

An aerial photograph of a golf course and beach. The top half shows a lush green golf course with a circular green and a sand trap. A path or road runs horizontally across the middle. The bottom half shows a sandy beach with waves crashing onto the shore. The image is split diagonally from the top right to the bottom left, with the top right portion being a solid dark blue background where the title is located.

# MILLENNIALS AND THE VALUE PROPOSITION AT YOUR FACILITY

PGA MERCHANDISE SHOW // ORLANDO, FLORIDA // 2020



## Presenters

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**Matt Weinberger**

Director, Nextgengolf  
PGA of America



[matt@nextgengolf.org](mailto:matt@nextgengolf.org)



**Henry DeLozier**

Partner  
Global Golf Advisors



[hdelozier@globalgolfadvisors.com](mailto:hdelozier@globalgolfadvisors.com)



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# GLOBAL GOLF ADVISORS

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in collaboration with





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# GGA & NEXTGENGOLF INTRODUCTION

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## About GGA

TORONTO, CANADA

DUBLIN, IRELAND

PHOENIX, ARIZONA

Serving 3,000+ clients worldwide



Leading golf industry insight  
from 3 global offices

## >> About Nextgengolf



Nextgengolf: Through our NHSGA, NCCGA and City Tour products, **we cater to golfers 15-50 years old** by proactively **keeping golfers engaged through events** and **bringing new players into the game.**



**210+**  
golf events in 2020



**1**  
National High School Golf Invitational



**29**  
regions host NCCGA events



**20**  
US Cities with City Ambassadors



**2019**  
Acquired by the PGA of America



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## SURVEY BACKGROUND

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## 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?”*







## Aims

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### Support Operators

Support operators, 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.

## 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.

## CONTEXT

Make sense of Millennial data by assimilating it into existing knowledge.

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

## RELEVANCE

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

They will want to “belong” if the facility matches their values. Help facilities work to establish relevance.



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## KEY INSIGHTS & OBSERVATIONS

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# SOCIALIZATION & RELATIONSHIPS ARE IMPORTANT ATTRACTORS FOR MILLENNIALS



## » SOCIALIZATION – What Key Datapoints Say

- 72% began playing golf because a family member encouraged them
- 85% currently play to hang out with friends
- 39% believe people stop playing because they don't have friends to play with
- 83% say recommendations from friends, family, colleagues would influence them to join a club
- Interest to participate in social activities and experiences at golf facilities is high







## SOCIALIZATION – What Millennials Say



**LAUREN**

Age 26-29

Austin, TX

HHI \$30k-\$50k

*“Since graduating, I have played in many corporate tournaments, many of which **where I am the only woman.**”*

*“The **hardest thing for me** now that I have graduated is finding **someone to play with who is my age** and at my level outside of the tournament scene...”*

*“**I just wish I had more opportunities to play** for fun outside of tournaments **with people my age.**”*



## SOCIALIZATION – What Millennials Say



**ADAM**

Age 22-25

Kennesaw, GA

HHI \$75k-\$100k

*"I was tempted to join for the camaraderie of having **50+ golfer-members around my age**. All of these golfers are on the "Young Professional" membership plan."*

*"The cost, location, and course conditions played a big role in my decision, but **ultimately having 50+ other golfers around my age was the reason I made the jump.**"*



## SOCIALIZATION – What It Means For Your Facility



- Millennials mainly start playing because of family.
- Millennials primarily continue to play because of friends.
- Leverage existing relationships with Millennials.
- Focus on referrals and recommendations.
- Introduce Millennials to the facility through events, both golf-related and social-focused.



## THE CONCEPT OF 'GOLF LIFESTYLE' IS EVOLVING FOR MILLENNIALS



## » EVOLVING GOLF LIFESTYLE – What Key Datapoints Say

- 28% don't keep a handicap
- 82% play to get outdoors, 79% for athletic competition
- 62% say work commitments prevent them from playing more
- 63% believe people stop playing because golf is too time consuming
- 43% would prefer to pay more annually than pay a private club entrance fee
- 95% have experienced some form of unconventional/off-course golf activity







## EVOLVING GOLF LIFESTYLE – What Millennials Say



**JUSTIN**

Age 26-29

Bluffton, SC

HHI Undisclosed

*“...a **twilight membership**...cost was **\$75 a month** and allowed me **full access to the facilities and course everyday from 2pm to close.**”*

*“...one, it was **only an 8 month commitment** (March through October). Second, **as a working professional** this was a great option for me to take advantage of **playing golf after work.**”*



