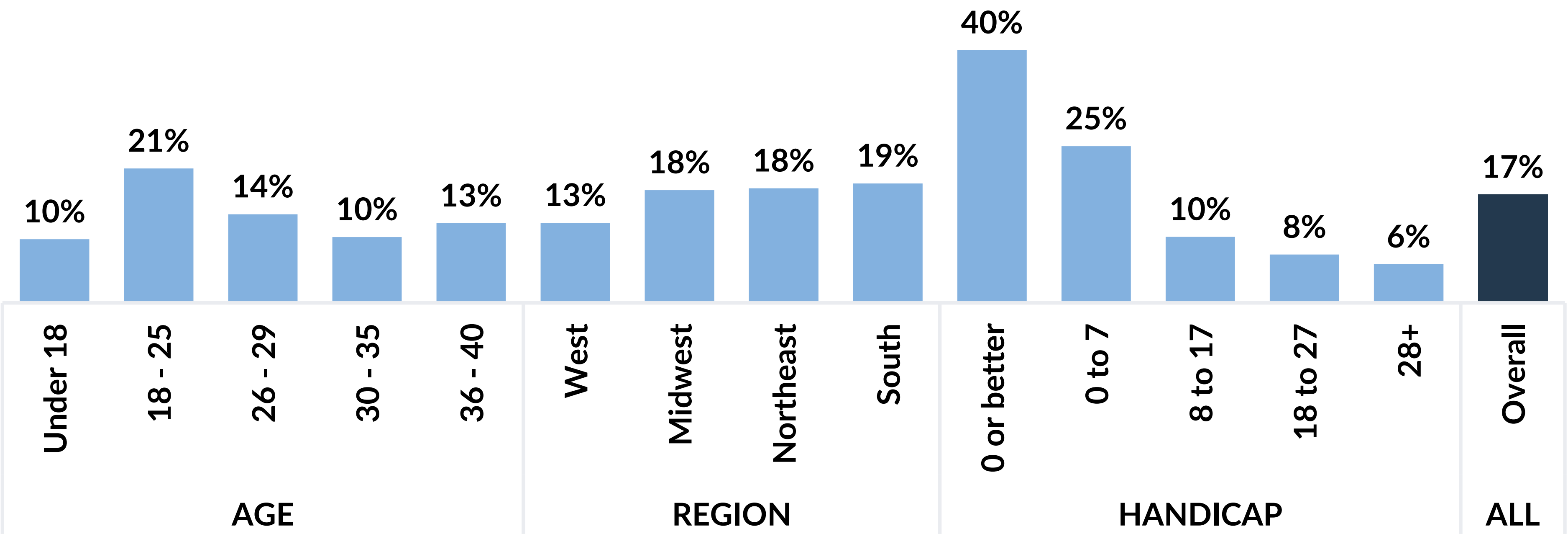


Golf Facility: 65% Public

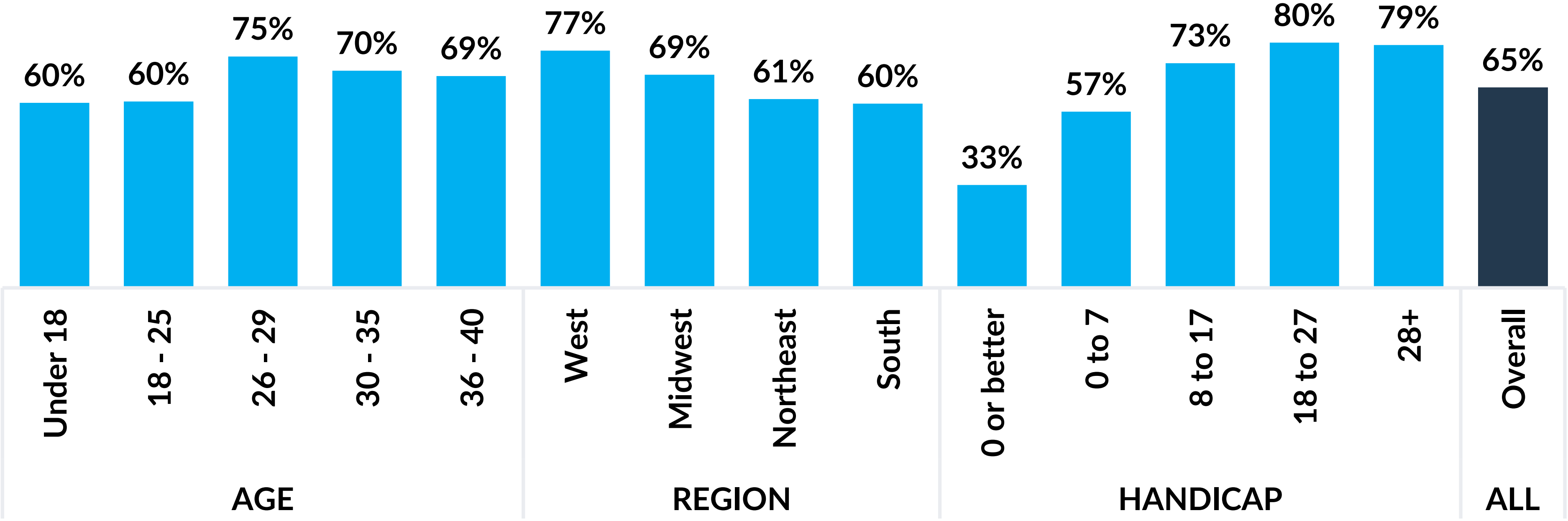
Two-thirds of Millennials (65%) typically play golf at public golf courses most often.

The remaining third is evenly split between private and semi-private golf courses.

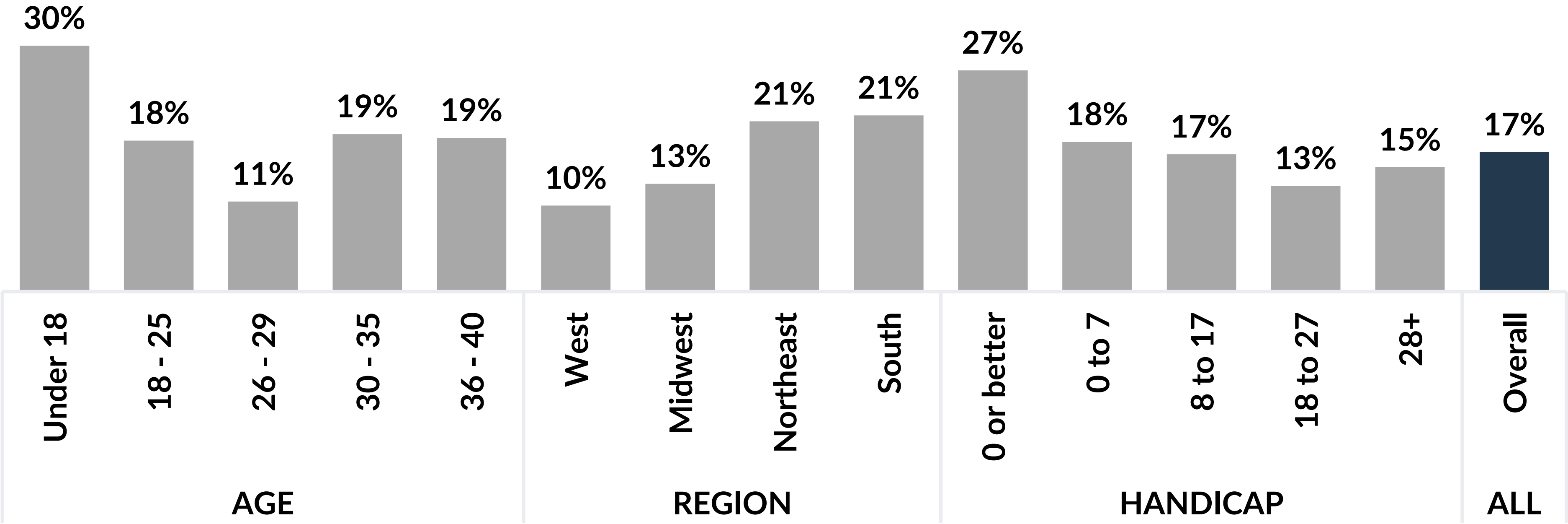
Golf Facility: Private



Golf Facility: Public



Golf Facility: Semi-Private



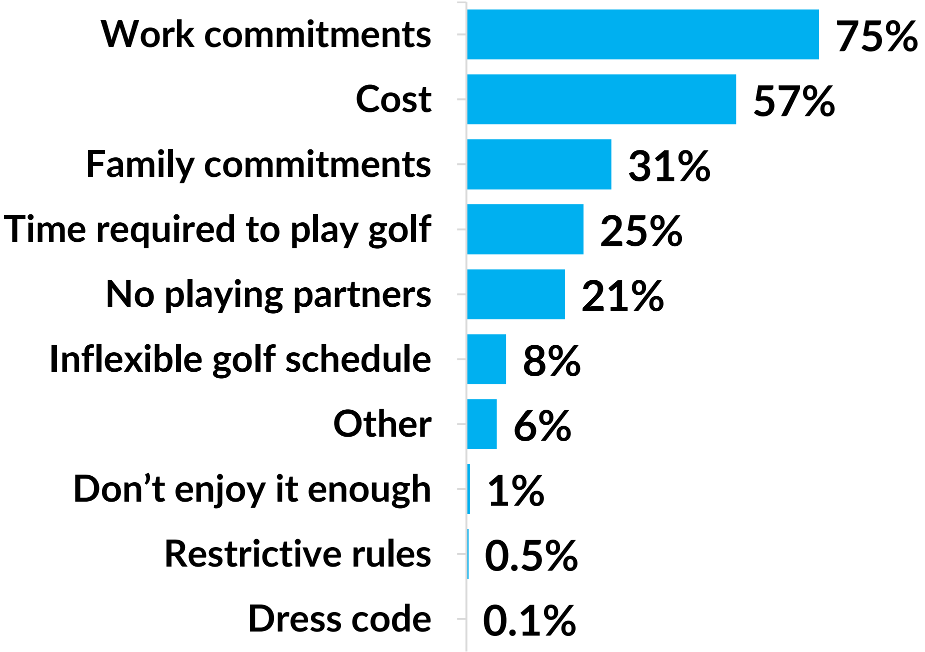
Golf Inhibitors

Three-quarters (75%) are prevented from playing more golf due to work commitments.

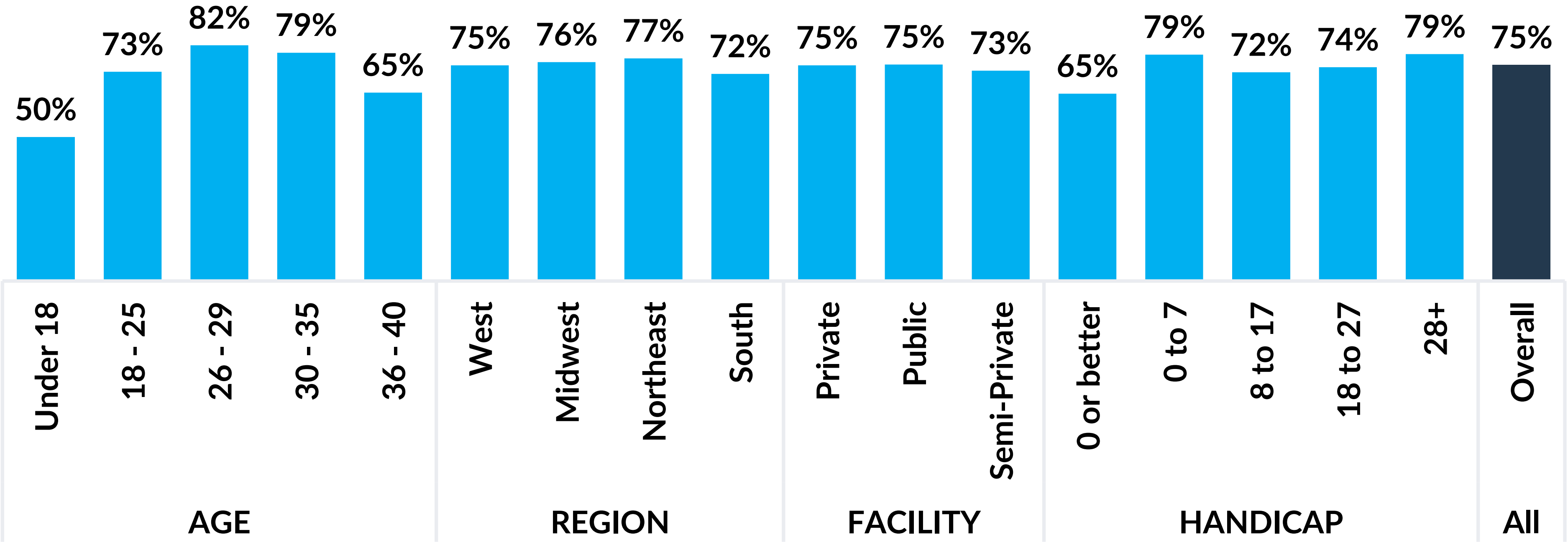
Other inhibitors (6%) might include:

- Logistics: location, transportation, accessibility, proximity to course.
- Seasons: cold weather, daylight.
- Skill: need to improve, can't afford instruction/lessons

