



Beware of Barter

The Ins and Outs of
Trading Your Tee Times

Presented by

The National Golf Course Owners Association

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Foreword

A convergence of events and conditions began descending upon golf course operators in the 1990s, fueled by the McKinsey and Co. report, “Strategic Plan for the Growth of the Game,” presented by the National Golf Foundation (NGF) at its 1988 summit in Rye, NY. The study showed a predicted increase in demand as Baby Boomers aged and to meet that demand (and possibly stimulate more, under the theory that supply begets demand), the industry needed to build a course a day between 1990 and 2000 (“In the Rough: The Business Game of Golf,” by David Hueber). Many new golf courses opened across the U.S., often in places where more fairways weren’t needed.

For existing course operators, their abundant pie began shrinking into smaller and smaller pieces.

At the same time, the burgeoning Internet created a new palette of possibilities for software companies and their engineers. Owners and operators, and the industry in general, believed placing tee times online would make it easier for golfers to find a place to play and reserve a time. Likewise, it would be easier for course operators to potentially have their phone volume decrease and to do away with cumbersome paper tee sheets. For the most part, these outcomes have come to be.

But something unforeseen lurked in the ether.

According to Pellucid, a golf industry analysis and thought-leader company, the industry hit a peak of 29.8 million golfers in 2002; NGF reported a rounds-played peak of 518 million in



“But not only is ‘free’ a lie, as we’ve seen, but a price of zero signifies a return to the barter system, a morass of incommensurable exchanges that the human race left behind in the Stone Age... for the rest of us, all the free stuff leads to transactional tricks and traps.”

— George Gilder
Life After Google: The Fall of Big Data and the Rise of the Blockchain Economy

2001. Even at this peak, course operators saw their utilization drop from a high of above 60% to the very low 50% range, as reported by Pellucid based on its weather-adjusted Golf Playable Hours calculation. Open tee times became plentiful, and course operators became more desperate to fill them.

Since then, both rounds and participation have declined precipitously, and despite more courses closing than opening, open tee times are as abundant as ever.

Exacerbating the current market conditions, the National Golf Foundation (NGF) reports that the average green fee in the US for all public golf is about \$35, or \$31 if you exclude resort courses (“Better Understanding Municipal Golf,” NGF, June 2019). According to Pellucid’s data, in 2003, the average green fee was also in the mid-\$30s, as surveyed from course-posted rates averaged across weekday, weekend, and dayparts. The Consumer Price Index (CPI) has increased by nearly 27% over the same period, 2003-2018.

Certainly, the cost of doing business has risen: The Golf Course Superintendents Association of America (GCSAA) reports a 12% increase in the average 18-hole maintenance budget from 2010-2018—again, while the average green fee has remained relatively unchanged. However, there is no empirical evidence that online tee time agents, or OTTAs, cause the stagnation in average green fees. Rather, the perpetuation of discounting by both OTTAs and golf course operators has added fuel to the fire that is the oversupplied market condition.

Following on the heels of online travel agents (OTAs) in the travel industry, golf’s OTTAs began knocking on pro shop doors offering a service that would sell distressed tee times (last-minute times, or times that didn’t typically sell) so as to “drive rounds and revenue.” In return, courses would make some form of cash payment, either a flat fee or a commission. They were also given the option to barter available tee times. The OTTAs, battling for market share, were open to creative forms of compensation.

Barter as an option to other forms of payment for these services became a popular choice for golf courses. Nothing out-of-pocket for all these services? It was delicious bait, and thousands of operators bit the hook. The opportunity to potentially increase rounds and revenue for no up-front costs except a tee time, perhaps two or three per day, seemed like a great deal.

But looks can be deceiving, and NGCOA’s careful study of barter reveals it to be a questionable proposition at best, from the perspective of the course operator.

Our research includes academic studies, case histories, and expert analysis culminating in best practices for public golf course operators to implement, whether they choose to barter tee times or not.

Widely felt concern about the competitive impact of OTTAs and bartered times led to the creation of the Golf USA Tee Time Coalition in 2017. The NGCOA and the PGA of America partnered to establish this platform with a primary purpose “...to support a competitive and balanced marketplace in public golf that is supportive of the golf course owner, operator, PGA professional and the golf consumer...by promoting adoption of online tee time guidelines and best practices for technology companies, online agents, marketers, golf course operators, general consumers, and the media.”

In 2018 the Coalition released a Market Sentiment Study showing clearly that golf course operators were much more satisfied with the technology obtained from GMS (Golf Management Software) providers (66%) than they were with the OTTA distribution and marketing services (41%). Likewise, 79% said GMS providers have a positive impact on the golf industry at large, while only 40% feel the same about OTTAs.

Using Net Promoter Score (NPS) ratings, more than twice as many (48%) respondents would not recommend using an OTTA than would recommend the use of one (21%). No fewer than 47% feel they are in direct competition with OTTAs while an additional 26% are “on the fence” as to whether or not they compete.

Things became murkier when OTTAs also became GMS providers, and GMS providers likewise became OTTAs. Lack of satisfaction with OTTAs serving the marketing and distribution interests of the golf operator remains problematic.

Here’s a stat to think about: The Market Sentiment Study revealed that barter was a preferred payment option for 23% of the participants, whereas 46% preferred a fixed monthly cost for GMS provider products and services. Some 45% of the participants believed barter should be continued as an option.

As we approach the third decade of this millennium, the National Golf Course Owners Association (NGCOA) takes a deep and definitive dive into the pros and cons of bartering tee times for various types of products or services.

Barter in its most popular form, wherein the sales pitch is that golf courses realize a net benefit from superior GMS technology and/or listing on OTTA marketplaces that drive rounds and revenue, is flawed.

Very few courses report that additional revenue earned through a barter arrangement for tee times is advantageous to the golf course when the true costs of the software, products, services, and bartered inventory are calculated. Plenty of verifiable alternatives exist.

Our findings have developed over the years through communication with members, discussions with OTTAs, and industry awareness in general. From that starting point, we believe now is the time to dig deeper to fully understand the wider views of barter and to identify unique and shared experiences regarding barter among golf course owners and operators.

For this reason, in late April of 2019, the NGCOA sent a survey to members that began with a straightforward question:

Is your golf course currently bartering tee times for products/services from an online tee time agent (OTTA)?

The Addendum to this report includes a selection of member answers grouped from “Yes, we use barter” to “No, but we once did” to “No, we’ve never considered it.” There is something to be learned from one, some, or all of these cohorts. We promised confidentiality, so this Addendum includes no names of respondents or courses. Also, we have edited and/or paraphrased some responses for clarity and brevity, with no change to the emphasis of the response.

The survey was designed to be qualitative rather than quantitative. As such, the above question was followed by this invitation:

“Please share your experience regarding bartering (or not bartering) tee times, the good and bad, past or present. Additionally, if you’ve calculated the benefits or disadvantages, we’d like to know how you did that and how it turned out.”

Initial responses were split evenly among the three member answers, with just one respondent indicating they were considering barter in the future. The responses illustrate the wide range of opinions regarding barter, and there are salient points within as to best practices for dealing with OTTAs if a course chooses to barter. There are also various suggested alternatives to barter. Many survey responses were remarkable for expressing a great deal in just a few words, such as:

- **“I do not and will not barter tee times. If we can’t sell our own tee times, we are doing something wrong.”**
- **“We bartered with an OTTA and calculated that we lost \$5,000 - \$6,000 that year as a result of the barter. Now we control all our own pricing 100% of the time and barter nothing!”**

On the other side of the equation were courses that created solutions to earn revenue from the bartered rounds through a revenue split with the OTTA, or else used barter as a cash flow management strategy:

- **“We have negotiated a maximum discount of X% on the trade times, and the OTTA returns X% of the revenue they generate back to us.**
- **“Bartering our tee times helps when we don’t need to put out cash to pay for our software, especially in the early spring and late fall seasons when money is very tight. We realize this ends up costing us more, but cash flow is sometimes a real problem for us.”**

Perhaps your opinions on barter are aligned with our survey respondents, or possibly you have differing opinions. Regardless, barter is a volatile topic.

Do we stand by our view that barter in its present form is flawed? Yes. However, there are courses that have, on some scale, successfully navigated a barter agreement. Conversely, there are courses that have tried barter, no longer use it, and will never go back.

The NGCOA wants you, the owner/operator, to have information to help you make the best decision possible for your course regarding relationships with your OTTA, and what is in the best interest of your property. That may or may not involve bartering for products or services, but this guide should provide you with some practices of value in whatever direction you choose.

The guide will begin with a definition and discussion of barter and how to compute the cost of barter.

From there, we dive into “Economics 101” material related to **Price Elasticity and Golf**, as well as **Rate Integrity and Parity - Protecting your Brand**, leading us to a discussion on the technology golf courses are receiving through barter and if the benefit is worth the cost.

We continue with **The Hospitality Handbook**, providing a brief synopsis of barter in the hospitality industry and lessons to be learned from their experiences. We then close with **Case Studies, Conclusions, and Best Practices**. These are drawn from operators who continue to use barter and from those who have identified and implemented strategies and supporting processes to, in their words, “own their tee sheet.”

As always, we invite further opinions and comments. Directions on how to provide feedback or additional comment on this issue are provided in the Credits and Contacts.

We trust you will take the time to read what follows. The success of your business and the golf industry, in general, may depend on it.

Chapter One

Calculating the Cost of Barter

In golf terms, barter generally refers to the exchange of tee time inventory for listing on an online marketplace. OTTAs might also offer barter in exchange for Golf Management Software (GMS) systems, computer hardware, websites, marketing services, revenue management and/or call center services. Not all GMS providers are OTTAs, an important distinction.

Barter has often been referred to as a “no-cost” or “no-cash” alternative to conventional payment since no real money changes hands. It’s how OTTAs built their business with the pitch, “You aren’t selling those tee times anyway, so it doesn’t cost you anything to give them to us.”

These bartered times become inventory for the OTTA to sell, most often at a discounted price known as a “Hot Deal,” or “Deal Time,” or some similar term to indicate a price reduction from the course’s normal rates (or “rack rates”).

The Cost of Barter is whatever must be invested or spent to provide the bartered tee time, which the course no longer owns but must make good on.

Barter Opportunity Cost represents the revenue the course could have generated itself by selling the bartered time, at normal rates.

A barter exchange of goods and/or services is deemed equi-

**Barter, by definition, is the “exchange of goods or services for other goods or services without using money.”
(Lexico by Oxford)**

table to the parties involved if all parties believe they obtained equivalent and fair value for the exchange of those goods and/or services.

However, the Market Sentiment study highlights the lack of equitability with barter, with 65% of those using OTTAs saying revenue stayed the same or decreased, and 61% saying the same about rounds played.

The Market Sentiment study concluded, “On the whole, the barter method of compensation doesn’t have a very strong reputation. However, among those currently using the method, perceptions are positive.” Of courses using barter to pay for GMS systems, 95% want to see it continued. Of courses using barter to pay OTTAs, 86% want to see it continued.