## EVOLVING GOLF LIFESTYLE – What Millennials Say



**AARON**

Age 39+

LaGrange, GA

HHI \$75k-\$100k

*“... it has made the courses **more crowded** and made for **longer rounds** (which I am not a fan of).”*

*“I would like to see **more access to simulators** and possibly a **more diverse, off-season/after-hours, social scene** targeting golfers.”*



## EVOLVING GOLF LIFESTYLE – What Millennials Say



**ADAM**

Age 30-34

Pittsburgh, PA

HHI \$50k-\$75k

*“Many courses are pretty understanding when it comes to being understanding about dress code or having music on the course.”*

*“...the pace we were playing out, was frustrating to say the least, mainly because we felt like it was being forced upon us by the course. I honestly have not gone back since then. There are huge generational gaps in this sport.”*



## EVOLVING GOLF LIFESTYLE – What Millennials Say



### ANONYMOUS GROUP EXCERPTS

*“There is a **Topgolf** being built 15 minutes from our college campus. It **will change everyone’s interaction with the game of golf.**”*

*“Any type of **modern equipment or technology** that courses implement (**GPS in carts, speakers in carts**, etc.) are certainly **a bonus.**”*

*“Putting **GPS** and **USB ports** in golf carts!”*

## » EVOLVING GOLF LIFESTYLE – What It Means For Your Facility



- Millennials are busy and don't view golf as an all-day-activity.
- Millennials have many other interests, golf is one element in an active lifestyle.
- Millennials will respond to programming that fits into their work and social lifestyles.
- Millennials are eager, open-minded about engaging with golf in innovative ways.





## MILLENNIALS ARE MOBILE AND WILL CHANGE LEVELS OF ENGAGEMENT MORE THAN PREVIOUS GENERATIONS





## ENGAGEMENT & LIFECYCLE – What Key Datapoints Say

- 54% are full-time employees, 37% are students.
- Millennials stop playing because golf is: too expensive 75%, too time consuming 63%, impacted by a life-event 51%.
- More difficult to play golf consistently in key life moments: during college 49%, other sports in season 35%, graduated/started working 33%.
- As Millennials age, variations in where they play are minor, most start public (70%) and stay public (66%). Some shift from public to semi-private, those who start private typically stay private.





## ENGAGEMENT & LIFECYCLE – What Millennials Say



**ROBERT**

Age 30-34

Washington, D.C.

HHI Undisclosed

*"I would argue that many millennial golfers are **less interested in a dated "country club" offering** (various non-golf amenities catering for significant others and kids), and instead be **looking for clubs that offered just golf.**"*

*"While **there may come a day where the investment in a club membership will have to provide for non-golf activities for my future wife or kids**, what attracts me to the TPC Network model is the focus on golf first and foremost."*



## ENGAGEMENT & LIFECYCLE – What Millennials Say



**BEN**

Age 22-25

Pittsburgh, PA

HHI \$100k-\$250k

*“Being that I am **a junior member** I am not allowed to play in the men’s club championship, or other events, but I am also too old to play in the junior club championship...”*

*“...I find myself **looking elsewhere for somewhere to play, where I can feel more like a part of the club.** The membership is constantly complaining about the lack of members but seemingly is **refusing to actually make any changes to attract more (young) members to the club.**”*

## » ENGAGEMENT & LIFECYCLE – What It Means For Your Facility



- Millennial lives are advancing and their engagement with golf facilities will morph too.
- It is harder to play consistently during key life moments, such as college and starting a family.
- Different facility offerings can and will resonate with different phases of life in the same person.
- Must understand the lifecycle of a Millennial golfer and when barriers arise to increase relevance, recruit early, and retain.



## FAMILY IS A HUGE FACTOR FOR MILLENNIALS AND WILL INCREASE IN SIGNIFICANCE





## » THE FAMILY FACTOR – What Key Datapoints Say

- 23% have children, 19% found it more difficult to play regularly when they started a family, 16% say it became harder to play when they got married.
- 13% say a big barrier to joining a private club is lack of value for family/children.
- 49% say the ability for their family to use club privileges will trigger them to join a private club.
- 32% regard family-friendly or youth programming as important to join a private club.
- 51% are interested in participating in family days and events outdoors.