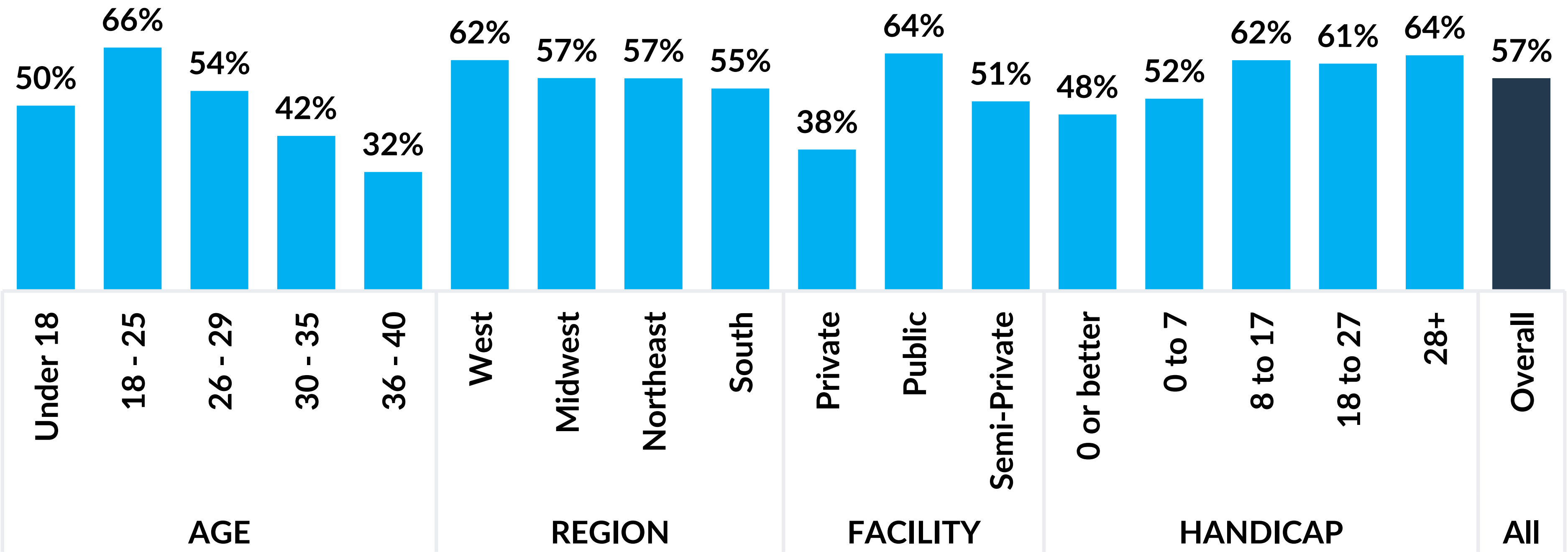
Inhibitors: Work & Cost



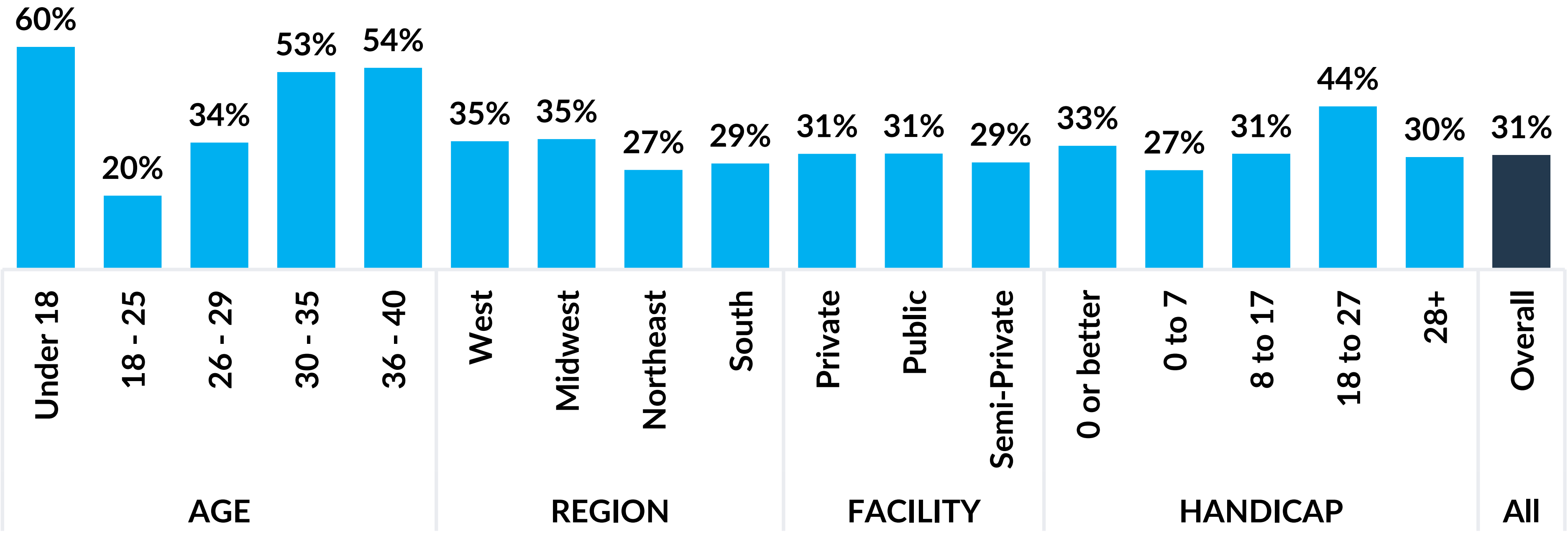
Golf Inhibitor: Work Commitments



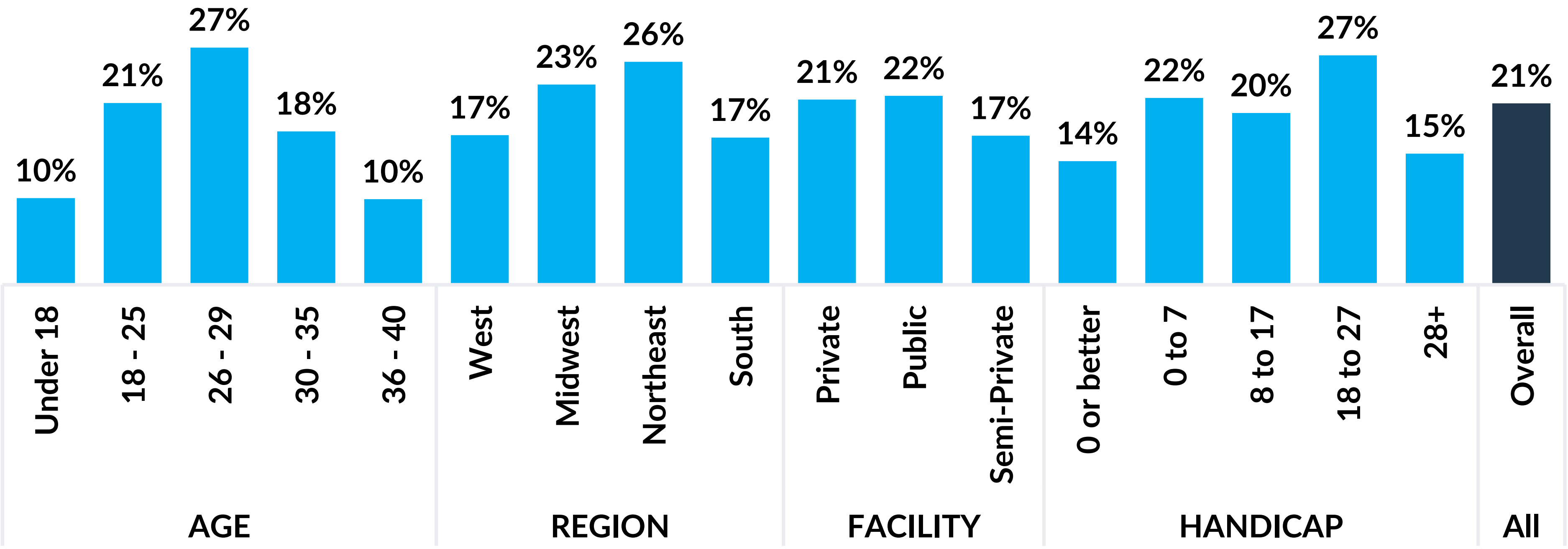
Golf Inhibitor: Cost



Golf Inhibitor: Family Commitments



Golf Inhibitor: No Playing Partners



Factors Impacting Where To Play Golf

1. Course Condition (2.09)
2. Price (2.29)
3. Location (2.81)
4. Friends Play There (3.25)
5. Tournaments Hosted (4.45)

Millennials base their decision on where to play golf primarily on the basis of course condition and overall price.

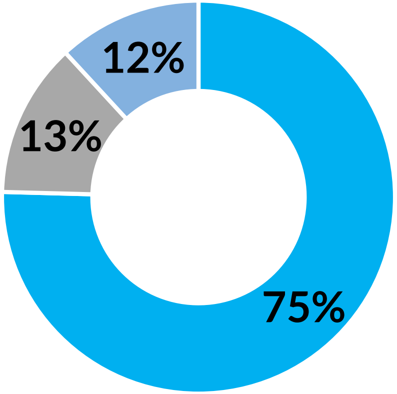
Decisions are affected by secondary factors such as location and friends who play there, though at a lower priority.

MILLENNIALS & PRIVATE CLUBS

Joining a Private Club

Joining a Private Club: Interest

- Will consider joining in the future
- Do not plan on joining a private club
- Already a member of a private club

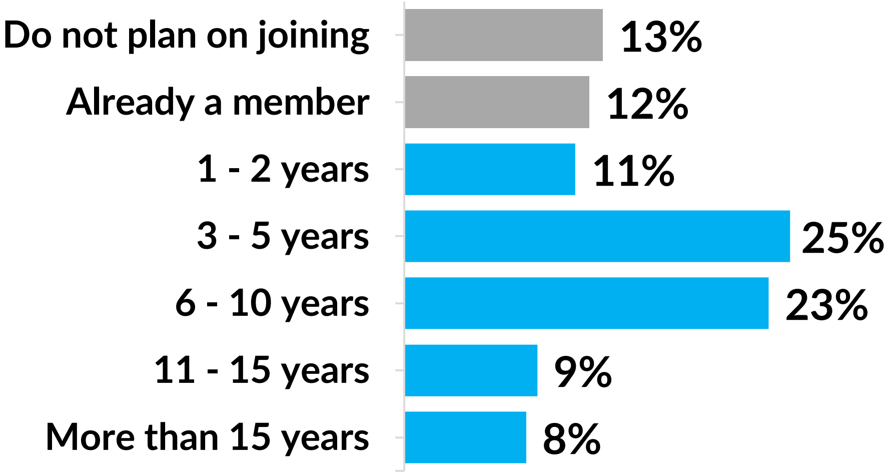


Three-quarters (75%) of Millennials will consider joining a private club in the future.

12% are already a private club member while 13% are not planning to join at all.

Joining a Private Club

Joining a Private Club: Timeline



Nearly half (48%) of participating Millennials plan on joining a private club within the next 3 to 10 years.

More than one-third (35%) plan to do so within the next 5 years or less.

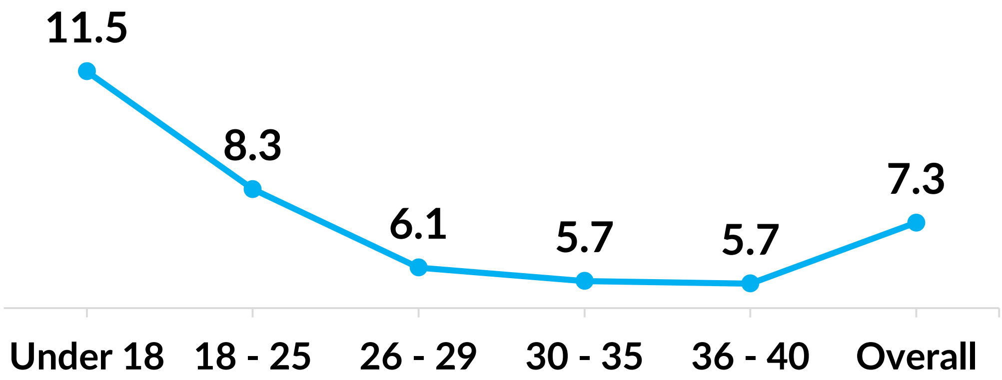
On average, Millennials interested in joining a private club plan to do so in approximately 7.3 years.