As an owner and operator, it is critical for you to understand how to calculate the cost of the tee times bartered, to ensure an equitable trade has been conducted between course and GMS provider.

Question: Is it equitable for one golf course to trade two tee times per day for the same GMS systems and services that another course may trade only one tee time per day to obtain?

Golf courses will barter one, two, or three tee times per day (4, 8, or 12 golfers) for the software and services outlined above. In some cases, it may be advisable for contracts to include terms with the GMS provider for what price they may sell those bartered times, as well as a “floor price” the parties agree upon for inventory provided to the OTTA. A floor price is a contractually agreed upon “go-no-lower price or percentage” a golf course establishes with an OTTA for tee-time prices listed by the OTTA. Floor prices are controversial and are subject to a rule of reason analysis under federal law. In states such as New York, California, and Texas, floor prices are per se illegal. Before entering into contracts regarding a floor price, golf operators should obtain the advice of antitrust counsel.

OTTAs have created a highly competitive landscape to gain customers. They will enhance their offerings to golfers beyond “hot deals” or the like, offering flash discounts, loyalty clubs, free passes, and subscription services, as you will read about in Chapter THREE. The result is that OTTAs are routinely breaching contractual agreements regarding the resale of tee times with golf course operators and causing confusion for the golfing customers.

The concept of not spending any money to get technology and services to help run and grow a business, often in cases where the course is already cash-strapped, sounds like a great path to take. But is it really?

Do the OTTAs generate revenues for you by selling bartered tee times? Perhaps, but do these revenues cover the additional costs of such an arrangement beyond “goods for services,” including rate erosion, customer disintermediation, and search engine competition?

The inconvenient truth is **there is cost and value for every round a golf course produces, be it played or not**. Below, you will learn how to calculate the cost of barter and why it is vital to perform this function when considering a tee time barter relationship.

“An underlying premise is that tee time inventory that goes unused has no value. If this is true, how would the “barter-based” technology providers get paid? The real question should be, ‘How much of the barter inventory do they sell, and for how much?’”

Credit goes to Stuart Lindsay of Edgehill Golf Advisors for providing the above statement along with additional knowledge and analysis. Lindsay gives us a definitive lesson on the cost of barter. Consider the following quotations:

“While every golf course is ‘unique,’ we have created a profile for what we term an ‘average’ U.S. public golf course. This profile has been designed and updated through the years using information from Pellucid, NGF, GCSAA surveys, and multiple other sources. Edgehill has also dissected operational and customer data from literally hundreds of golf courses over the past 30 years.”

“Based on what we know, the numbers below will estimate the value of trade rounds but still give an accurate barometer proving that the trade times have value.” (Trade rounds is another term for barter rounds.)

“In the below model, our course averages a weather-adjusted capacity of 62,000 rounds per year and averages a 50% utilization rate, or 31,000 rounds played. Additionally, our model course has bartered 1,000 rounds for the season, or roughly a tee time per day for eight months.”

Calculating the Cost of Barter (Expense Method) requires the following steps outlined in the below diagram and is based on the following data (Source—Pellucid/Edgehill aggregated data from multiple sources):

1. Average golf course has a weather adjusted capacity of ~62,000 rounds (10 year average)
2. Average Rounds Played is ~ 31,000 (Average Course Utilization = ~50%)
3. Average Playable Days is ~ 250 = 1000 Barter Rounds @ one (1) tee time per day (4 golfers)

Calculation steps:

1. Verify your average total expenses
2. Verify your average weather-adjusted capacity (rounds available) and utilization (rounds played)
3. Divide your expenses by both available and played rounds to compute your “per round available” (capacity) and “per round played” numbers
4. Multiply your [(expenses per round available) X (1000)] or [(expenses per round played) X (500)] to show you the COST associated with bartered rounds. You may choose either method

Rounds Available Method

Step 1

Plug in your Expenses - \$ 919,000

Step 2

Plug in your Capacity - 62,000

Step 3

Divide #1 by #2 = \$ 14.80

Step 4

Multiply by 1000 = \$ 14,823

Rounds Played Method

Step 1

Plug in your Expenses - \$ 919,000

Step 2

Plug in Rounds Played - 31,000

Step 3

Divide #1 by #2 = \$ 29.60

Step 4

Multiply by 500 = \$ 14,823

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As you can see in the above example, it costs the golf club in our model \$14,800 per season related to operating expenses per round to offer up bartered/trade rounds, with no revenue from the barter partner to cover those expenses.

Do you think you could effectively spend \$14,800 to generate play and revenue, versus eating that cost and letting a third-party benefit from your product offering?

What about Barter Opportunity Cost? What is the revenue opportunity if the course sold the bartered times themselves, foregoing barter as a strategy?

Barter Opportunity Cost, as opposed to the Cost of Barter, is computed by taking the average rate for the paid rounds on the same day and daypart (i.e., morning, afternoon, twilight) as the barter rounds and multiplying that average rate by the number of barter rounds. By using an average revenue per round of \$41.10, if the course owned and sold the 500 barter rounds (50% utilization of 1000 barter rounds), the revenue would be \$20,550 (500 x \$41.10) to offset a \$14,800 course operating expense, or a 28% margin. The margin is the same if the opportunity cost is computed based on 1,000 rounds available, as expenses are reduced proportionally. If the OTTA sells those times and the course gets zero revenue from golf, the opportunity to generate green fee revenue is lost.

Barter should benefit all parties in the transaction in an equitable agreement.

A course naturally benefits from using current technology, the value of which is open to interpretation in the open market. The same course may also benefit in the form of a website, email marketing services, and revenue management services received from the GMS provider as part of the package.

On the other side of the transaction, the OTTA/GMS provider benefits through the acquisition of golf course inventory (tee times) to sell and also benefits from an expanding customer database coming through the OTTA site to purchase tee times.

Below are a few examples of barter deals reported by NGCOA members in our barter survey:

- Two tee times a day: Complete package of software, course website, email, listing
- One tee time a day Monday-Friday: Complete software package, websites, email, listing
- One tee time a day for listing only
- Three tee times a day for listing only
- One tee time a day for listing, 25% floor discount maximum
- One tee time a day for listing, 35% floor discount maximum, 50% revenue share
- One tee time a day for software, until the cost of the software package is fully paid
- One tee time a day: Complete software package, listing, 25% floor discount maximum

Although barter may seem like the only option for some courses, the cost-benefit analysis of a barter arrangement likely advantages the OTTA/GMS provider. If barter is a considered option, the cost of barter must be calculated and compared to the value of what was received from the OTTA/GMS provider to ensure the trade was equitable.

The Market Sentiment Study indicated golf course owners and operators are less than satisfied with OTTA performance in the following areas:

- Flexible and amendable contracts
- Communication of auto-renewals
- Fair and reasonable pricing structure
- Offers a range of payment methods beyond barter
- Payment terms when adding services to contracts
- Yield management tools
- Respond to reviews, ratings, and content
- Full collection and transfer of customer data
- Provision of digital reports analyzing customer data
- Full disclosure of all marketing channels used
- Honest marketing practices
- Accurate display of discount percentages
- Accurate representation of pricing for barter rounds
- Displaying honesty and integrity

As Lindsay relayed in the not so distant past regarding discount pricing on bartered tee times, “The pricing part is easy. When looking at hundreds of reservation pages, the most prevalent discount for the “deal of the day,” “hot deal,” or whatever it’s called is 50%. We have tracked “barter redemption” for just about every golf course we have ever analyzed when applicable. We also did a bulk analysis for one Tee Sheet/PoS platform comparing “barter” vs. “non-barter” users. The redemptions ranged from less than 100 at a course that operates about seven months (12%) to 1,280 for a course that operates all year (89%). The average redemption for the bulk study we did was about 62%. Let’s say that if we use a 50% redemption rate, our estimates are probably understated.”

The pricing part is not so easy anymore, with the preponderance of additional short-term discounts typically in the 25%-35% range. These are circulated by OTTAs via a barrage of emails and online ads with coupons and extra discounts, as shown in Chapter THREE. These “flash” discounts usurp any floor price courses may have negotiated. In reality, there is no floor.

In addition, OTTAs also offer subscription programs which in some cases give their members 12 free rounds a year. These 12 free rounds come from an OTTA’s unsold barter inventory and effectively monetize them rather than having them disappear unsold.

Pellucid's analysis calculates that a "median" course has an effective green fee (blended to account for weekend vs. weekday pricing/volume) of \$33, including cart, based on rate card analytics from the 2018 year-end Internet Golf Course Database (IGDB). NGF recently published a \$31 average rate for non-resort courses. Pellucid's average green fee will be used for purposes of determining the value of tee times based on OTTA redemption rates.

"With a 50% redemption and a \$33 rate that's discounted 50% (\$16.50), the revenue generated for the OTTA is \$8,250 based on the redemption of 500 rounds out of 1000 available (one tee time a day over eight months). Double this if you give two tee times a day, triple it for three, and so on. The OTTA's revenue rises incrementally when courses give two, three, or more tee times a day."

It is a fact that the retail pricing of bartered inventory by OTTAs and GMS providers is inconsistent and highly variable—not just between vendors, but for individual courses using the same vendor.

"Is barter a more expensive option than cash? The correct answer is, 'it depends.' If a course gives up two times a day (estimated at \$16,500) for Tee Sheet/PoS, web hosting and email service available from a cash vendor in 2019 for \$6,000, it appears the answer is yes."

"If the course barter simply to be listed on an OTTA and is generating increased revenue (or at least outperforming what the weather provided as golf playable hours) using the barter platform, the answer might be no, introducing some risk involved in moving off the OTTA."

We will provide some examples of how successful operators have moved off bartering with OTTAs later in the guide.

Summary

To summarize Stuart Lindsay, course operators need to have a useful performance measurement that details the revenue generated from the OTTA channels; and whether that revenue translates into an improvement in the overall performance.

If you have a GMS vendor who provides this data, great! If not, it might be time to find a vendor that does.

Do the math. It's not difficult and provides a baseline from which to make decisions on whether or not barter is a viable solution for your course.

Understand what you are giving away with tee times and value that against what you are getting back.

Chapter Two

Price Elasticity and Golf

A study of why discounting doesn't work to drive revenue

“With flat demand for golf, excess supply of golf courses, and the rise in online third-party booking channels, golf consumers are increasingly forming their price expectations based on the competitive pricing environment, which includes prices paid to golf at similar quality golf courses in the same market.”
(Enz and James, 2015)

It would have been one thing if the OTTAs created exceptional online marketing to drive local and traveling golfers to pay full rate at the courses they chose to play. One would expect a service similar to OpenTable, the dominant restaurant reservation technology, to be met with open arms by golf course operators. OpenTable charges restaurants \$249 a month plus \$1 for each seated diner reserved via the app (eater.com, Sept. 2018). Most importantly, OpenTable broadcasts and promotes availability and choice, not discounts. Such a service might have been particularly effective before golf courses obtained user-friendly web booking engines along with attractive and easy-to-navigate websites.