## THE FAMILY FACTOR – What Millennials Say



**MEGAN**

Age 30-34

Boston, MA

HHI \$100k-\$250k

*“...a former collegiate golfer ...and I am married to a former teaching pro, so **golf is important to our family.**”*

*“I would **assume my husband and I would be ideal candidates for club membership...**but as we think about our future family its **hard to justify the cost of membership.**”*

*“...encourage clubs to **look at the junior membership ages and take into consideration that people are going to grad school, moving for jobs or getting married later...**”*



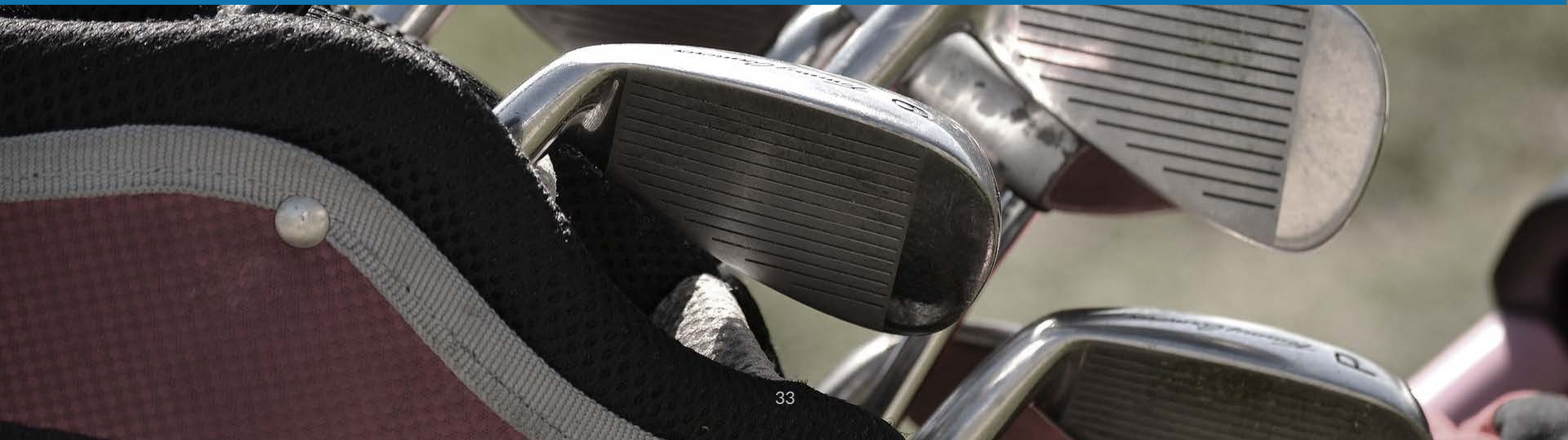
## THE FAMILY FACTOR – What It Means For Your Facility



- The value-proposition of golf facilities changes for Millennials during their child-rearing years.
- Starting a family can impact utilization frequency and duration, as well as fee tolerance and justifications.
- The ‘ability for family to use privileges’ is a largely influential factor in triggering millennials to join private clubs

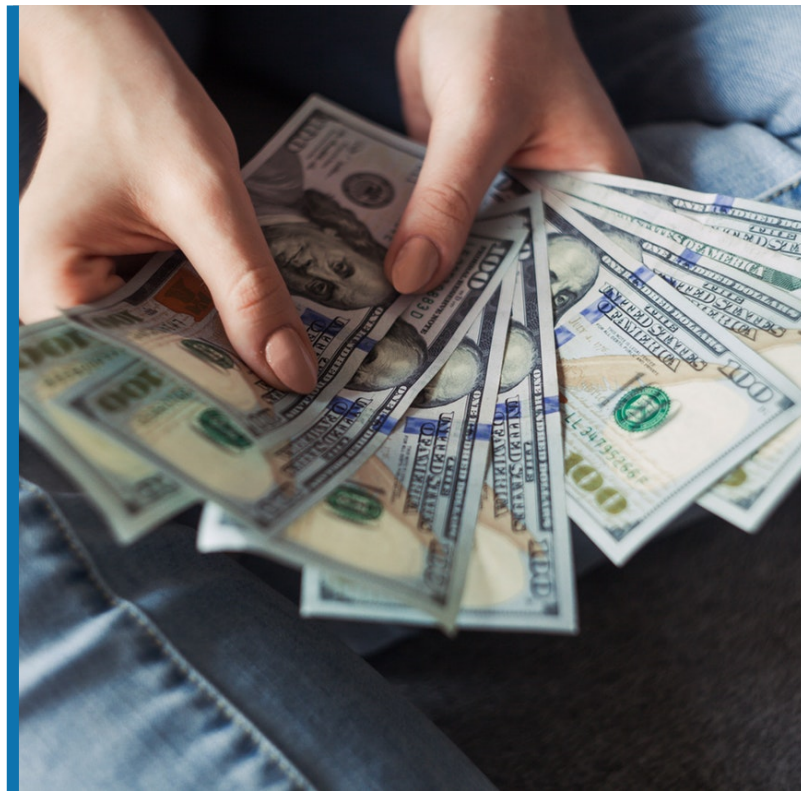


# AFFORDABILITY/COST ARE CONCERNS FOR MILLENNIALS AND THE BIGGEST BARRIERS BETWEEN THEM AND GOLF



## » AFFORDABILITY – What Key Datapoints Say

- 48% say the cost required to play prevents them from playing more golf
- 75% believe people stop playing because golf is 'too expensive'
- 76% normally spend \$75 or less per round of golf
- 44% need to land in the \$25-\$50 range
- Price is the second most decisive factor on where Millennials choose to play (after course condition)