GLOBAL GOLF ADVISORS

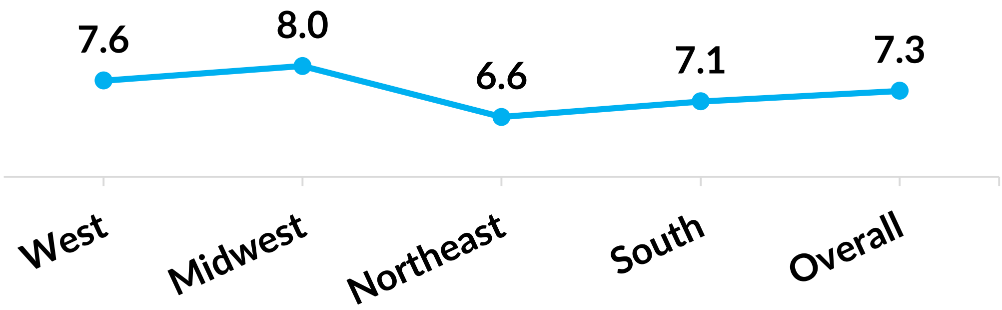
NEXTGENGOLF

Joining a Private Club

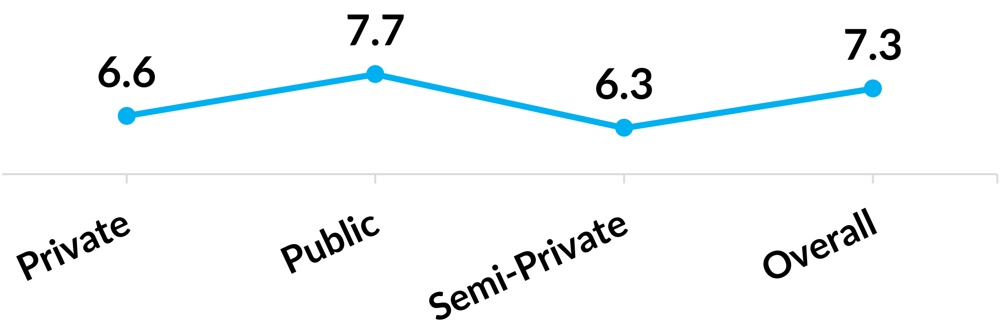
Join Timeline: Avg. Years by Age



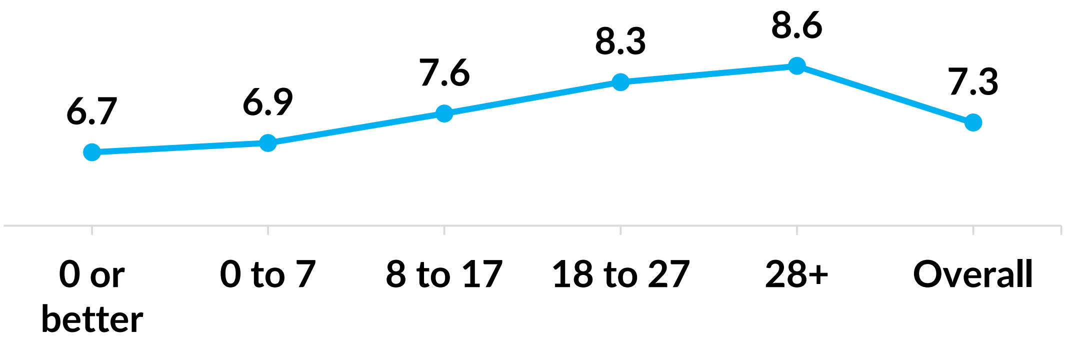
Join Timeline: Avg. Years by Region



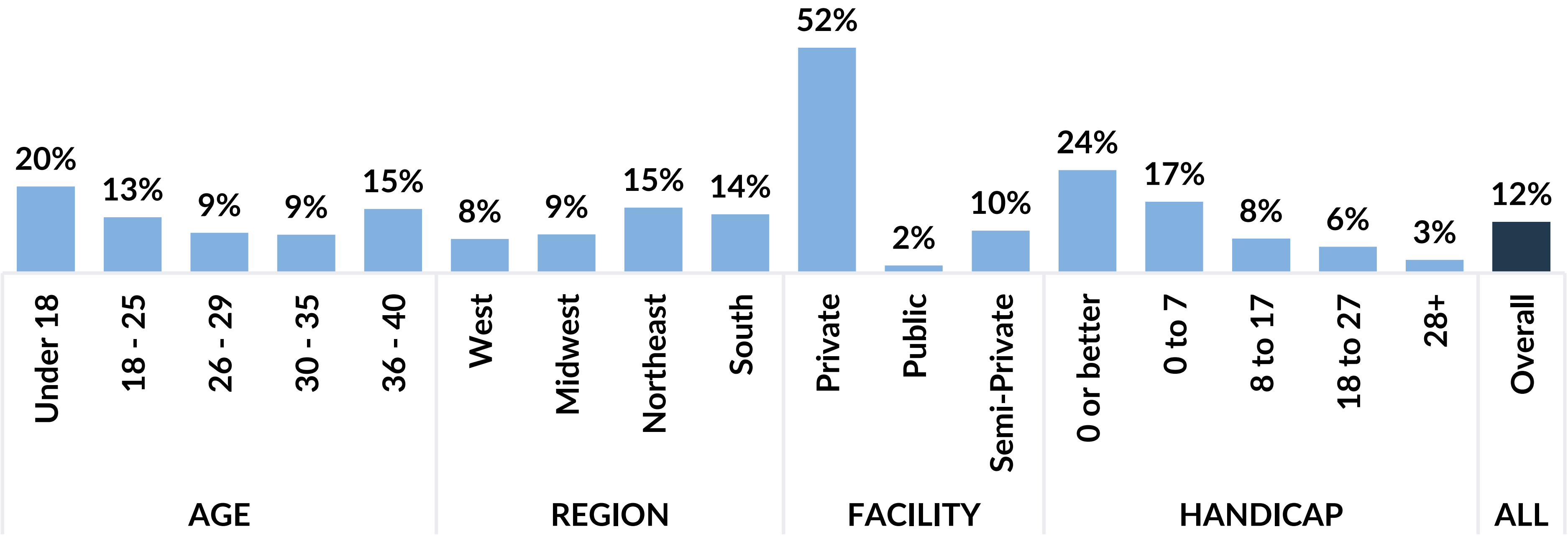
Join Timeline: Avg. Years by Facility



Join Timeline: Avg. Years by Handicap

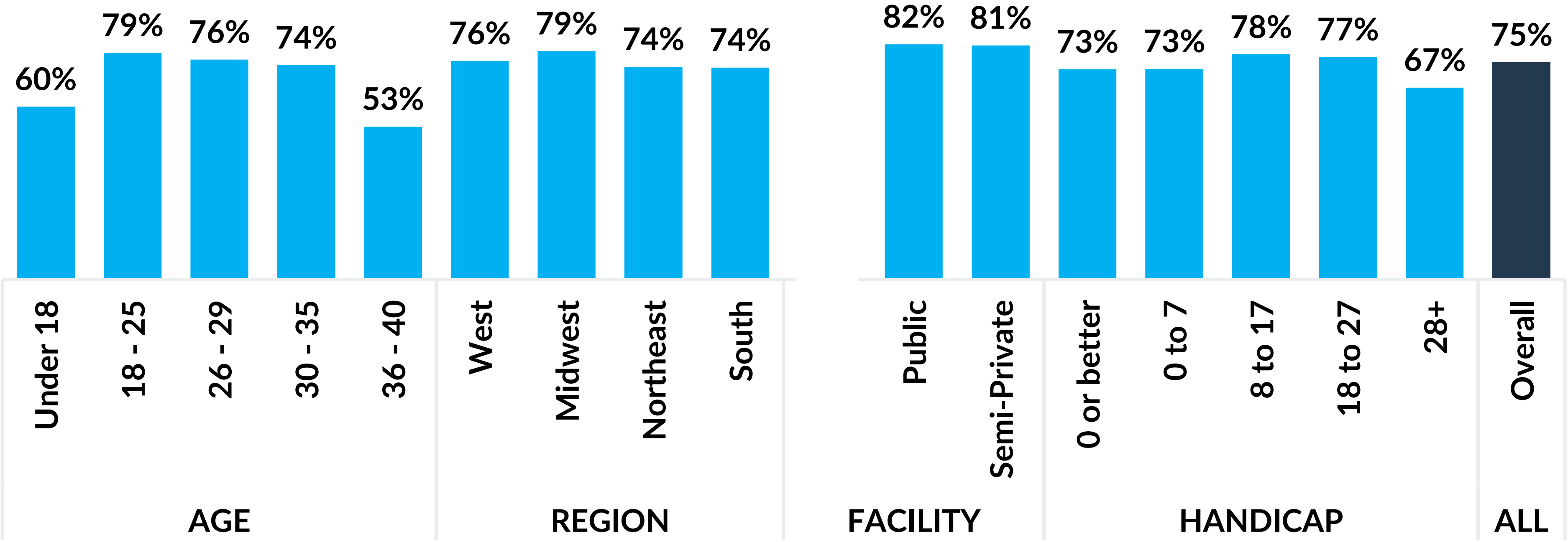


Already a Private Club Member



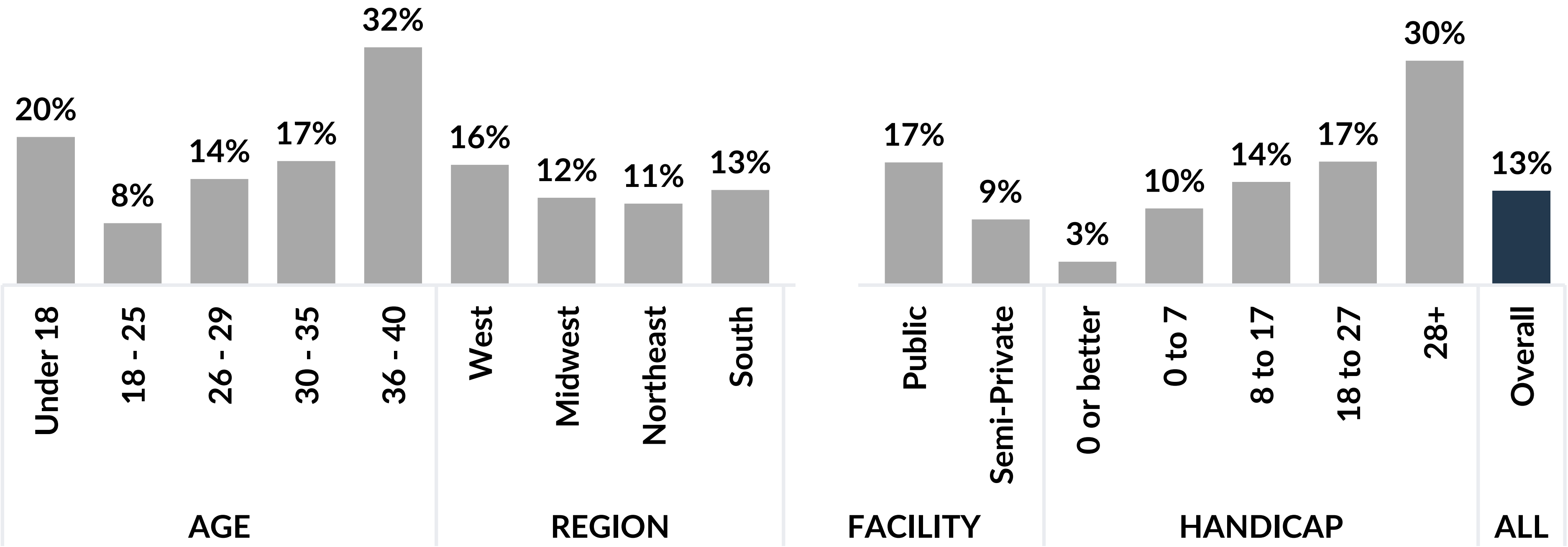
Joining a Private Club

Will Consider Joining in the Future



Joining a Private Club

Do Not Plan on Joining



Factors Influencing Decision to Join a Private Club

1. Recommendations from Friends, Family, Colleagues (83%)
2. A positive experience attending a tournament or wedding at the club (64%)
3. A reception or cocktail party hosted by the club to promote membership (25%)

Socialization is highly important, **leveraging existing relationships** can influence Millennials to join.