Instead, bartering tee times with OTTAs has led to varied and significant price reductions and fed the wider discount market, causing consumer confusion when shopping for green fees.

Analysis of the good and bad of bartering and the discounting coupled with it should not be left to golf business analysts alone. We turn now to academia and Dr. Cathy Enz. The highly regarded Dr. Enz and her team have researched and written extensively for the hospitality industry. They have done so also for golf, and we appreciate and value their contribution.

For those with a foggy recollection of the Econ-101 lecture on “elasticity of demand,” here is the definition:

Price elasticity of demand (PED or Ed) is a measure used in economics to show the responsiveness, or elasticity, of the quantity demanded of a good or service to a change in its price when nothing but the price changes. More precisely, it gives the percentage change in quantity demanded in response to a one percent change in price. (Wikipedia)

In “formula terms” (Investopedia, Kenton, Oct 2018):

Price Elasticity of Demand = % Change in Quantity Demanded / % Change in Price

In golf terms, demand is defined by rounds played. Measured by Golf Datatech, rounds played in the US are up fractionally through November, just 1.3%. And historically, rounds played have diminished nearly every year since 2003. One might argue that the increase in discounting has prevented rounds played from dropping further, but the empirical evidence points to discounting not stimulating demand, thus making golf inelastic. You'll learn below why discounting in a flat-demand market leads to lost revenue, and why course operators need to price smarter and avoid the “discount death spiral.”

Here is a simple example:

- **Regular price: \$50 green fee X 100 rounds played = \$5000 revenue**
- **20% discount: \$40 green fee X 100 rounds played = \$4000 revenue**
- **20% discount: \$40 green fee X 125 rounds played = \$5000 revenue**

In the above example, a 20% discount requires a 25% increase in demand to reach the same revenue level. How is the additional 25% demand generated in a flat market?

We cite a study, “Competitive Pricing in the Golf Industry,” published in 2016 on behalf of the Myrtle Beach Golf Course Owners Association by Drs. Cathy Enz and Linda Canina of the School of Hotel Administration at Cornell University. The purpose of the research was to “begin understanding competitive pricing in the golf industry in the hopes of helping this sector better use data to introduce Revenue Management (RM) systems and more fully optimize pricing.”

Also, an article published in the Journal of Hospitality and Tourism Research titled “The Uniqueness of Revenue Management Approaches in Nontraditional Settings: The Case of the Golf Industry,” authored by Drs. Enz and Canina, along with Breffni M. Noone of the University of Pennsylvania, expand on the concepts of (1) demand management across the booking horizon, (2) competitive price positioning, and (3) inventoried demand management. Quoted passages are from these two studies.

Within the discussion of golf-centric third-party practices and their effects on golf demand, price perceptions, and golf course revenue, we focus on a few key conclusions drawn from the two studies.

“It is more beneficial for consumers to have a higher initial reference price, particularly when studying reference pricing in a distribution channel context.”

Articles and studies on “reference price” abound, but it is defined as,

“The cost that consumers anticipate paying or consider reasonable to pay for a particular good or service. The marketing department of a business will often attempt to assess the reference price for each of the products or services they are promoting in order to set pricing levels appropriately to achieve their marketing goals.” (businessdictionary.com)

Understanding reference pricing is critical when confronting the effects of third-party tee time aggregation sites. When golfers think “Pebble Beach,” they also think \$500. That’s a reference price. A golf course’s reference price might well be affected by discounting not just of bartered rounds, but also discounts placed by the course itself.

“Cognitive benchmarks or memories of past prices, along with repeated play or recent purchases from competitor courses, contribute to a competitive reference price effect...”

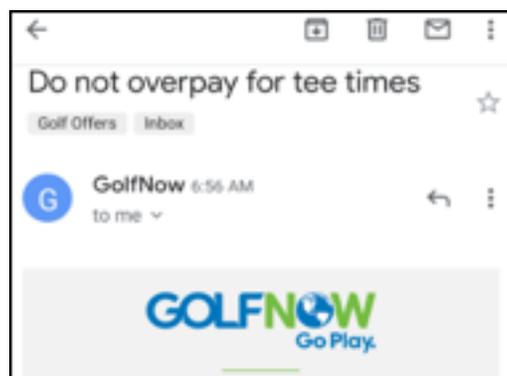
Let’s focus on how bartered times, discounting, and other OTTA marketing programs and strategies affect reference prices for golf courses. Third-party tee time sites such as GolfNow, TeeOff, Golf18 Network, Last Minute Tee Times, and others have trained millions of golfers to shop for a price first. With that, golfers have gained a reference-price-effect perspective that golf is too expensive. Only Golfbook, using a commission model, eschewed the discounting philosophy of how to sell golf.

Another example of reference pricing, or the effect it has over a consumer, could include a golfer’s view that Course A is fairly priced at \$35 for a Saturday morning round, where that same golfer could see Course B as being fairly priced at \$65 for a Saturday morning round. The golfer’s perception of value could be related to a myriad of things, from services to course conditions or staff friendliness, but that is the reference price for their expectations. This is no different than a customer choosing a hotel room based on price. Some may go low and not care, and some may go in the opposite direction due to the perception of a better experience that a higher price may prompt.

It is tough enough to manage the reference-price effect, but how much more difficult does it become when golfers are being advised by an OTTA, which could also simultaneously be listing your

tee times via their marketplace, to not “overpay for tee times,” per the image to the right received in an email?

It's not just the discounting of bartered rounds by OTTAs. Because the OTTA platforms have access to the golf course operators' technology, they can broadcast rates across a wider market. This has resulted in the devaluation of tee times.



Marriott cited reference pricing as a primary issue with OTAs (Online Travel Agents) when bartered rooms and exposed wholesale rates were prevalent. Moving to commissions alleviated the price-reference effect for consumers shopping for hotel rooms. Hospitality fought back and is winning this battle through increased reservations on hotel websites and increased customer loyalty, as we will discuss further in Chapter FIVE. How? Simply put, hotels recognized that they supply the product (hotel rooms) without which the Expedias of the world have no business. Gaining the upper hand depends on understanding the positions of the parties in the business relationship.

Here are a few more pearls of wisdom from the two studies:

“Demand for golf is primarily price inelastic, suggesting that a price drop will not have a significant impact on demand and revenue will decrease.”

The study published in 2016 references Myrtle Beach's 80 courses during the 2012-2014 time-frame, and shows that “courses that priced above their competition not only reaped higher Revenue per Available Round (RevPAR) but also experienced higher daily course utilization” and, “given price inelasticity in the golf market studied, higher-priced golf courses can extract both a higher revenue and course utilization premium.” That is, as long as they provide course conditions, service, and amenities associated with the higher prices.

Dr. Enz and team write:

“Golf represents an environment where demand is largely discretionary in nature, and, from a supply perspective, it exhibits a degree of time-based inventory complexity that is not encountered in traditional Revenue Management (RM) contexts.”

“Within the traditional RM setting, the focus is on protecting inventory for late-booking, high-paying non-discretionary demand; while the nontraditional RM setting with discretionary demand may require a focus on building demand early in the booking horizon from inventory-sensitive consumers who are willing to book

early and pay a premium to secure their most desirable inventory location or time.”

“The goal should be to focus on driving as much high-priced, early bookings as possible to maximize revenue.”

“Last-minute discounting can encourage early bookers to engage in undesirable cancellation and rebooking behavior, it can also encourage deal-seeking consumers to defer purchase in the belief that a lower, last-minute price will become available (Anderson & Wilson, 2003).”

“Maintaining a price position above the competition, particularly during within-day peak hours...will only be sustainable if consumers perceive that the quality of the service experience is commensurate with the higher price.”

“Rather than relying solely on discounting to manage distressed inventory and drive last-minute demand, operators could offer more value (e.g., adding amenities) at regular prices. Additionally, a good forecast of demand can aid the detection of low demand periods.”

Revenue Management (RM) is a widely used discipline in the hotel and airline industries. RM is relevant to the golf industry due to the perishable inventory of rounds of golf, the limited capacity of daily tee times available, and the ability to segment customers on price sensitivity.

The need for RM has increased due to the rise of online intermediaries, flat or declining demand, and the ongoing oversupply in most markets. However, as golf operations analyst Stuart Lindsay points out, “Existing platforms do not provide the data necessary to generate their analytics and help the courses make the suggested adjustments.” Technology evolves at a varying pace. Inquire of your GMS provider or any you might look at whether the data and functions you need are available.

Finally, we spoke with Tracy Conner, the Executive Director of the Myrtle Beach Golf Course Owners Association. Tracy reports that 80% of their member operators are pricing dynamically and do not give limited inventory to OTTAs. For the entire group, RevPAR has increased by 2% to 5%, and total rounds played have topped three million, from about 2.8 million in 2012.

The results of the study were shared by Connor to his members in a presentation in 2014. While a couple of the conclusions are specific to a destination market like Myrtle Beach, many apply to most markets and include the following (paraphrased in some cases):

- Focus on the right pricing—think about consumer price, not net rate, and be sure to charge enough for walk-ins.

- Given a large number of inelastic demand days, higher pricing could lead to greater profitability.
- During select months and days of the week, demand is elastic, and raising prices will reduce revenue. These days are much fewer in number during the year. Database development and analytics can help you with this.
- Work to manage last-minute bookings! Consider the price of your 48-hour bookings during high demand periods. Educate and influence the market to book earlier.
- Strategically allocate your golf rounds to various channels. Booking choices must be managed strategically. Choose partners who work with your best interests in mind.
- Pay attention to channels where pricing fluctuates to better manage your revenue strategies and goals.
- Work to differentiate your product/service offerings and focus on advertising and selling these differences. Customer expectations will continue to rise as demand remains constant.

Summary

In this chapter, we have outlined the economics of discounting in the context of barter, additional discounting by OTTAs (and other tertiary platforms), and self-inflicted discounting by the course. In our next chapter, **Rate Parity and Integrity - Protecting Your Brand**, we will show examples of this practice and the effect it has on your course.

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Chapter Three

Rate Integrity and Parity – Protecting Your Brand

Technology has afforded course operators and OTTAs unprecedented new opportunities to update availability and pricing on a moment-to-moment basis. Business flows easier than ever before, especially timely adjustments to pricing as demand fluctuates at a course. However, this same technology results in the presentation of prices that are confusing to the customer.

OTTAs pull golfers away from the golf course website to the OTTA website, and, as outlined in Chapter ONE, rate erosion is a result. Golfers now have a range of entry points to book online through the course website, a primary OTTA, a third-party reseller, or applications that provide additional booking channels for golfers, usually with additional fees.

OTTA-published discounts placed side by side with rack rates continue to drive a wedge between the golf course and its customers; ever-expanding customer loyalty programs drive that wedge deeper. The term for this is “disintermediation.”