## AFFORDABILITY – What Millennials Say



**JACOB**

Age 22-25

Owings, MD

HHI Undisclosed

*“...it’s **hard to imagine being able to afford the kinds of prices** theses clubs expect. I understand they need to make ends meet, but if we don’t **integrate the younger generation into the clubs now** we may see more golf courses closing due to a lack of membership.”*





## AFFORDABILITY – What Millennials Say



**ARIANNE**

Age 26-29

Columbus, IN

HHI \$50k-\$75k

*“Private clubs are too expensive for millennials to join. We are also a bunch of people interested in various activities, and it is too expensive to pay for somewhere you can only play 6 months a year.”*



## AFFORDABILITY – What Millennials Say



LINCOLN

Age 22-25

Austin, TX

HHI \$50k-\$75k

*“As a millennial and avid golfer, **the one thing** I think needs to be improved **is access to join a club at a lower rate.**”*

*“While I would like to join a private club, I believe that **an even lower barrier of entry** would provide the private clubs with a **resurgence of a young membership...**”*



## AFFORDABILITY – What It Means For Your Facility



- Cost is a major concern for Millennials who would prefer to pay more annually rather than invest a large sum upfront.
- Traditional membership offerings are less appealing to millennials than previous generations.
- They prefer flexible membership options, pay-for-use categories, and trial programs that allow for them to make changes free from substantial financial loss.



# MILLENNIALS ARE INTERESTED IN JOINING PRIVATE CLUBS, UNDER THE RIGHT FEE STRUCTURE







## JOINING PRIVATE CLUBS – What Key Datapoints Say

- 63% plan to join a private club (34% in next 5 years) – 16% already belong
- Biggest barriers to joining: Monthly/annual dues 75%, Initiation fee 73%
- Top triggers to join: Fits it budget/salary 86%, Ability for family to use privileges 49%
- 43% prefer to play more annually rather an entrance fee
- 87% are tolerant to pay annual fees of \$5K or under (avg. \$3,900)





## JOINING PRIVATE CLUBS – What Millennials Say



### ANONYMOUS GROUP EXCERPTS

*“**Lower financial barriers to entry**...would be more than happy to **pay in installments**.”*

*“I wish there was a **under 30 discount**.”*

*“**\$500 a year** for unlimited golf.”*

*“The business model is really convenient to allow for **a private course experience at a public course price**.”*





## JOINING PRIVATE CLUBS – What It Means For Your Facility



- Cost is the biggest barrier preventing millennials from joining private clubs.
- Millennials are interested in joining private clubs, under the right fee structure.
- Public courses and range facilities can absolutely compete with private clubs for the Millennial audience, if not a leg up.



**MILLENNIALS ARE SEEKING GOLF+ AND REQUIRE MORE ROBUST AND MEANINGFUL ENGAGEMENT TO SUSTAIN THEIR BUSINESS**



## » GOLF+ ENGAGEMENT – What Key Datapoints Say

### Non-golf Amenities and Social Components are Important

- Fitness Center 64%
- Dining Facility 64%
- Pool 63%
- Nighttime use (lighting) 60%
- Simulators 57%
- Outdoor bar with firepits and lounge seating 54%



## » GOLF+ ENGAGEMENT – What Key Datapoints Say

### Interest in Social Activities and Experiences is High

- Happy hour and evening socials 72%
- Outdoor live music 69%
- Craft beer tastings 63%
- Couples nights 54%
- Tailgate-style parties 54%
- Family days and events outdoors 51%







## GOLF+ ENGAGEMENT – What It Means For Your Facility



- Millennials are seeking an experience that is, or can be, more than golf.
- Non-golf amenities and social components are important.
- Interest in social activities and experiences is high.
- Off-course activities are popular and positively impact on-course utilization.



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## QUESTIONS & DISCUSSION

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FULL REPORT CONTENT TO BECOME AVAILABLE FOR DOWNLOAD  
ON GGA WEBSITE [GLOBALGOLFADVISORS.COM](https://GLOBALGOLFADVISORS.COM)