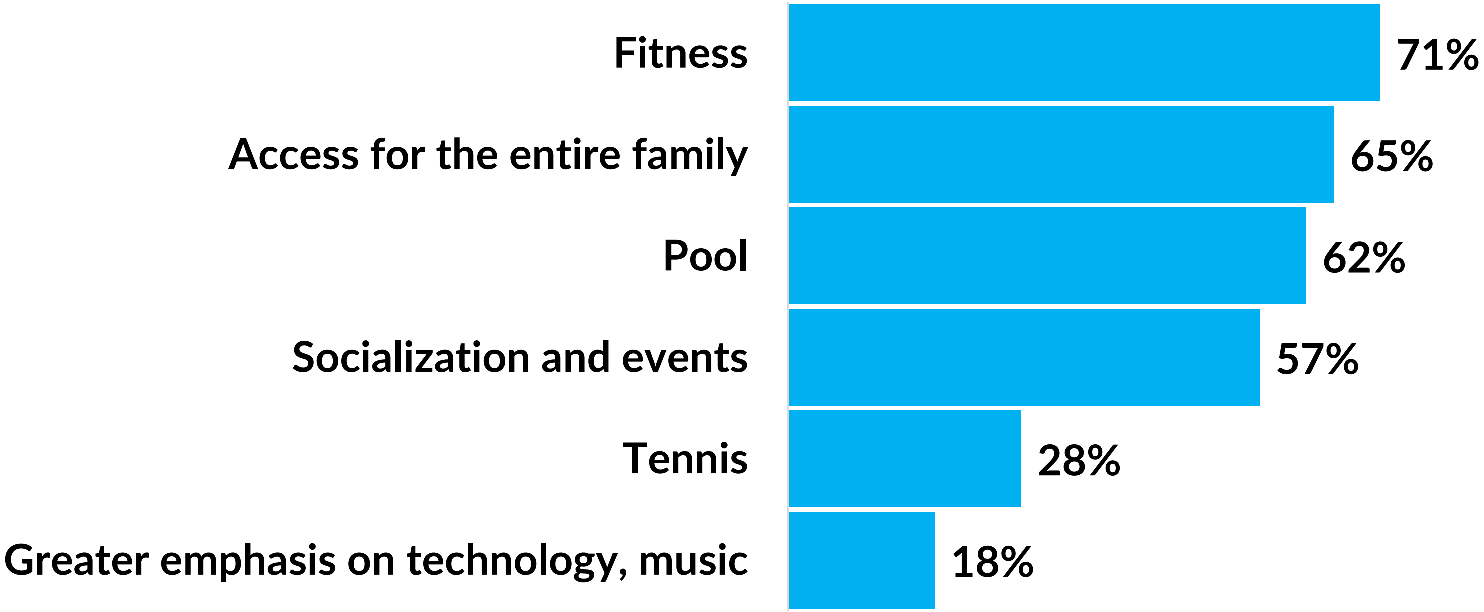
Opportunities exist to **introduce** Millennials to the club **through events** both golf-related and social-focused.

Decision Factors

Golf alone is not enough.

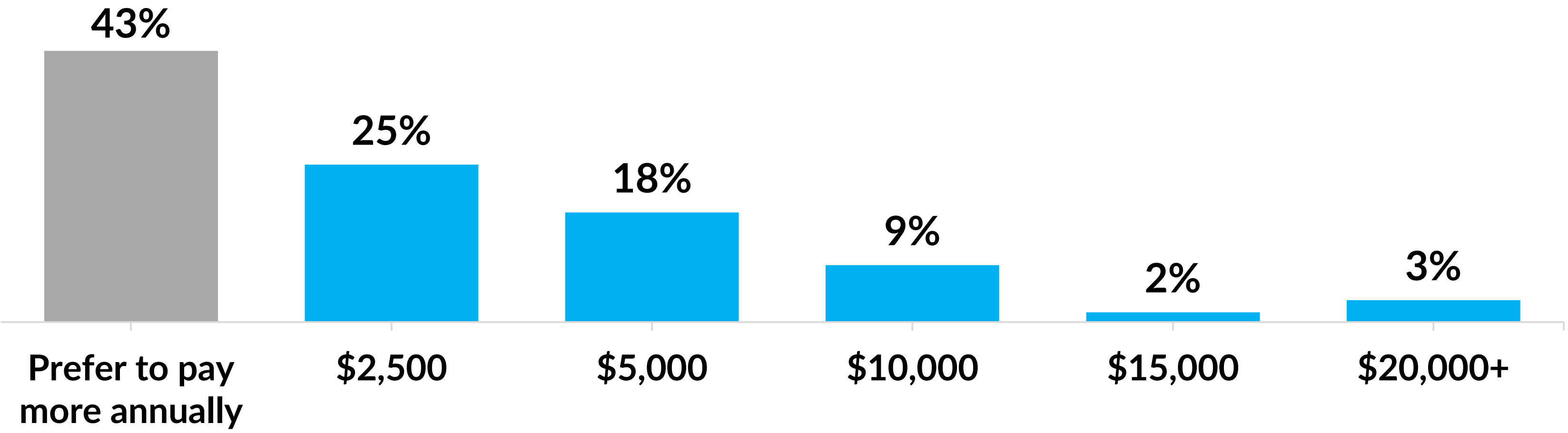
- The game is difficult, time-consuming, and expensive – all strikes against it with Millennials.
- Non-golf amenities and social components matter and are influential in Millennial decisions to join a private club.

Important Non-Golf Amenities & Social Components



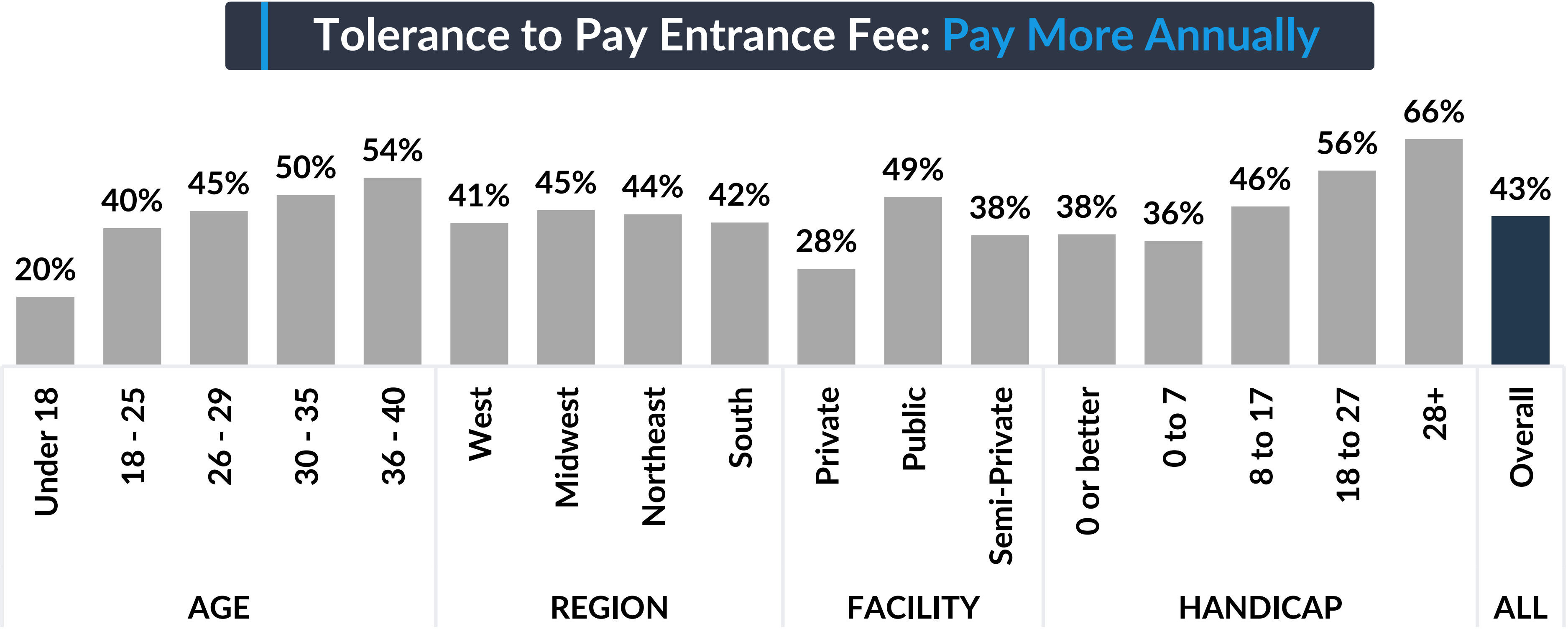
Entrance Fee Tolerance

Tolerance to Pay Entrance Fee to Join a Private Club



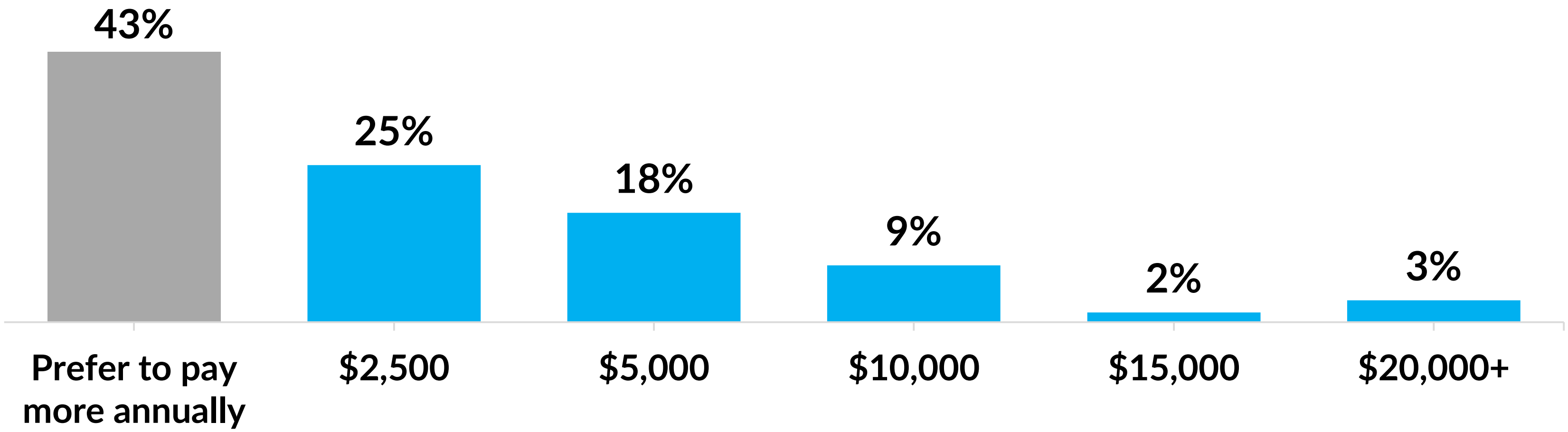
More than four in ten (43%) would prefer to pay more annually rather than an entrance fee.

Entrance Fee Tolerance



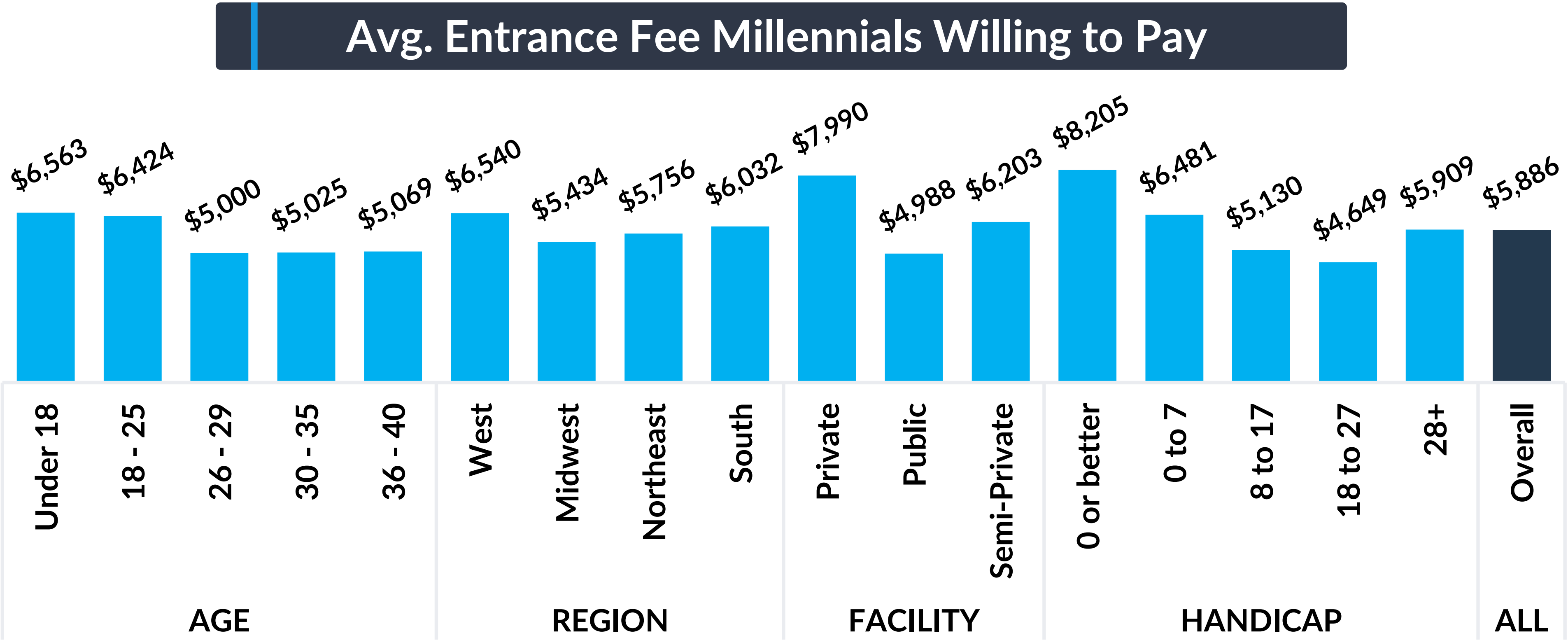
Entrance Fee Tolerance

Entrance Fee Tolerance: $5,886



Millennials willing to pay an entrance fee to join a private club (57%) would pay approximately $5,886 on average.