The price variances across multiple channels are confusing to the customer, damage the rate integrity and rate parity of a specific golf course, and make it harder to maintain the brand. Rate integrity and rate parity in this context are not directed at integrity and parity between competing or non-competing golf courses across the industry. Rather, it is an issue for course owners and operators to be aware of regarding their particular revenue strategies and goals.

We will discuss lessons gained from the hotel industry in a subsequent chapter, as the challenges of maintaining integrity and parity when dealing with multiple distribution channels are not new. Rate parity and rate integrity are helpful terms here. How do they differ? Here’s how a lodging-industry analysis puts it:

“Rate parity can be defined as maintaining consistent rates for the same product in all online distribution channels” and can “...ensure an even playing field among all channels and protect a hotel’s relationships with its partners, as no channel is being favored over

another one. Rate parity can also allow a hotelier to evaluate its partnership with an OTA within a given time frame and allow them to make conclusions as to if and how the hotel should continue a business relationship with a given OTA.”

“It seems the concept of rate integrity, however, isn’t as clear-cut as that of rate parity. By definition, the word integrity is regarded as “the quality of having an intuitive sense of honesty and truthfulness in regard to the motivations for one’s actions.” So it makes sense that when it comes to each hotelier’s opinion, the picture of rate integrity might change a bit across the board...Meanwhile, rate integrity is also identified as justifying price discounts to ensure a hotel isn’t slashing rates for no reason.” (www.eyefortravel.com, Oct 14, 2010)

As noted in one of our survey responses:

“There would be a great value to the golf courses if the entire bartered inventory was moved to a separate site. This would confirm to the golfer that they bought the tee time from a third-party. A disclaimer of who owns the tee time and who sold it would be made clearer for both the buyer and the golf course that must service the golfer. There are real issues that pop up at the golf course counter that can and do create issues and confrontations between the golfer and the operator. Rain checks, aeration issues, double-booked times and golfers showing up early or late for their bartered times are just a few of the issues that are created when bartered times and non-bartered times appear simultaneously on the same page.”

Moving all bartered tee times to a separate site may be a bridge too far, but the idea has merit. It would certainly fix the problem of discounted rates displayed alongside the rates set by the course, including rack, or full rates. It might also reduce confusion about who owns the time, making it easier for the course operator to defend his full rates.

Rate integrity, parity, and brand discussions are of no interest to a confused, possibly upset customer standing in front of you, having seen different prices and not understanding the dynamics of the selling environment.

Your brand is in jeopardy every time this happens, whether in person, on the phone, via text, via email, on social media, or customer-review sites (Yelp, GolfAdvisor, etc.).

Golf courses that make themselves available through OTTAs feature prices in real-time. As a concept, this is not a bad thing. **However, OTTAs can and will compete with the course’s rates by discounting bartered tee times hoping to sell them first, since the lion’s share of their**

revenue comes from the sale of the bartered times.

Shown below is a 1:30 pm rack-rate tee time alongside a 1:45 pm discounted tee time. The latter is promoted as a “Hot Deal” by the OTTA, which benefits from the sale of that tee time. The price difference is dramatic, and the golfer who sees this displayed online doesn’t know the course traded the 1:45 tee time to the OTTA. The consumer sees a lower price and assumes it’s the course selling it.



Floor Prices and Discounts

It is a misconception that setting a floor price for bartered or other tee time inventory protects golf course price integrity.

OTTAs use discounts, savings, “Hot Deals,” “Deal Times,” coupon codes, or other language aimed at deal-seekers to promote their respective brands and attract golfers. Discounts on bartered times can be substantial on a daily basis.

Note how GolfNow’s “Hot Deal” with an orange banner provides the opportunity for a single golfer to play at 1:45 instead of 1:30, saving \$20.00.



TeeOff offers a similar “Deal Time” identified with a green flag and “T” that offers a single golfer an option to play 10 minutes earlier and save \$21.00.

<p>38% OFF</p> <p>\$33.00</p> <p>\$54.00</p>	<p>\$54.00</p>
<p>12:30 PM</p> <p>1-1 Players</p> <p>18</p>	<p>12:40 PM</p> <p>1-2 Players</p> <p>18</p>

Also, OTTAs use “flash” and loyalty member discounts to generate greater customer traffic and loyalty to their channel. These actions are intent on selling more bartered rounds at lower prices to generate revenue. They negatively impact the customer’s perception of the golf course’s value in a particular market.

For example, on GolfNow.com:



On the same day from TeeOff’s home page:



And from Supreme Golf:



If there is a legally enforceable, agreed-to floor in your contract, the promo code may circumvent it!

GolfNow's GOLFPASS, a subscription loyalty program, effectively bypasses any floor price agreement by giving members a FREE round of golf a month, 12 for the year, and additional benefits known as GOLFPASS PERKS.



The FREE rounds come from GolfNow's bartered inventory. It's estimated that GolfNow sells 50%-70% of its inventory acquired from golf courses, so GOLFPASS is a clever way to monetize unsold barter times by collecting an annual fee, and then "giving away" times that have not been purchased. This is FREE golf, and if a member can play 12 months a year, it's a pretty sweet deal for \$99.

GOLFPASS PERKS are provided by the golf course, which can choose from a variety of preset "perks" options like those above. GolfNow uses PERKS to entice new members to pay it \$99 a year without costing it one additional penny. The golf course might benefit from GOLFPASS members playing their course rather than a competitor's and spending incrementally—at a discount. The question for the golf course owner is whether signing on to PERKS makes economic sense in the long run.

DEAL Pass is the TeeOff.com (EZLinks) equivalent of GolfNow's GOLFPASS; both are subscription programs. For \$149 a year, DEAL Pass members don't get free golf as is touted by the GOLFPASS program, but rather three \$50 coupon codes to use during the year...so still, kind of free as far as the customer is concerned.

TeeOff.com (EZLinks) also uses short-term coupon codes to entice people to search for discounts and book now, with an additional 10% discount for



DEAL Pass members, as shown in the image above (30% versus 20%).

GolfNow and TeeOff are simply delivery vehicles, just like Expedia and Booking.com, in the hospitality space. With “Savings up to 80%,” both GolfNow and TeeOff can make a \$100 golf course look like a \$20 course, a \$50 golf course look like a \$10 course, and a \$25 golf course look like a \$5 course.

Over time, and not a lot of it, these lower prices become a course’s “reference price,” damaging the ability of the course to maintain competitive rates that support the success of their business. Remember, “reference price” is a dollar amount associated with your brand. For example, mention Pebble Beach, and most golfers will think, “\$500.” That’s the “reference price” they attach to the brand.

Tee time prices, and a course’s reference price, factor directly into a golfer’s perception of what kind of golf course they are playing, driving that golfer’s expectations regarding your golf course and brand. Barter-for-discounted-resale does not reconcile with the reference price a facility hopes to achieve. **Golf course operators need to consider whether a third-party should be allowed to have this much influence over their pricing and overall product image.**

The Search Game

Remember the printed Yellow Pages? If you are under 30 years old, you’ve likely never used one. Up until the year 2000, or so, nearly every public golf course and even some private clubs had ads or listings in the local Yellow Pages.

Then Internet search arrived, led by companies like Excite, Yahoo, Netscape, and now most prominently, Google. Finding nearly anything can be achieved with just a few taps on a computer keyboard - golf courses included.

With this ability to search came changes in marketing strategies. In the Yellow Pages, marketing had been egalitarian: All advertisers had equal opportunity to match a competitor’s ad size and graphic quality.

Not so with search advertising. Bidding on desirable or appropriate ad words can be expensive and requires technical expertise OTTAs can afford to fund, while most golf courses can’t.

Google “Golf in San Francisco” and you’ll likely see this at the top of the search page:

S.F. Golf Tee Times | Save Up To 80% on Tee Times | TeeOff.com
 www.teeoff.com/SF/Golf_Tee_Times ▼

Or:

Golf Cheap San Francisco | Save Up To 80% on Tee Times

Ad www.supremegolf.com/ ▼

Or “golf near me”:

Discount Woodside Tee Times | Save Up To 80% On GolfNow

Ad www.golfnow.com/ ▼

Each of these ads can cost as much as \$3-\$5 PER CLICK. How many clicks does it take to sell a round of golf? OTTAs know and budget accordingly. The average course operator? Likely not.

Think about it: 80% off. Would any golf course advertise discounts like this? A visitor to San Francisco or Woodside might think “80% off” is the norm for the market, negatively affecting the rate integrity and brand of every course in the market.

OTTAs use clever search techniques on their websites that leverage a course name, even though the course may not be a partner of the OTTA. Clicking the course name will often lead to offers to reserve tee times at other area courses. TeeOff and Supreme Golf go one step further.

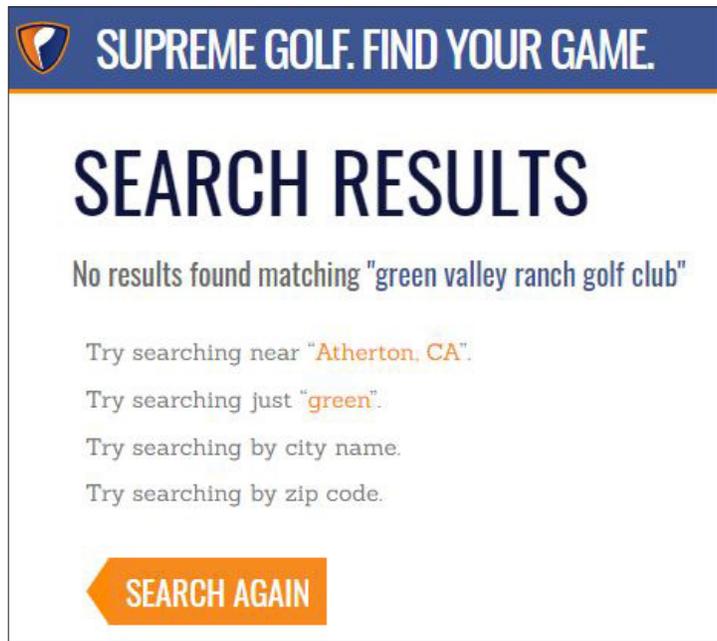
When you type a non-listed course name into their search bar, you may see this:

The screenshot shows the TeeOff website interface. At the top, there is a navigation bar with the TeeOff logo and links for 'FIND COURSES', 'EXPLORE THE GAME', 'GET REWARDED', 'GIVE A GIFT', and 'SIGN IN / REGISTER'. Below the navigation bar is a search bar with the text 'City, Region, State, Zip or Course' and a 'Select Date' dropdown. The search results show a breadcrumb trail: 'United States > Colorado > Denver, CO Area > Denver > 80249 > Green Valley Ranch Golf Club'. The main content area features the title 'Green Valley Ranch Golf Club' with a heart icon, followed by the address '4900 HIMALAYA RD , DENVER, CO 80249 (MAP)'. A large photograph of a golf course is displayed. To the right of the photo, a large white arrow points down to a red message box that reads: 'Sorry, tee times are not currently offered at this course. Choose one of the thousands of other options to continue your Battle vs. Par!'. Below the message box, there is a link that says 'Not finding what you're looking for?' and a button that says 'Find Tee Times Nearby'.

Or you may see this from Supreme Golf as in the diagram to the right. It's easy to imagine a golfer looking for this course to think that it's full or doesn't even exist. GolfNow used to deploy this practice, but it appears they've stopped. Meanwhile, other search tactics are used to leapfrog your name in a Google search by most OTTAs. It's bait and switch, pure and simple. In a way, it's brand-stealing.

Can you stop it? Yes! Trademark your course name. It's the only way search engines will honor a request or demand that your name not be used without your permission. Contact Jared Williams at the USA

Tee Time Coalition for more information about trademarking. Trademarking will cost you some money, but the benefits are well worth the price, likely in the \$800 - \$1200 range.

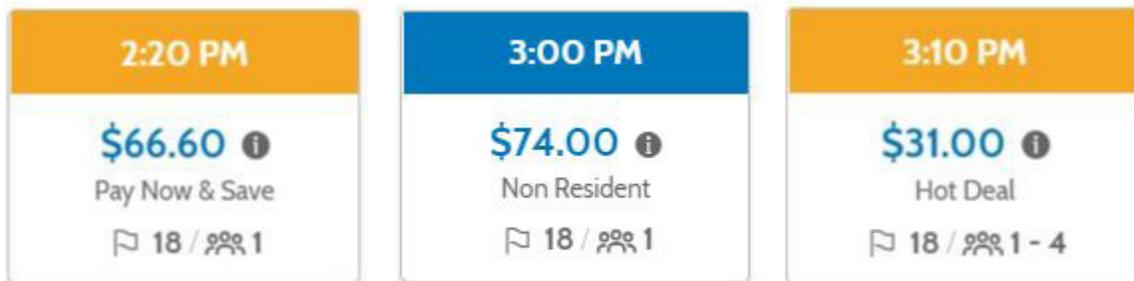


Pay Now & Save

New on the scene is GolfNow's "Pay Now & Save." It's another way for GolfNow to make more money without adding more barter times.

Prior to the development of the "Pay Now & Save" option, the only orange banner utilized was for "Hot Deals," as seen below.

"Pay Now & Save" offerings also utilize the orange banner, for a non-bartered tee time.



Hot Deal seekers are being steered toward course-owned tee times that were not bartered inventory. If purchased, this sale generates ZERO revenue for the course. In this case, an option for a single golfer to play at 2:20 p.m. for \$66.60.

If the golfer chooses to play at 2:20 and selects the “Pay Now & Save” option, the rates to the right are displayed.

In this case, the 2:20 tee time might be more attractive to the golfer than the 3:10 time, despite the over 50% difference in price and 50 minutes in time.

The golfer faces a choice in this example. Either choose the regular course rate of \$74 and pay at the course, whereby the course receives the revenue, or choose the 10% savings with the “Pay Now & Save” option whereby GolfNow receives the revenue as displayed in the transaction summary image below:

Select Rate

Select from the rates below and click “Select Rate” to proceed to book your tee time.

2:20 PM Available Rates

\$66.60 Pay Now & Save Select Rate

Golfers: 1 Holes: 18 Cart: Not Included

Earn up to 2 pts

\$74.00 Non Resident Select Rate

Golfers: 1 Holes: 18 Cart: Not Included

Earn up to 2 pts

Summary	
Green Fees (1 Golfer X \$66.60)	\$66.60
i Convenience Fee	\$3.49
Estimated Taxes	\$0.00
Total	\$70.09
Due at Course	\$0.00
Due i	\$70.09
(You won't be charged until Oct 5 at 2:20PM)	

By choosing “Pay Now & Save,” no money is due at the course and GolfNow has sold a course-owned \$74.00 non-bartered tee time at a 10% discount and keeps the money.

GolfNow, as shown below, then reduces the previously displayed 3:10 Hot Deal time by one from “1-4” to “1-3” golfers. Is this to the advantage of the golf course or GolfNow?



“Pay Now & Save” is insurance against Hot Deal times not sold. Remember, GolfNow only sells about 65% of its barter times. By selling a course-owned time at a higher rate (\$66.60) in place of the original Hot Deal rate of \$31.00 GolfNow grosses \$35.60 extra in additional green fee revenue for this single transaction - the swap of a potentially unused Hot Deal for a non-Hot Deal “Pay Now & Save” opportunity.

Does this harm golf course price integrity? Yes, especially if the discount opportunity is ever-present. At the point when Hot Deal time(s) aren’t moving off the shelf, it appears the course is offering multiple discount opportunities if paid in advance. As discussed in the previous chapter, do you think this affects the reference price for a particular course? Of course, it does. It’s not as extreme as 25%, 35%, or higher discounts. But it is still a discount.

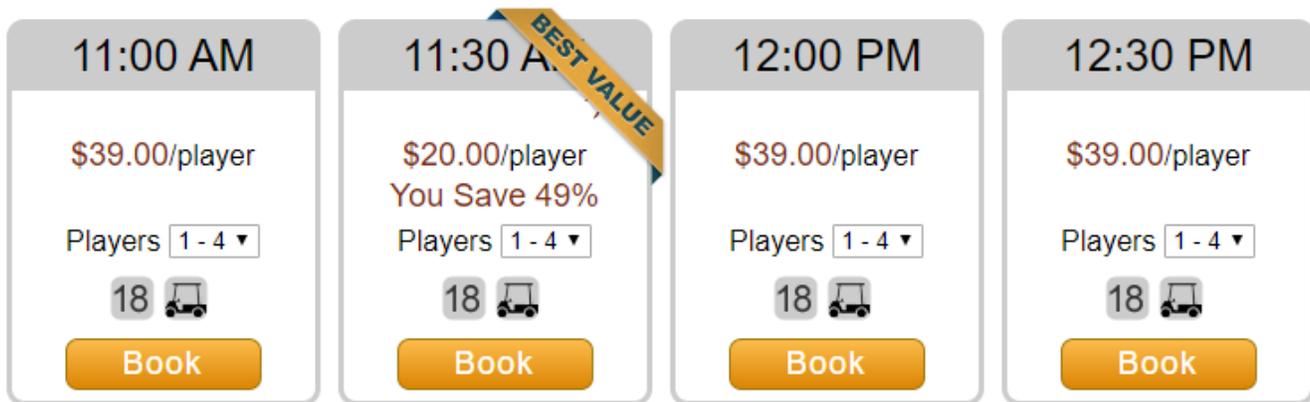
Several NGCOA members weren’t aware the “Pay Now & Save” function had appeared on their GolfNow tee time reservation page, or if it was permitted per contract terms. It’s recommended that you check your GolfNow reservation page and see if “Pay Now & Save” has been activated on your tee times, and confirm if this is the desired functionality or not for your course.

Defend Your Turf

Lastly, both GolfNow and Teeoff (EZLinks) utilize a function that places Hot Deal (GolfNow) and Deal Time (Teeoff) times on the course website tee sheet. The GolfNow offer might look something like this on the course website:

<p>9:50 AM</p> <p>\$94.00 Online Rate \$59.00 Resident 2 to 4 golfers</p> <p>Book Now</p>	<p>10:20 AM</p> <p>\$59.00 Resident \$94.00 Online Rate 2 to 4 golfers</p> <p>Book Now</p>	<p>10:30 AM</p> <p>\$71.00 Hot Deal 1 to 4 golfers You save 24%</p> <p>Book Now</p>	<p>10:50 AM</p> <p>\$94.00 Online Rate \$59.00 Resident 2 to 4 golfers</p> <p>Book Now</p>
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EZLinks/Teeoff's might look like this:



The Golf USA Tee Time Coalition recommends golf course operators not permit barter tee times to be visible/displayed on their course websites with the following points to consider:

- Allowing the OTTA to place its bartered times on the course website creates another sell-through channel for the OTTA. Their online presence and reach far exceed your golf course. Why do they need your help?
- You've worked hard to get golfers to come to your website first to find and reserve tee times. What sense does it make to open the door for your customers to be pulled toward the OTTA website?
- You've done what it takes to market your course as a great \$39, \$68, or \$94 experience. Displaying aggressive discounts next to your rack rates on your site diminishes both your rate integrity and your brand.

Allowing OTTAs to post their discounted bartered time on the course website is at the course's discretion, an important point to consider as part of any contract negotiation. Also important to consider is who gets the customer contact information—you, the OTTA, or both? The data is important and valuable. And while there might be beneficial financial considerations for the course, they likely pale against the threat of losing a customer to an OTTA and to your competitors listed on their sites.

There is at least one GMS provider with the functionality that enables a course operator to post its own flash, hot, or other specials on the course website. The times can appear in a different color with a promotional label, with restrictions controlled by the course.

Sell tee times at a price you choose, keep both the money and the customer data, and train your customers to check your site first for special rates.

Summary

It is your course, your product, and your brand. There is not an OTTA in the industry that should exercise the level of control over price and brand that has seemingly become an industry-standard practice.

Based on comments from the survey and in online forums, it is clearly not an “accepted” industry practice by the part of the industry that owns the brand and product...golf course owners and their tee times.

Golf courses and the golf industry, in general, are not doing a great job of educating golfers as to why price variances for similar times and days are becoming more and more the norm. Restaurant and/or bar patrons understand the same beverage at 5:00 pm may not be the same price at 7:00 pm if Happy Hour is in force. Hotel and airline customers understand that booking earlier will often lead to better rates versus last-minute purchases.

Generally speaking, the majority of golfers understand rate changes associated with certain key times of the day, such as Saturday morning versus Saturday after 1 pm, or after 4 pm, but are not yet capturing the concept of dynamic pricing in golf, or rate variances between an OTTA site and booking directly with the club for a “best rate guarantee.” Many golfers, due to the way tee sheets integrate directly with OTTAs, often believe they are booking directly with the golf course when, in fact, they are booking through an OTTA and paying an additional fee to do so. Then, when low-priced barter times are thrown into the mix, it can be a challenge to explain to a golfer why somebody in the same group, same day, same time could be paying a completely different, and significantly lower or higher fee to play.

The OTTAs’ marketing approach continues to add more fuel to the fire, a fire normally occurring when the customer is standing at the golf course counter inquiring about rate discrepancies. Beyond promoting a “best rate guarantee” on a course website, taking a brief moment to educate the golfer in front of you is a good strategy...and don’t forget to get the customer’s contact information entered into your database.

If you choose to employ an OTTA to list your available tee times, take control of your pricing and manage the brand relationship, regardless of the payment method.

Hold them accountable or let them go.

Chapter Four

Is the Technology Worth the Cost?

As we evolve into a data-driven world (for better or worse), our business success has become directly related to the collection and ownership of data and the efficient use of it. For our purposes, we'll focus on customer data—that which drives the revenue line of retail operations.