Entrance Fee Tolerance



Membership Offerings

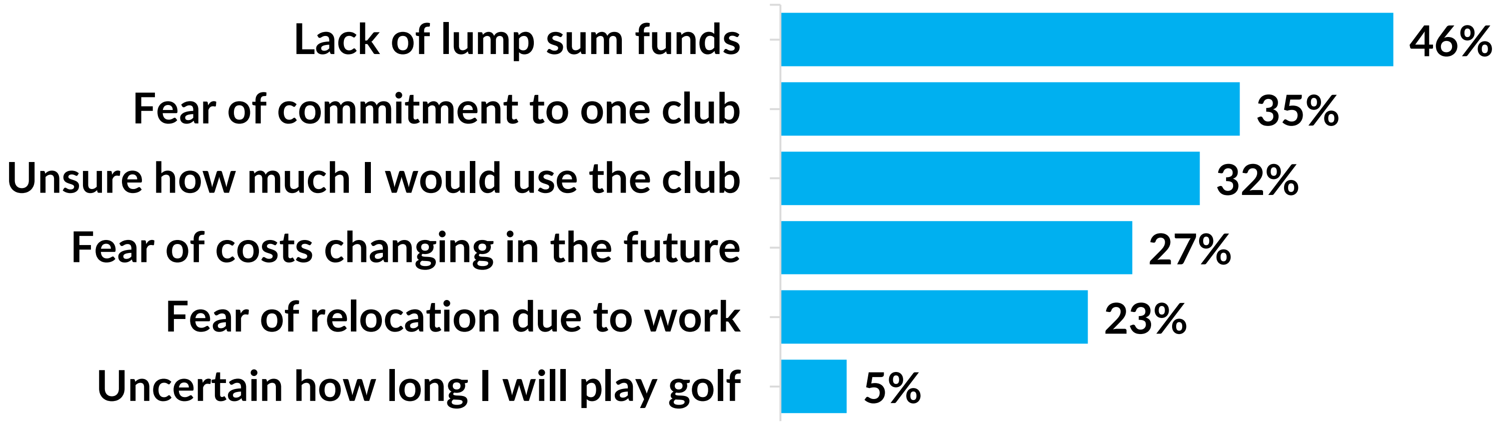
Preferred & Appealing Membership Offerings: Flexible

A flex membership where you pay a low social fee that provides full access to the club with golf access on a pay-per-use basis	51%
A discounted entrance fee payable right away	48%
Trial memberships	47%
An entrance fee amortized over 2-3 years	26%
An entrance fee amortized over 4-5 years	20%
An entrance fee amortized over more than 5 years	17%
A higher entrance fee payable upon reaching full membership (typically age 40)	17%

GLOBAL GOLF ADVISORS

NEXTGENGOLF

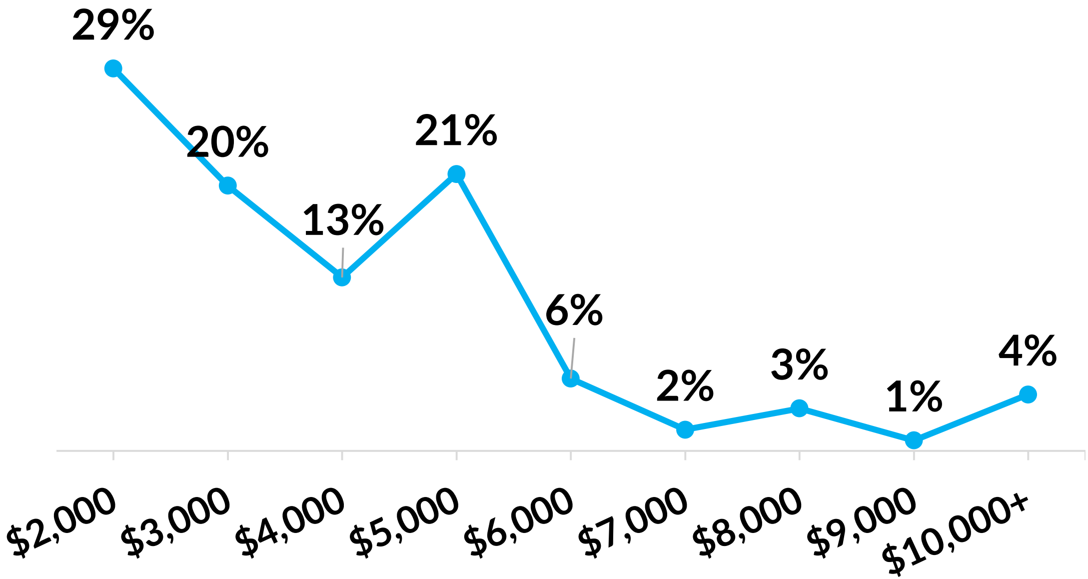
Pay More Annually vs. Entrance Fee: Reasons Why



Of Millennials who would prefer to pay more annually rather than an entrance fee, nearly half (46%) cited lack of lump sum funds to pay the entrance fee as the primary reason why.

Annual Fee Tolerance

Avg. Annual Fee Tolerance: $4,014

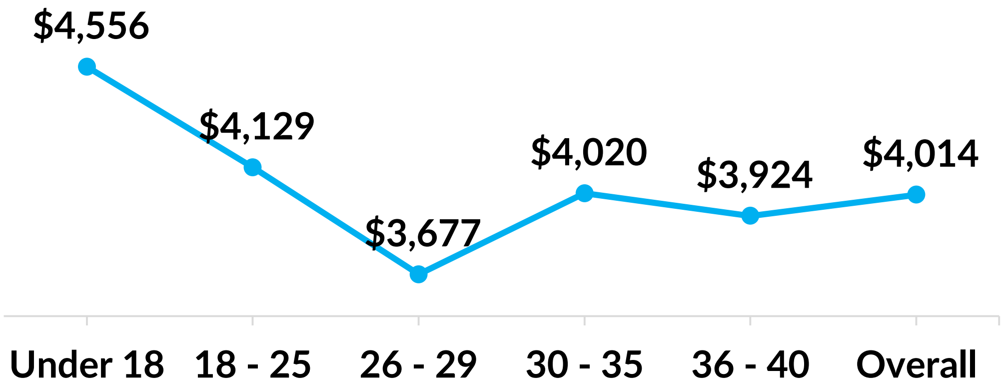


Roughly half (49%) would prefer to pay annual fees of $3,000 or less to belong to a private club.

Less than one-fifth (16%) would be willing to pay more than $5,000 in annual fees.