The same software tools and services designed to drive customers to the golf course, often obtained through a barter relationship, are converting golf course customers into OTTA customers. As the customers go, so goes their data and access to them, pulled further away from the golf course to the OTTA website, which now offers access to a range of products or services unrelated to your tee sheet.

The value to the golf course in a successful barter relationship is obtaining the software to manage and grow business at an equitable “price.” The golf course gets software; the GMS provider gets tee times to sell. We discuss in Chapter ONE, “Calculating the Cost of Barter,” that the math does not seem to be to the benefit of the golf course operator. Rather, the value equation is skewed toward the GMS provider and its OTTA partner.

Electronic tee sheets entered the golf market in the late 1980s, slowly replacing the ubiquitous paper tee sheet seen spread out on every golf course counter. Up to then, the technology marvel was the fluorescent highlighter (1978 by Dennison Co.).

Coinciding with the expanded use of personal computers came the point of sale systems (PoS), first for the private club market and quickly expanding to public courses along with semi-integrated tee sheets. Couple this with the rapid expansion of the World Wide Web (first limited to land grant university research centers) and, quicker than an Augusta putt, we saw an explosion of golf PoS software starting in the early 1990s.

Maybe the loudest voice on the tee box has been Stuart Lindsay of Edgehill Golf Advisors, who for years has admonished technology providers for their lack of comparative reporting capabilities, and the critical importance of how GMS systems need to passively tie the transaction to the

customer. Most often, the purchase was tied to a tee time. “Mr. 8:40” was an unidentified customer along with whoever else played with him. Marketing to these people was impossible.

Early GMS entries like FORE! Reservations, Fairway Systems, Double Eagle (a DOS product), and the GEN platform within the Active Network all tied 70% to 80% of revenue to individual customers. All the others at best tied 10% of revenue to customers because of inadequate or non-existent integrations.

Newer platforms have a lot of customer data available, including Club Prophet, ForeUp, Chronogolf, Club Caddie, and TenFore (this is not an all-inclusive list). However, customer data may not always be easy to access and use.

Lindsay notes, “The lines of ownership of customer information became blurred, and effective email communication became more difficult due to a lack of integration. Some older platforms had ‘built-in’ email communication modules that used information from the tee sheet and customer data tables to segment customers in different ways. For example, some integrated systems enabled the ability to screen discount offers from going out to golfers already on the tee sheet. This function didn’t work when exporting to a non-integrated OTTA platform(s). The older ‘built-in’ email delivery modules quickly became outdated as email delivery became more filtered, so courses have been almost forced to adopt non-integrated email solutions and have lost the interaction with other data on their tee sheet/PoS platforms.”

The new realm of social media and remarketing advertising adds a whole new wrinkle to the importance of capturing and effectively using customer data. Especially in highly competitive urban and destination markets coupled with a macro flatness in golf rounds and participation, course operators are faced with a disruptive environment whereby conversion of customers from one business to another is more prevalent than ever.

Lindsay continues, “The best solution is to use available technology to gain as much customer information as possible and use it better than you are using it now. The process starts with having a fully integrated tee sheet and PoS system. Critical components include data on customer counts and their value, including year over year comparisons, customer retention, customer value by SKU along with their emails (so you can send them a promotion about Titleist golf balls, for instance), and other reports missing from many systems.”

Given that the newer systems are “cloud” based, there’s no reason why critical reports cannot be built and delivered on a timely basis directly to a manager’s desktop. In Lindsay’s view,

“The harsh reality is that both the technology platform developers and golf course operators are responsible for this lack of functionality.”

The last point is worth reading again. For years we've heard from GMS providers, "If enough of our customers ask for it, we'll put it on our development list."

The NGCOA is asking, and so are our owners and operators.

Summary

Lack of customer tracking capabilities through GMS systems is a crucial reason golf courses are so far behind the retail and hospitality sectors with technology, and a reason OTTAs can take advantage of the technology gap to gain more customers.

OTTAs built their business model upon one key element—customer disintermediation. In this context, OTTAs become a disruptive intermediary between the course and the customer. If they can't drag your customer away from your brand and website (disintermediate), they make no money, and courses make more.

Just as Expedia did early on, harnessing technology far better than that of hotels, OTTAs today enjoy a technology advantage that fuels their success. The result? You either succumb to that or fight back for the sake of your business.

Chapter Five

The Hospitality Handbook

What can we learn from our hotel cousins?

Several years ago, as the Internet began to replace travel agents and a “deal seeker” market developed, the hotel industry was caught off-guard.

You are likely familiar with hospitality OTAs (Online Travel Agents) such as Expedia, Booking.com, Priceline, TripAdvisor, and others. They've effectively replaced most of the local travel agents we worked with to plan and book travel for many years. OTAs present a one-stop shop to search for and book everything from airline seats to hotel rooms to car rentals to walking food tours in Paris (Author's note: Highly recommended). They market themselves as a convenient and sometimes (not always) less expensive alternative to the travel agent whose goal is to sell you an around-the-world cruise, or the vacation of your dreams.

OTAs also provide distribution channels for small, privately held non-chain hotel properties that have little money or expertise to market their properties effectively. Sound familiar? Now, Betsy's Inn by the Beach can be listed right along with any Marriott, Hilton, or Hyatt in the same area. Unfortunately, these small independent properties must pay high commission rates to be listed on OTA websites. It's the old Tony Soprano lament, “Whattayagonna do?”

In 2004, the InterContinental Hotel Group (IHG brands include Holiday Inn, Holiday Inn Express, Crowne Plaza, and more) exited Expedia “in a dispute about trademarks, rate parity, intellectual property, business practices, and economics. IHG objected to such things as Expedia using the chain's trademarks as keywords in search engines and telling consumers there were no more IHG rooms available when it was only Expedia that had run out of rooms (from a wholesale allotment).” (Dennis Schaal, Skift, “A Timeline of Online Travel Agency Battles with Hotels and Airlines,” June 2017).

Golf OTAs have been identified doing many of the same things.

Marriott International is the world's largest hotel chain ranked by total revenue, and third largest ranked by properties (behind Wyndham and Choice Hotels). Distribution and revenue management are massive undertakings with data and algorithms far surpassing golf's capabilities. **However, we have one thing in common—a sometimes uncomfortable relationship with third-party aggregators and distribution channels.**

A discussion with a Marriott revenue management executive revealed how Marriott both cooperates with OTAs but also strategizes against them. It's not a warm and fuzzy relationship; indeed, it's a relationship from which the golf industry can learn valuable lessons about dealing with OTAs.

For starters, bartering of room nights was used in the very early days. Hotels gave up rooms to receive listings under the premise that rooms would sell at "market rates." However, "market rates" was never clearly defined, and hotels soon saw rooms listed at extremely low prices, far below their rack rates. Affected were both rate integrity and brand loyalty. Slowly, the hotels began to lose their grasp of their customers.

It didn't take long before bartering with rooms was abandoned.

U.S. hotels number nearly 56,000, with over five million guest rooms servicing 1.3 billion guest nights annually (American Hotel and Lodging Association). Major chains dominate the market, including Marriott International, Hilton Worldwide, Best Western, Hyatt, Accor Hotels, Wyndham, and more. They control millions of rooms across multiple brands with varying price points. (Example: Marriott with Ritz-Carlton but also Fairfield Inn and Suites).

Pricing each room for each day of the year requires sophisticated technology used by revenue managers who work locally, regionally, and nationally. The key data used to adjust room rates is at their fingertips, incorporating historical data and future modeling into complex algorithms that automatically adjust rates in real-time. Achieving a desired or maximum Average Daily Rate (ADR) is crucial to their profitability, and is the reason why the hotel industry has invested heavily in technology, and why the technology providers have responded with ever-improving Property Management Systems (PMS).

Could golf courses achieve the same level of revenue management as hotels? They haven't in the past and are unlikely to in the future without making investments very few can afford. Without scale, technology providers haven't the promise of a reasonable return on investment to provide courses with tools similar to what hotels use. This economic fact led to barter becoming golf's go-to tactic.

Selling inventory at wholesale rates is another business model for the big lodging chains, one the golf industry also utilizes. In lodging, a \$100 room would be "wholesaled" in quantities for a percentage of that rate. Let's say 500 room-nights at \$69 per room. The OTA (and live travel agents

and group booking concerns) could mark up that rate to whatever they thought would sell, be it conventionally or in packages. Taking the aggressive route, OTAs adopted a volume approach rather than a gross-margin approach, effectively using their growing size and clout to negotiate lower wholesale rates than anyone else and undercutting markets wherever possible. It was all about gaining eyeballs and growing revenue at the temporary expense of profitability, all in the name of market domination and a potential public offering of their high-flying tech stocks.

The big break between Marriott and Expedia occurred when Marriott discovered their wholesale rates appearing on obscure websites out of site from Marriott's revenue managers. Part of the problem was a lack of technology that could track and control wholesale prices that were not meant to be published. Marriott drew a line in the sand with Expedia, forcing it to close its loopholes and made Expedia responsible for rates that aligned with the hotels' rates. At the same time, Marriott invested in new technologies that created greater transparency with how Expedia and other third-parties were affecting Marriott's top and bottom lines.

Now, the business standard in that industry is commissions. While the small, non-chain hotels might pay 25%-35% commissions, Marriott and the other major chains have negotiated far better deals in the low to mid-teens. Marriott gained negotiating strength when it bought Starwood (Westin, Sheraton, W, St. Regis, and more) and again negotiated hard with Expedia, stipulating the closing of several technology loopholes. Here is reporting from the website Skift.com, dated April 11, 2019: "Specifically, Marriott and its hotel owners can decide when and where to distribute room rates and inventory and be able to differentiate among Marriott's direct channels, thereby reducing the overall costs they pay to sell their rooms online."

New technology is helping hotels increase their direct bookings by spotlighting the OTA rates on the hotel website booking engine. Check out the image below from the technology company **Triptease**. Their technology scans OTAs and displays OTA prices right next to the hotel's rate. Why would anyone looking at this spend \$5 more plus the time to go to Expedia, Travelocity, or others? Also, if a channel given wholesale rates abuses the rate parity agreement, Triptease alerts the hotel so the disparity can be remedied.

Imagine if courses using GolfNow could show the GolfNow rate, including transaction fees, right next to the course-posted rate? And for those using TeeOff, picture them being able to spotlight “15% prepayment required.” Perhaps we could go a step further and set up the technology so that it monitors bartered times to assure that any agreed-to floor is maintained, sending an alert to the course as soon as it isn’t.

This technology is out there, and by all means, golf could use this kind of transparency.

Technology, as well as improved marketing and loyalty programs (Bonvoy), is integral to Marriott’s pursuit of more direct bookings. Direct bookings are the goal for hotel operators and should be for golf course operators too. Skift this year reported that the global percentage of OTA hotel reservations has dropped to 13%. Before its purchase by Marriott, Starwood had a much higher OTA reservation rate that Marriott is working hard to reverse. Marriott’s OTA reservation rate varies by location (local vs. destination), but today does not top 35% and is trending more toward the much lower global rate.