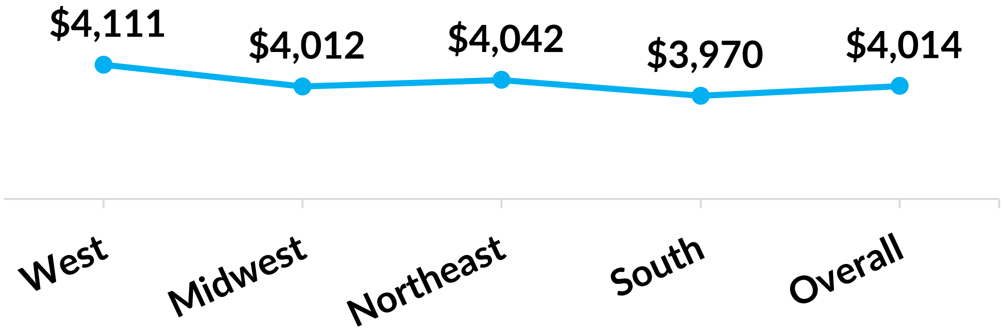
Annual Fee Tolerance

Avg. Annual Fee Tolerance by Age

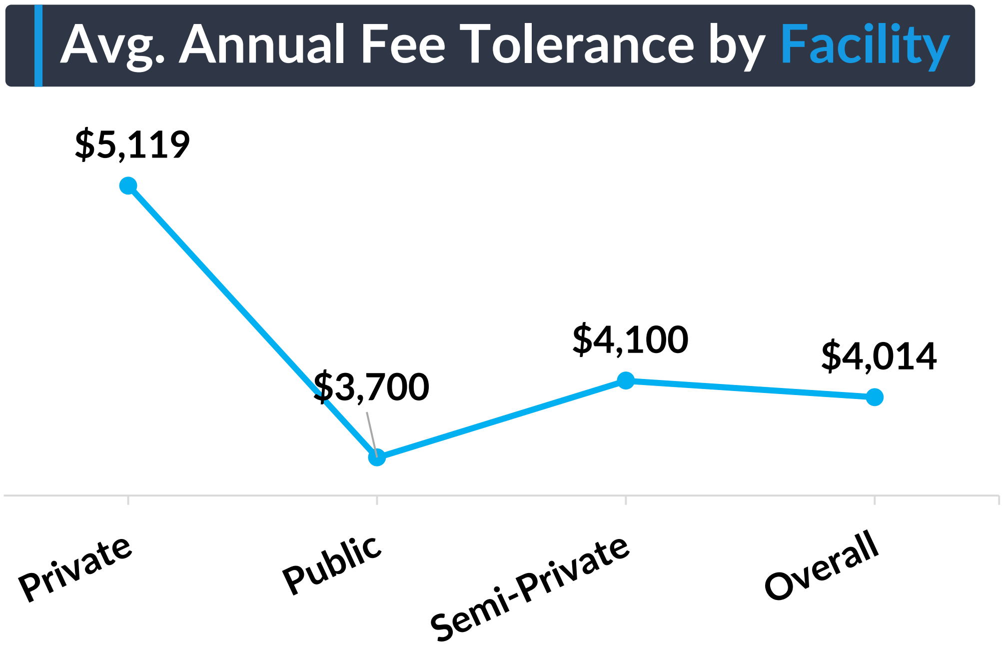


Annual Fee Tolerance

Avg. Annual Fee Tolerance by Region

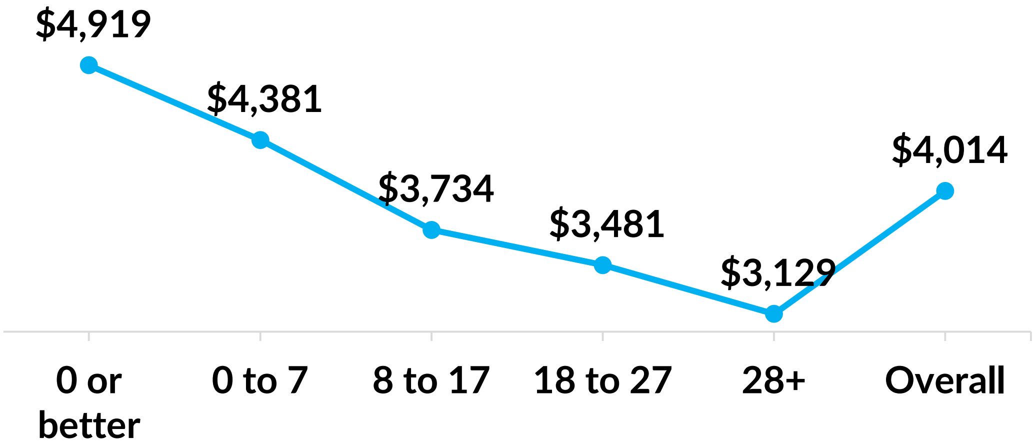


Annual Fee Tolerance



Annual Fee Tolerance

Avg. Annual Fee Tolerance by Handicap

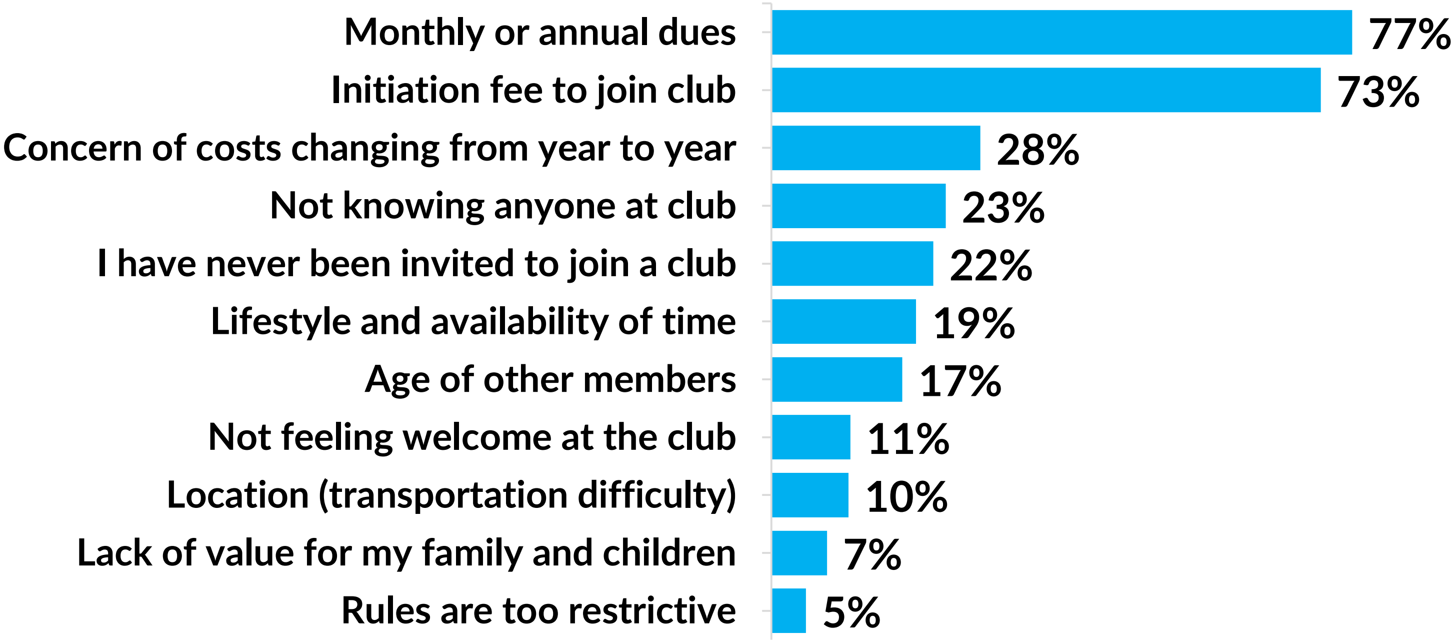


GLOBAL GOLF ADVISORS

NEXTGENGOLF

Barriers to Joining

Biggest Barriers to Joining a Private Club: Costs



GLOBAL GOLF ADVISORS

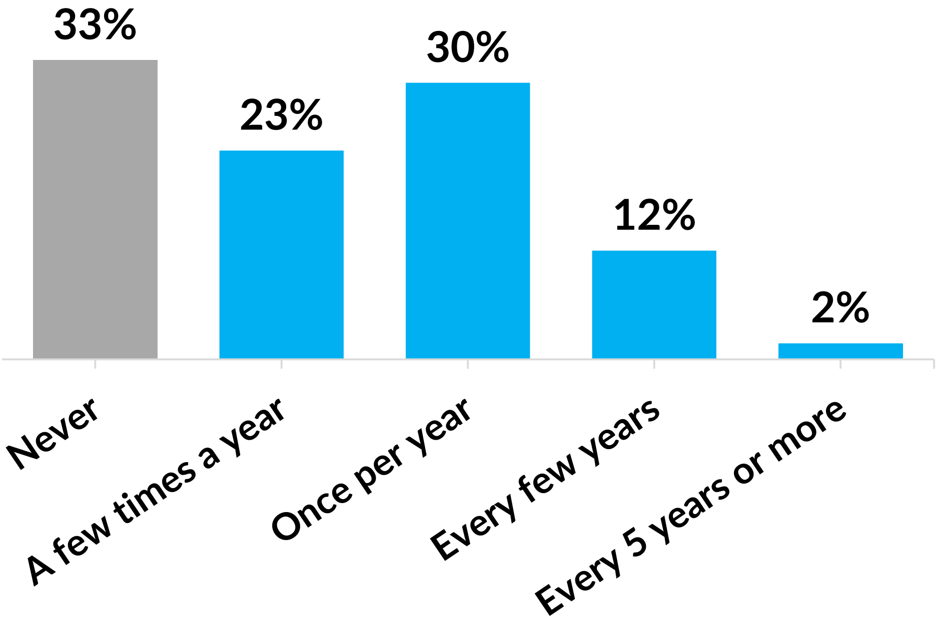
NEXTGENGOLF

MILLENNIAL TRAVEL & MOBILITY

Organizing Golf Trips: Frequency

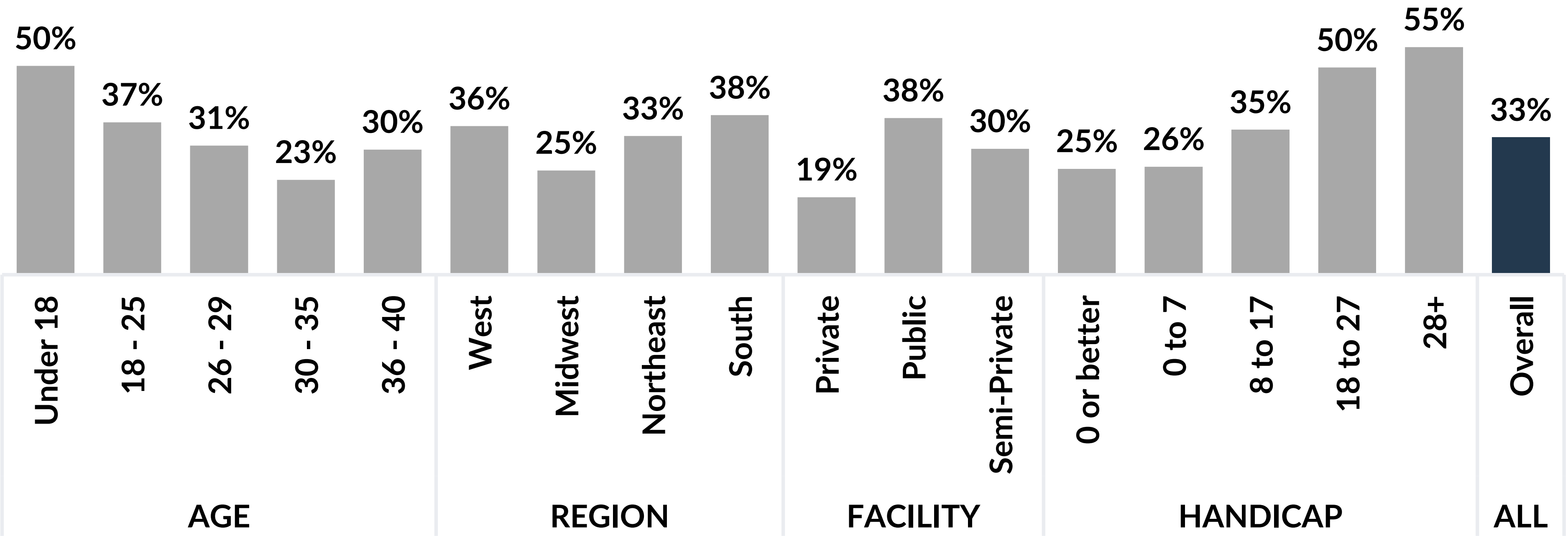
Two-thirds (67%) of Millennials organize a golf trip or ‘getaway’ with their friends and family.

More than half (53%) do so at least once per year.



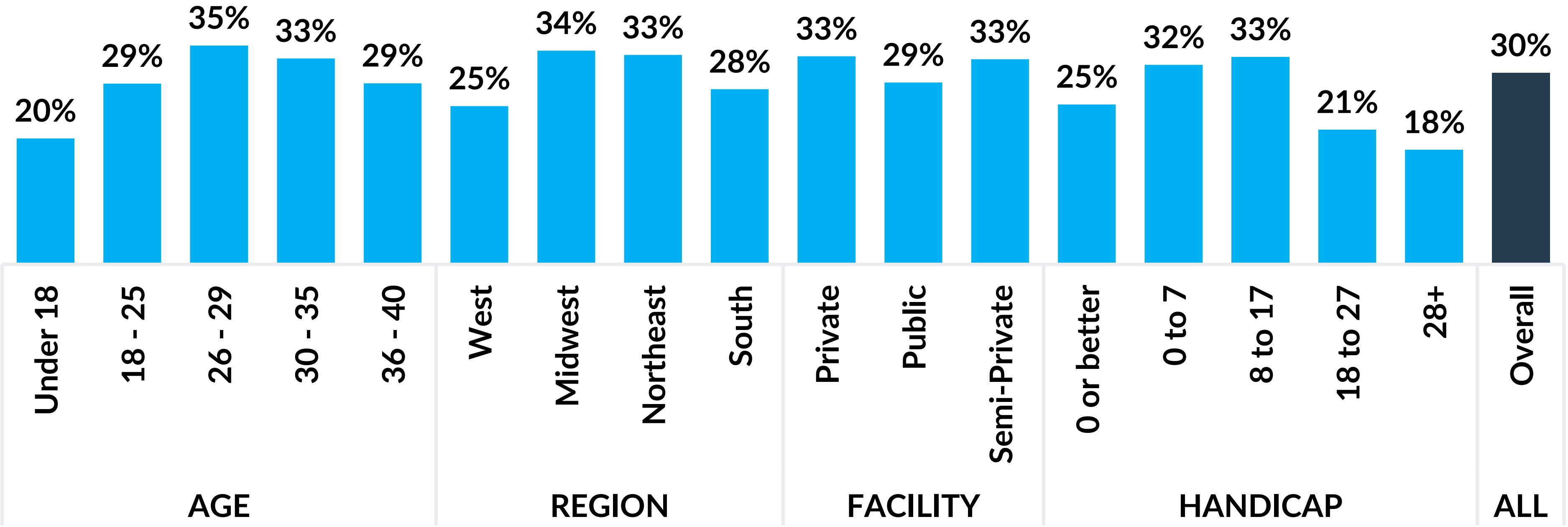
Golf Trips

Golf Trip Frequency: Never



Golf Trips

Golf Trip Frequency: Once Per Year



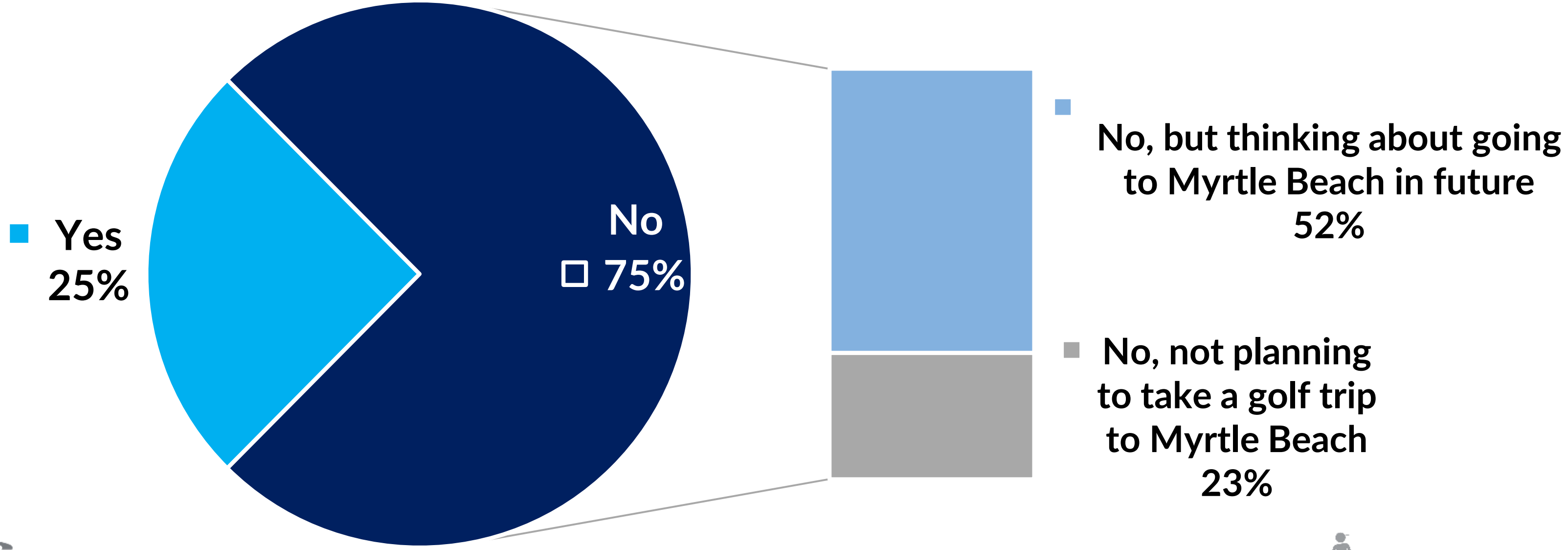
GLOBAL GOLF ADVISORS

NEXTGENGOLF

Golf Trips: Myrtle Beach

One-quarter (25%) have taken a golf trip to Myrtle Beach.

More than half (52%) are thinking about doing so in the future.