Summary

The lodging industry has provided valuable lessons to golf course owners:

Barter proved to be a bad strategy.

1. “We’ll bring you incremental business “ is what OTAs told hotel companies, and the results simply weren’t there. Testimony from numerous course operators listing times on OTAs tells us that little if any incremental revenue is generated by golf deal seekers.

2. If you give wholesale rates, issue firm restrictions on how and where they can be used and priced.
3. Commission is the best business model by far. Negotiate in your favor. Fully understand what's profitable for you.
4. Third parties are in the business of selling price. A Motel 6 can be listed right alongside a Ritz-Carlton. A muni in Podunk, USA, can be listed alongside Augusta National (okay, not really, but you get the point, we hope). Your brand suffers unless you practice aggressive marketing that differentiates you from others and convinces customers that booking directly on your website is a better experience.
5. Do all you can to obtain and retain customer loyalty. Promote that the best rates are on your website. Develop a solid loyalty program. Upgrade your customer service. Don't let the third parties gain the advantage. Remember, you are the one in contact with the customer, face to face, not them. Take full advantage of this by obtaining customer contact data and elevating your service above that of any third party. If the technology used currently makes this difficult, find better tech, even if it costs you more. Think long-term and big-picture. Your success, maybe your survival, depends on it.

While hotels are reclaiming their customers and seeing more reservations made on their websites, OTAs are scurrying to develop new verticals beyond hotels. In a Feb. 2019 article on Skift, Dennis Schaal notes the megatrends of OTAs branching into apartments and vacation rentals, tours and activities, restaurants, food delivery, and ridesharing.

It's happening with OTTAs also—take note of GolfNow's "Shop with Golf," GOLFPASS, TeeOff's DEAL Pass, and offers for travel and lessons. These are devices designed to attract and keep golfers' attention and business that most golf courses cannot duplicate, and/or compete against.

Chapter Six

Case Studies

Let's Hear From Our Peers

Responses from our survey about barter provided an opportunity to dive deeper with two of our respondents. They were willing to put their stories out there for study, for which we are extremely appreciative. We could write forever about academic studies and economic theories that debunk barter, but nothing beats hearing it from our peers.

What follows are two compelling case studies. The first involves a multi-course operator, and the second is about two municipal facilities. Both owners discarded barter relationships from their business plans and are succeeding with increased revenue driven by an increase in paid rounds played.

Case Study One

Phoenix: Rising or Falling?

The Phoenix Market

So much of what's been introduced in golf course technology has arisen in the Phoenix market. Besides being one of the top U.S. golf destination markets and home to maybe the most successful PGA Tour event (Waste Management Phoenix Open), it's a metro whose local golfers enjoy an abundance of course types and experiences.

Perhaps it is this golf-intense culture that has incubated technologies like GolfSwitch, E2E Golf Solutions, Greens.com, ProLink GPS, Quick 18, ORCA, Sagacity Golf, and of course, Cypress Golf Solutions/GolfNow.

Phoenix is also the market where rounds bartered for technology services evolved. It started in the late 1990s with GolfSwitch, a booking engine service that connected new electronic tee sheets

with the Internet and made tee times available to distribution channels worldwide. Course operators in the Phoenix market jumped at the chance to have their tee times made available across the burgeoning World Wide Web, and started seeing online reservations from Canada, Japan, the U.S., and elsewhere. Eureka!

Cypress Golf Solutions/GolfNow capitalized on the barter proposition with a more robust booking engine and marketing plan. GolfSwitch's Golfhub.com consumer-facing tee time disposal website couldn't compete with how Cypress first propagated with URLs like golf602.com and golf707.com, all registered in 2002. Both also capitalized on how slowly the GMS providers moved to develop online booking engine technology. Golf courses supplied the product—tee times. The real customer was the golfer.

But recently, the tee time business in the Phoenix market has been reverting to a direct-to-consumer mentality, due to the availability of new data from a local source that course operators never had before.

Phoenix resident and golf industry veteran Mike Loustalot created ORCA and the ORCA Report, which aggregates course data from a variety of GMS systems and helps operators understand their position in their market via benchmarks and key performance indicators. Among those KPIs is the calculation of "barter opportunity cost" - a clear depiction of revenue a course is potentially missing by giving up tee times in a barter arrangement. For your reference, ORCA has evolved to become Sagacity Golf, and the ORCA Report is now Benchmark by Sagacity Golf (sagacitygolf.com).

An interesting component of the Phoenix market improvement includes courses managed by OB Sports, a major golf course management company headquartered in Scottsdale and now owned by Troon. The changes OB Sports made and the reasons for them are significant and have led other Phoenix courses to follow their lead.

Because of the geographical overlap of OB Sports and Cypress Golf Solutions/GolfNow, OB has always been at the center of third-party marketing and the barter revenue model. However, OB's executives, in particular, CEO Phil Green, over time, grew weary of giving up tee times in return for course tee time listings on GolfNow. The cost/benefit analysis provided by GolfNow itself was incomplete.

Green called in Loustalot to run numbers from the various PoS systems, the result being the creation of ORCA along with OB getting a fresh and revealing data set to consider. Four key ORCA calculations fueled their strategy and ultimate decisions.

ORCA stands for:

O - Occupancy %

R - RevPar - Revenue Per Available Round

C - Channel Mix

A - Average Rate Per Round

ORCA gathered a critical mass of 70-plus courses in greater Phoenix to utilize the data ORCA analyzed, and act upon it. Client courses began to understand barter opportunity costs. They learned how to minimize the cost and recoup that revenue by doing things such as:

- Gathering the contact information of every third-party customer sent their way.
- Pricing smarter by daypart, such as morning, afternoon, twilight, etc.
- Communicating directly with customers to reserve on the course's website, with best-rate guarantees and additional savings in the form of no transaction fee.

The results are startling. Comparing Q1 of 2016 to Q1 of 2019, here is what we know:

- Rounds played grew by 1.6%.
- The average revenue per round increased by 15%. Increased rates held!
- Website bookings increased by 49%.
- Mobile bookings grew 70% (although over a much smaller base)
- **Paid rounds from third parties decreased by 31%.**
- **Bartered rounds redeemed decreased by 3%.**

The last two points are critical to this discussion.

Third parties delivered far less value in 2019, with 31% fewer paid rounds delivered to course clients than in 2016. **These numbers indicate the enhanced data-collection and marketing efforts undertaken by ORCA-connected courses works.** Along with the 3% drop in barter rounds redeemed, the third-party share of the Phoenix market has been negatively affected by course operators using the ORCA data to increase awareness and claw back revenue that was going elsewhere.

It's a model that's been proven to work and could be adopted anywhere.

Barter Opportunity Cost - Calculating Barter Opportunity Cost is done by taking the average rate for the paid rounds in the same day and daypart as the barter round and multiplying that average rate by the number of barter rounds. This method would illustrate the revenue oppor-

tunity if the course sold these rounds at the same rate other rounds sold for on the same day and daypart. It does not mean the OTTA sold the rounds at that price, nor does it mean the golf course could have sold all the barter rounds itself. It merely provides a reference point, albeit a close one since GolfNow is attempting to sell the round at the highest amount, and they are always viewing the course's offered times.

Ratio of Barter Rounds to Paid Rounds - Simply stated, this means for each barter round accepted (played), how many paid rounds from the OTTA did the golf course receive (again, played)? If a golf course accepted 100 barter rounds in a month and received 500 paid rounds, the Barter to Paid Rounds Ratio is 1:5, or 20%. It is important to note that any report from GolfNow that quantifies the rounds "played" via GolfNow Central is likely overstated (versus the paid-round stat) because GolfNow can only report on booked rounds. ORCA's work has identified a short-show, no-show rate of approximately 10%. Individual golf course short-show, no-show rates could vary.

Day/Daypart Mix of Paid Rounds from OTTA - Question: Where on the tee sheet do all the paid rounds from the OTTA congregate? The answer might surprise you. What started in 2002 as a way to fill unsold or less desirable areas of the tee sheet has undergone a 180-degree change. The observation made in this analysis showed that more than 65% of the rounds were played before noon, and approximately 33% of the rounds were played on Friday, Saturday, and Sunday. What started as a way to sell off-peak times, has now morphed into a platform to sell peak times. In other words, courses more and more have been paying to have GolfNow fill times they likely would have sold anyway.

Overall Contribution of OTTA Paid Rounds to Total Revenue - For the OB Sports golf courses analyzed, the average annual green fee revenue was \$1,500,000. Included in that amount was approximately \$120,000 of green fee revenue contributed by the OTTA. A little less than 8% of the overall revenue was delivered from the OTTA, and almost 50% of that amount was delivered during peak hours.

With the proper planning and lead time, it was believed by the leadership at OB Sports there was a high probability they could sell all the weekend times up to noon that were being delivered by the OTTA. This accounted for 43% of all third-party rounds. It was believed the \$120,000 in green fee revenue that was being put "at-risk" had a high likelihood of being replaced since it did not all fall at once, i.e., they had 365 days to replace the revenue. The 20% commission (barter to paid ratio) seemed too steep a price to pay for rounds filling peak times.

Additional facts of the relationship that never sat well with OB Sports include the lack of rate parity between the course times and the barter times, the fact that GolfNow did not share the email addresses of the players booked, and GolfNow's continued insistence on marketing discounts rather than selection.

The Barter Opportunity Cost project led to the creation of the ORCA Report. Not only did Loustalot create the Barter Opportunity Cost calculation, he also analyzed the day-and-daypart rounds-and-revenue mix for the OB Sports portfolio. It was during this phase of the analysis where thoughts of a broader benchmarking report came into focus. The management and analysis of green fee-related revenue includes utilization, average rate, and revenue per available round calculations—similar to the hotel industry’s occupancy, average daily rate, and revenue per available room night. The golf industry needed an independent, validated, anonymous, and confidential benchmarking platform similar to the STAR report in the hotel industry. Thanks to OB Sports, the ORCA Report was created. And with it, OB Sports developed the plans to exit GolfNow completely in the third quarter of 2016.

Leading up to the cutoff date, the marketing team at OB Sports laid out a simple strategy called “The Direct Advantage.” Golfers would find the best rates and the best access to tee times by dealing with the golf course directly either through the phone, web, or mobile application. Sixty days before removing tee times from GolfNow, the staff at all the golf courses began to notify those golfers who booked through GolfNow that the course would be off GolfNow later in the fall, and they should go directly to the golf course website to book times. There they would see the best inventory, lowest rates, and no booking fees.

The ORCA Report became the feedback loop OB Sports used to monitor the ongoing performance at each facility. Each month the marketing team would review period-over-period performance, and work with the revenue management team to make sure all reasonable steps were taken to attract golfers and price tee times in such a way as to minimize the negative impact of closing a channel that had been driving almost eight percent of green fee revenue.