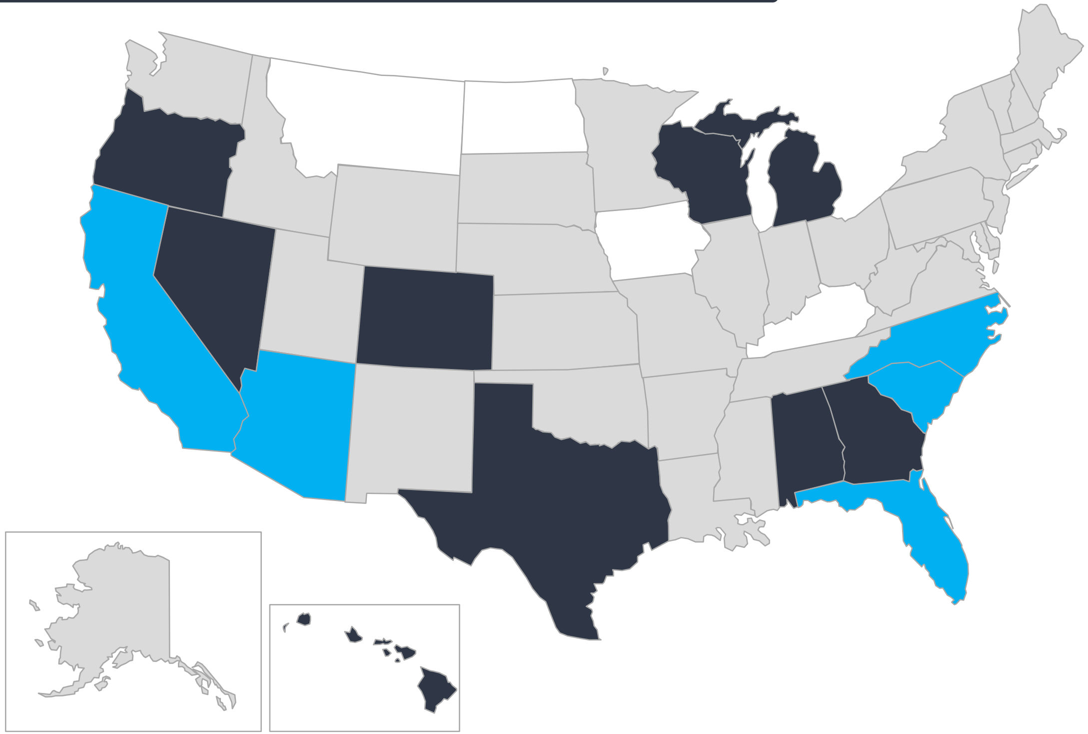


Golf Vacations: Favorite State Destination

Major Destinations
(5%+ interest)

Moderate Destinations
(1-5% interest)

Not a Destination
(<1% interest)



Golf Vacations: Top 15 State Destinations

Favorite destinations for golf trips among Millennials are states with at least one of the following attributes:

- Aquatic/epipelagic access
- Favorable weather/climate
- Scenic landscape
- Vibrant social/night life

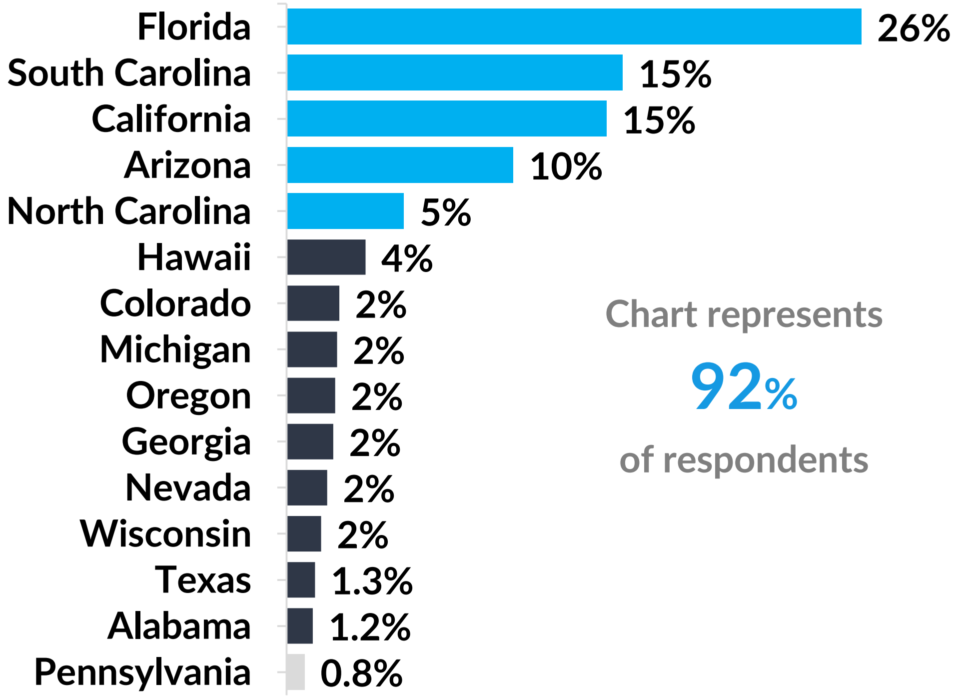


Chart represents

92%

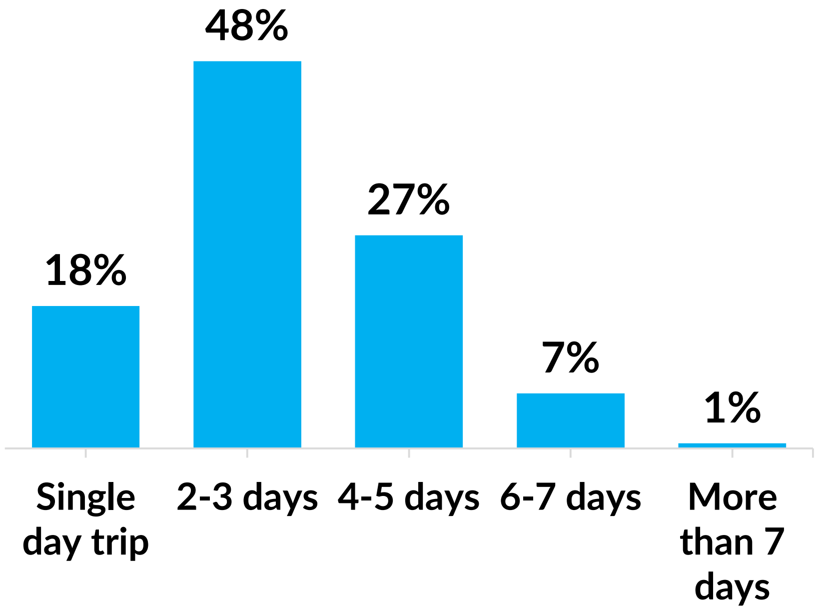
of respondents

Golf Trip Duration

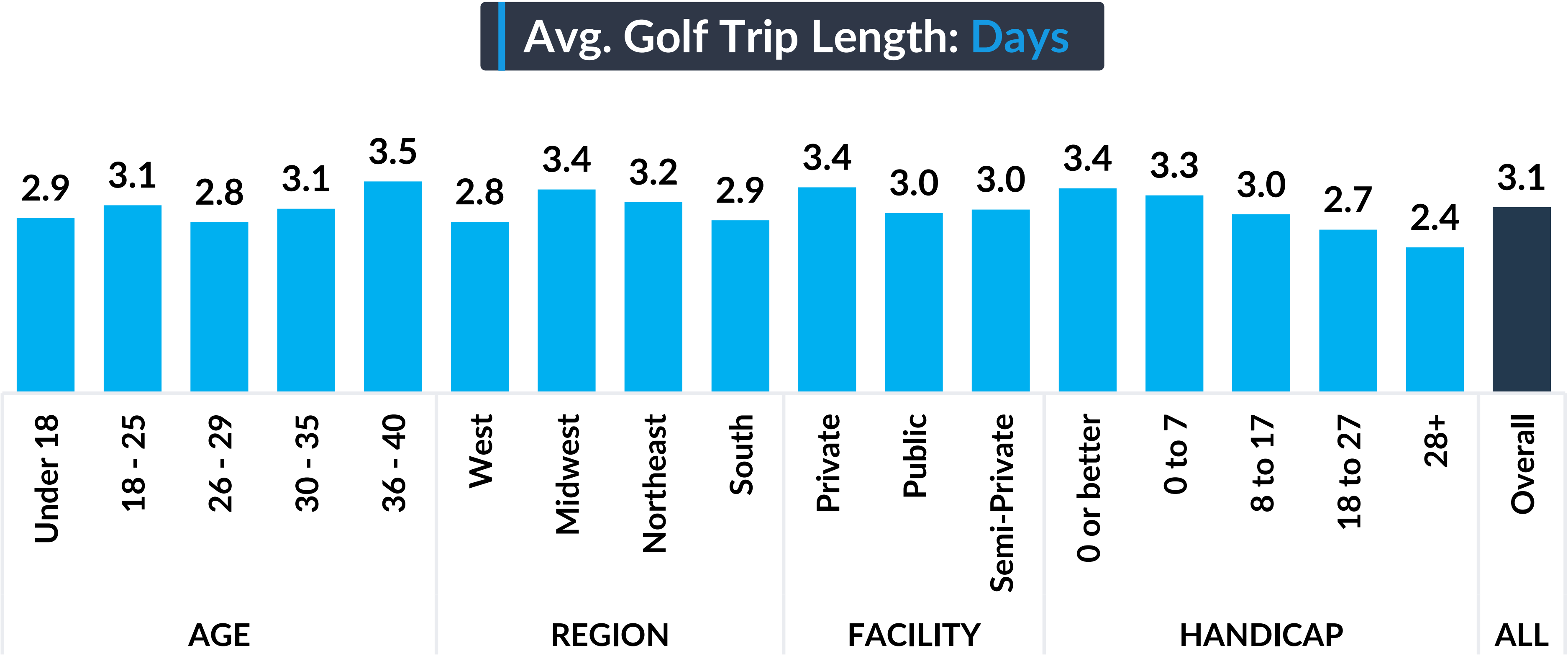
Avg. Golf Trip Duration: 3.1 days

Two-thirds (66%) of Millennials indicated that their golf trips span 3 days or less.

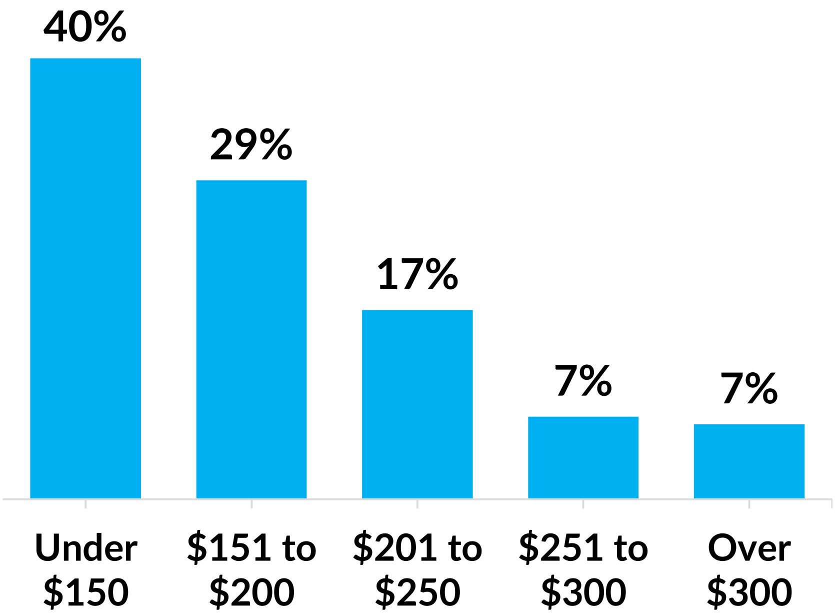
Roughly half (48%) allocate 2-3 days for golf trips, averaging approximately 3.1 days overall.



Golf Trip Duration



Golf Trip Spend



Avg. Spend Per Day: $182

While on golf trips, four in ten (40%) Millennials spend under $150 per day on golf, accommodations, and food.

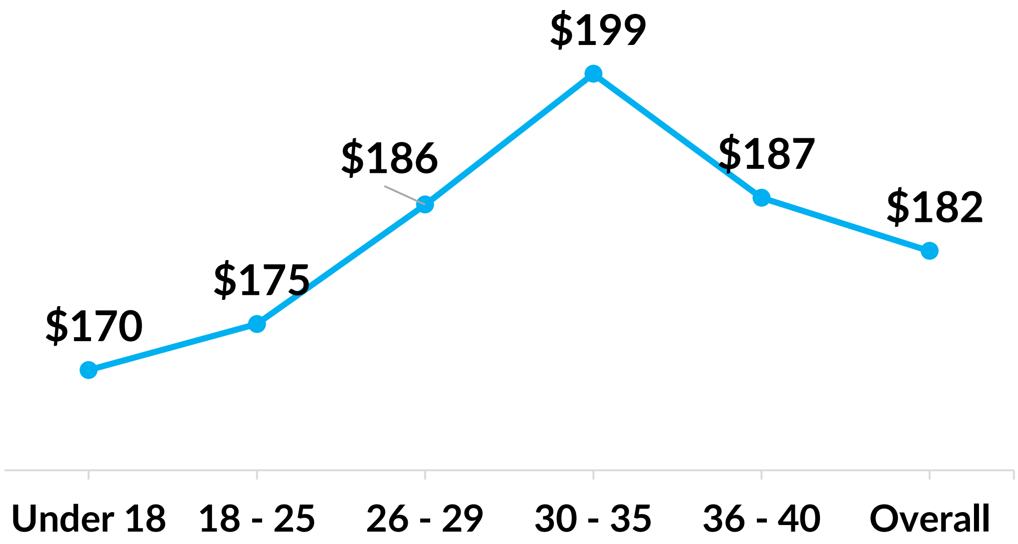
Only 14% of Millennials spend more than $250 per day.

GLOBAL GOLF ADVISORS

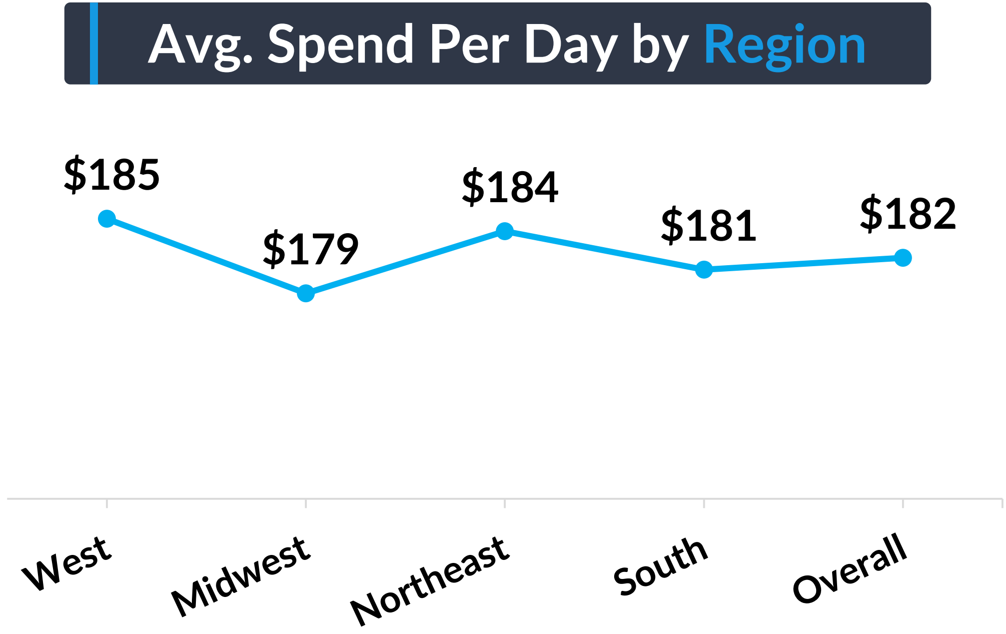
NEXTGENGOLF

Golf Trip Spend

Avg. Spend Per Day by Age

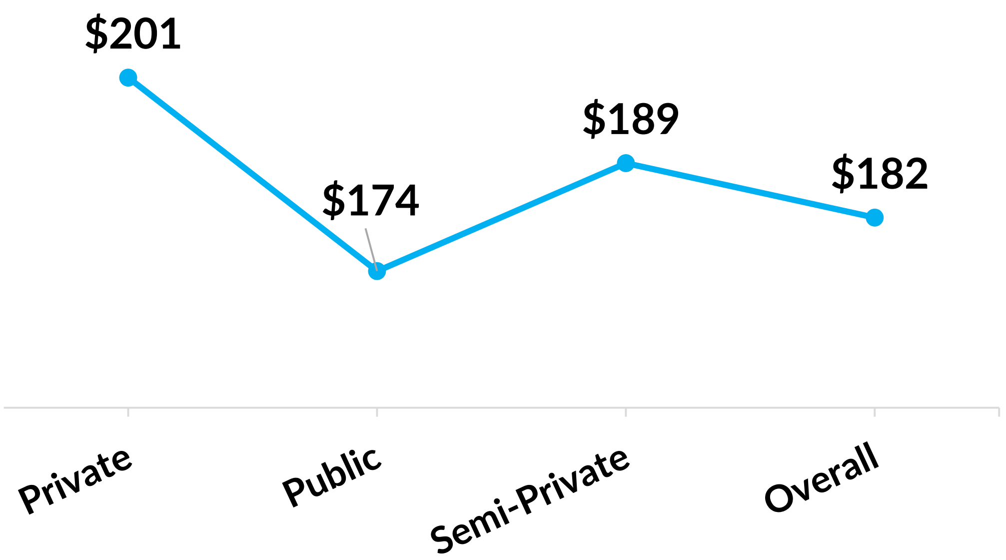


Golf Trip Spend



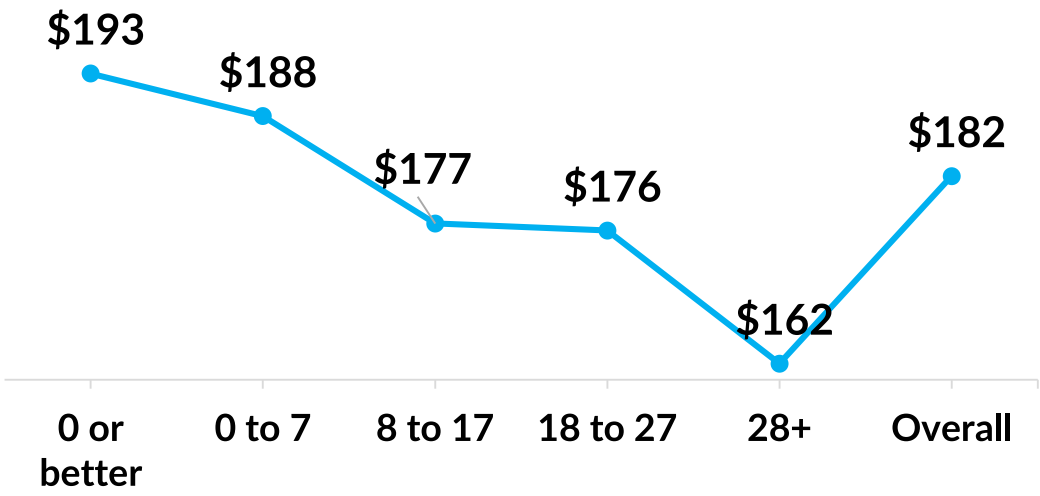
Golf Trip Spend

Avg. Spend Per Day by Facility

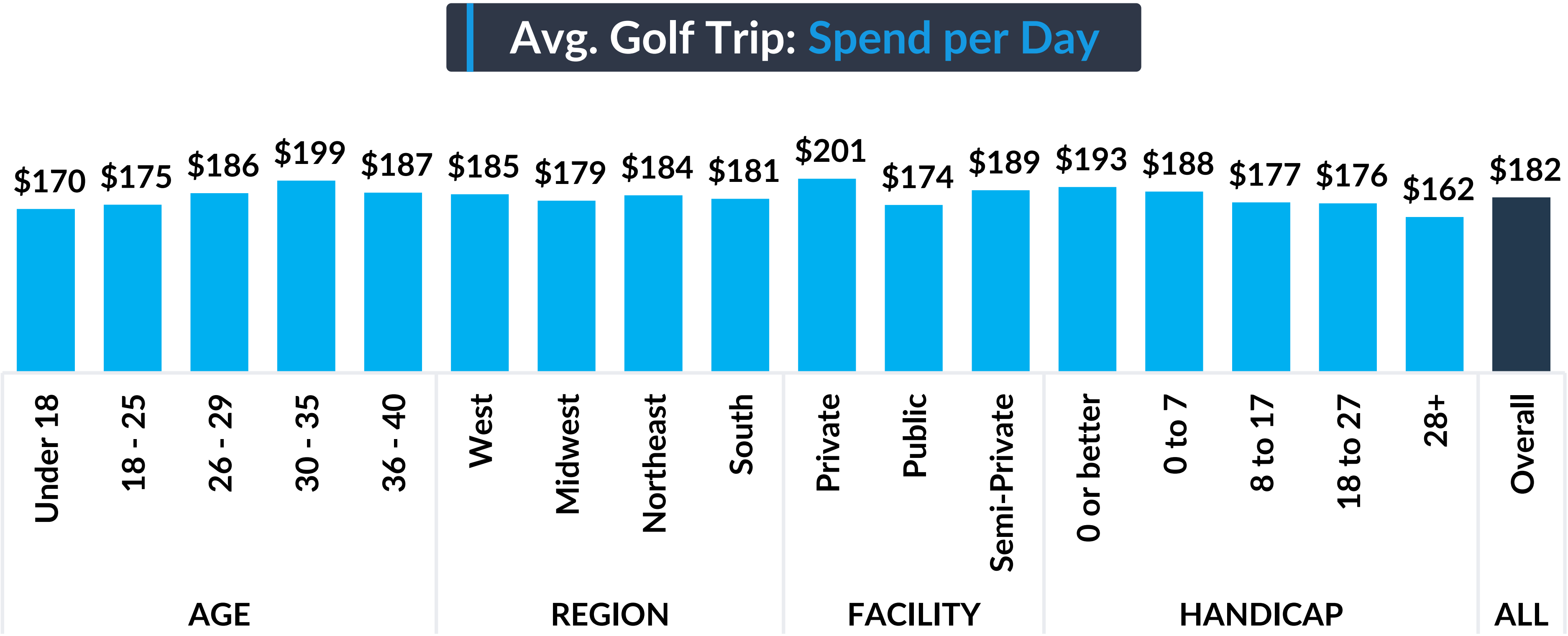


Golf Trip Spend

Avg. Spend Per Day by Handicap



Golf Trip Spend



ONWARD

Takeaways

FLEXIBILITY & CUSTOMIZATION ARE KEY

Traditional membership offerings are less appealing to Millennials than previous generations.

Cost is a major concern for Millennials. They would prefer to pay more annually rather than invest a large sum on joining fees or upfront costs.

They prefer flexible membership options, pay-for-use categories, and trial programs that allow for them to make changes free from substantial financial loss.

REFERRALS & RECOMMENDATIONS WORK

Endorsements from friends, family, and colleagues are important to Millennials and highly compelling motivators to join a private/semi-private club or play at a public course.

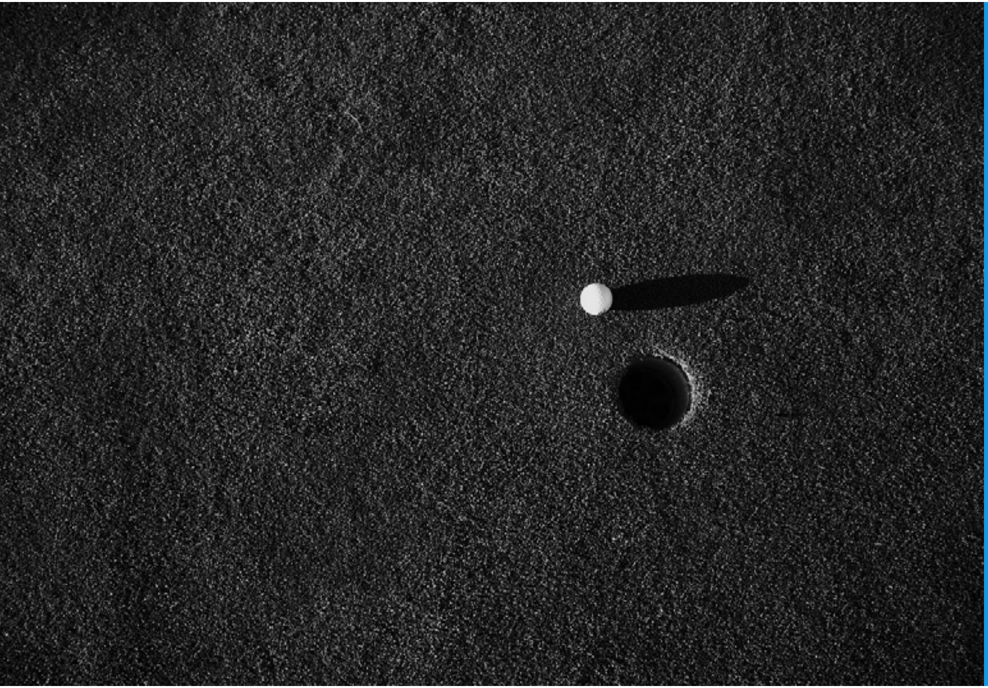
NON-GOLF AMENITIES MATTER

Millennials are seeking an experience that is, or can be, more than golf.

As such, non-golf amenities matter – particularly those relating to fitness, family access, and swimming.

Takeaways

TARGET LOW-HANDICAP MILLENNIALS



Millennial golfers with a higher skill level are willing to pay more across the board and are more inclined towards private or semi-private facilities.

Public golf courses have the opportunity to capture less-skilled or beginning golfers through instruction and practice programs.

Takeaways

OPPORTUNITIES TO INCREASE RELEVANCE

Seize the opportunity to capture Millennials earlier and consider ways to recruit them early and retain them by appealing to values.

For clubs, joining aspirations are higher at a younger age while joining income is higher at an older age.

Public facilities generate higher utilization among mid-range Millennials ages 26 to 35 due to lower costs and ease of access.

Takeaways

BARRIERS TO CONSIDER

The biggest barriers to joining a club or playing regularly at a golf course relate primarily to cost. Millennials are concerned with costs changing from year-to-year and are inclined to avoid large lump-sum payments or long-term commitments.

Other barriers relate to lifestyle and the availability of time for golf. Considerations such as not knowing anyone, not feeling welcome, or being ‘too young’ are comparatively less important.

Takeaways

TWO-PRONGED MEMBERSHIP STRATEGY

Age 33 is the 'sweet spot' when Millennials intend to join a private club. However, conventional entrance fee structures are less attractive to the 30-40 year old age cohort.

Aspirations to join a private club are much higher at a younger age. Clubs must capture Millennials earlier and retain them – before it becomes a family decision.

Requires a membership offering and marketing plan that is customized to each audience.

Future Forecast

AGILITY

Millennials are mobile and will change levels of engagement more than previous generations.

LOYALTY/INFIDELITY

Given their agility, Millennial golfers require more robust and meaningful engagement to sustain their business.

RELATIONSHIP+

Millennials want to "connect" with the club to develop a sense of 'ownership' and cultivate a relationship that is more relational than transactional.

Future Forecast

INCLUSIVENESS

Millennials want inclusivity and often do not consider themselves to be 'traditional people'. They are willing to try new experiences and co-create with golf businesses.

AFFORDABILITY

Cost concerns are worries for Millennials and the biggest barriers between them and golf.

RELEVANCE

Current membership, payment, amenity, and service options/offerings do not appeal to Millennials in the same way as to previous generations.