2017 - Going Direct to Consumer - For the first time in more than 10 years, the OB Sports portfolio was functioning without the marketing support of the GolfNow.com Marketplace. Exiting GolfNow was certainly a risk, but it was one the team felt they had adequately evaluated. **The key to a successful transition, all other things being equal (course condition, economy, weather), was a successful direct-to-consumer marketing strategy.**

Each golf course in the OB Sports portfolio had a successful and thriving loyalty program with hundreds of current members, plus thousands of golfers in the golf course email database. It was going to be up to the marketing team to effectively engage these folks to play more golf.

For OB Sports to get the most from their Direct to Consumer strategy, they believed it required a change from their existing web and mobile booking engines. They adopted new technology to meet the requirement. The new technology provider (Quick18) offered several unique features that are very consumer-friendly and would translate to more online bookings. On the web booking engine solution, OB was able to offer a view providing multiple price points for the same tee time, enabling the golf course to offer packages, individual tee times, and prices for different customer groups all on the same screen. Included is a “native” mobile app integrating the booking

process to a seamless solution requiring only three taps and a swipe to book a round of golf. The mobile app also allows a customer to log in and remain logged in so that if they are a cardholder or member, the pricing they see is exclusive to their program privileges.

Rounds Down, Revenue Up - For the calendar year 2017, rounds played were down 3.2% across the OB Sports portfolio affected by this decision. (Important to note, the 2016 numbers included barter rounds that accounted for 2.6% of the overall rounds mix.). However, the average rate was up 6.4%, and the resulting revenue was up 3.0%. The plan had worked—the OB Sports portfolio saw an overall increase in green fee revenue.

Cardholders (OB Sports Loyalty Program) Fill the Void - In 2016, 31% of rounds played were by cardholders at the OB Sports facilities. In 2017, cardholder rounds increased by 5.8% to 34% of overall rounds played. A combination of more rounds played by existing cardholders and an increase in cardholder subscriptions fueled the growth.

Direct-to-Customer Online Bookings Grow - The switch to the new booking engine and tee sheet, along with increased mobile activity, contributed to significant growth in online bookings in the 2017 season. Some 30% of all rounds played at the OB Sports portfolio were booked online direct (golf course website, mobile app) - a 26% increase from 2016.

2018 - OTTA Distribution on OB's Terms - There can be no fate worse for an OTTA Marketplace than losing the participation of inventory providers—they provide the content that generates an OTTA's revenue and profits. The departure of the OB Sports portfolio in 2017 removed popular golf courses from the Phoenix, Tucson, and Las Vegas markets, not to mention an estimated \$500,000 in barter revenue, and thousands of tee time transactions. The fact that the OB Sports courses had survived the transition had upped the ante, and before too long, GolfNow had to find a way to get them back on the Marketplace or risk losing them forever.

The senior leadership at GolfNow reconnected with OB Sports leadership in the hopes of leveraging their immense resources to entice OB Sports back to the table. Moreover, (and predictably) GolfNow's first move was to offer a financial incentive to the management company for the renewed participation of each golf course. Call it what you will, OB Sports declined the incentive, citing a corporate philosophy that all benefits go to the golf course clients.

Here were the non-negotiable items that OB Sports insisted on if they were to rejoin the network:

- No barter. OB Sports negotiated a flat rate per course to distribute tee times on the GolfNow Marketplace. No more barter rounds, no commissions.
- 100% price control across all channels. OB Sports required GolfNow to integrate their new tee sheet API, enabling the golf course to use its pricing tools to manage rates across all online channels, including golfnow.com. Courses had the flexibility to charge a lower rate on golf

course direct bookings, supporting the best-rate guarantee.

- Sharing of email addresses. Every golfer that booked at an OB Sports golf course on the GolfNow Marketplace, if they opted in, would have their email address shared with the golf course.

2018 Results - Revenue across the affected OB Sports portfolio grew by 8.3% in 2018, seventy-five percent of that growth traced to the revenue delivered by GolfNow. Rounds were up 3.4%. GolfNow contributed 4% to the overall rounds mix and contributed an average of approximately \$95,000 per course in green fee revenue. Direct-to-customer online bookings grew by 6.5% despite the re-introduction of GolfNow.

Can you control the relationship with the OTTA to the benefit of your golf course? Yes.

Case Study Two

Succeeding Without Barter and Third-Party Reliance

Golf Brevard, Inc.—A New Municipal Model

In September of 2018, Golf Brevard, Inc., a 501(c)3 non-profit corporation led by local golfer and CEO Tom Becker, assumed operations of two courses in Brevard County, Florida, Habitat and Spessard Holland. GolfNow had been the PoS system retained by the County, then by Integrity Golf Course Management, and finally, International Golf Maintenance when they stepped in as managers upon Integrity's sudden bankruptcy. The agreement with GolfNow stipulated three times per day per course—essentially 720 rounds per month, over 8,700 zero-revenue rounds per year, in return for the GolfNow (old Fore Reservations) PoS system and marketing for the courses.

Golf Brevard's initial business plan called for the elimination of bartered tee times. Golf Brevard performed a simple calculation and realized what barter was costing them.

Still, taking the step away was a leap of faith.

Newly hired General Manager Mike Yurigan adamantly defended a position that control of the tee sheet was a critical key to success, and giving away golf was not what he wanted to do. Instead, cash is now paid directly for a new GMS system along with service contracted to develop a social media and email strategy that would integrate with other traditional community outreach efforts to achieve target rounds and revenue per round.

Results have been excellent; both the number of rounds and an increase of nearly \$6.00 revenue per round (during high season—somewhat less in low season) have exceeded the previous year. Monthly rounds for 2018 and year-to-date 2019 are listed below, along with weather impact from Pellucid's Cognilogic weather service. More helpful in understanding the results is examining the

high season from January through April 2019, during which total paid rounds played exceeded the previous year by 5%. The increase in revenue per round is directly attributable to receiving income for substantially all rounds played, rather than bartering rounds for PoS and marketing services. Sure, played rounds were down in February and March this year—but the difference in the “missing” rounds are rounds that weren’t paid for when they were bartered. And, February closely tracked with the weather.

	'18 rds	'19 rds	Rds % Chng	GPH '18	GPH '19	GPH % Chng
January	6,049	6,617	9%	179	197	10%
February	8,795	8,173	-7%	212	199	-6%
March	9,146	8,823	-4%	235	243	3%
April	6,650	7,335	9%	253	250	-1%
May	4,435	5,787	23%	235	277	18%
June	3,571	4,792	25%	243	230	-6%
July	3,777	5,024	25%	240	232	-3%
Aug.	3,580	4,260	16%	239	217	-9%
Sept.	3,836	4,811	20%	222	210	-5%
Oct.	4,487	5,297	15%	225	224	-1%
Nov.	5,636	6,609	15%	206	211	2%
Total	59,962	67,528	11%	2489	2490	0%

(Note: GPH = Golf Playable Hours)

The latest rounds report from Golf Datatech through November 2019 shows a 3.7% increase in Orlando rounds played, and a meager 0.4% uptick across the entire state.

Starting in April 2019, Golf Brevard handily outperformed the weather with increased rounds compared to 2018. Even when the weather was extraordinarily better, +18% in May, rounds increased by 23%. This is proof positive that Brevard’s marketing, pricing, service, conditions, likely a combination of everything, are working.

Golf Brevard’s two courses are beating both the weather and the market!

GolfNow’s presentations to Golf Brevard had included estimates of the substantial revenue their systems provided to their courses and the burden they lifted from staff through their tee time scheduling mechanisms. **Instead, Golf Brevard has found that control of the tee sheet and pricing, coupled with an integrated and localized social media marketing outreach, has more than offset the revenue generated by GolfNow.**

However, taking back 24 rounds a day and generating revenue for themselves isn't the entire story. Golf Brevard, under GM Yurigan, put in place three key elements that have won back golfers: Better course conditions, a new work culture, and better customer service.

Yurigan's father is a locally renowned turf guru. He provided valuable advice on how best to allocate and spend the \$490K transitional fund lent by the county to improve conditions and playability. Yurigan the younger evaluated all personnel and, short of completely cleaning house, made changes while instilling a work environment that features cross-responsibilities of tasks and functions. Improved customer service includes better communication with customers. Golf Brevard hired a local marketing person for \$35K a year to handle email marketing and a social media strategy that integrates with other traditional community outreach efforts across multiple platforms. Lastly, ongoing customer service training features a more personalized approach to greeting and transacting with customers.

Becker states, "To isolate PoS bartering as the sole factor in the turnaround would be a huge mistake; however, having the courage to walk away from it was an important step in our initial success."

Courage to walk away...it CAN be done.

Fact: The OTTAs do not have a business without your business - tee times at your course.

Evaluating whether you need an OTTA and how to use them depends on data. We're not talking about complicated equations and algorithms—ORCA has proven that. Whether it is ORCA or data provided by your GMS provider—and they all should be providing this critical data—you need to know the key components described above. If you can't figure it out, get some help. It might cost you a few bucks, but the return can be enormous.

OTTAs are adept at spotting weaknesses and taking advantage of it. Courses that have succumbed have fed OTTAs' success. OB Sports proves it doesn't have to be that way.

Granted, a single course operator (SCO) does not have the resources and strength of a 50-course management company, but **it's about the tee times, the lifeblood of the OTTAs**. We've documented courses giving anywhere from one to four tee times a day, or several per week, at different times of day, with varying floor prices and discounts, or negotiating a commission arrangement, or flat fee cash. **These variations tell us that the OTTAs likely need you more than you need them and will, more often than not, bend over backward to get your business.**

Get the data, figure it out and, if you choose to subscribe to an OTTA and barter, negotiate from a position of strength and help your business thrive by using sound data to drive your strategy.

Chapter Seven

Conclusion

During the period this document was prepared, the golf industry heard rumblings of a major consolidation, a possible merger of the two major OTTAs. The rumbling became an industry tremor on November 20, 2019, with the public announcement that NBC Sports Group, of which GolfNow is a unit, purchased EZLinks/Teeoff.

The material in this document stands as is with the caveat that over time, things may change. They typically do when two dominant forces merge. The NGCOA will continue to remain vigilant to any changes that affect the businesses and livelihoods of our members and golf course operators across the country.

In the current environment, bartering is not in the best interest of our owners, nor is it in the best interest of the golf industry in general. It erodes price in an industry with no shortage of supply and demand challenges.

Opinions from our members for, against, or neutral on barter, were very much appreciated and valued, and although some have found a way to work within the barter model to their advantage, success stories that involve barter are exceptions, not the rule.

You may rest easy thinking you made a great deal with your OTTA or technology provider. The chances are good that there is a better deal out there. Hundreds of conversations and responses from our NGCOA barter survey open the doors to a wide range of payment options for courses looking for ways to pay for their ever more crucial GMS systems, and maybe include a website, email, and a call center.

The NGCOA goal with this guide is to pull back the curtain and reveal what we've learned and confirmed, so course operators can enter negotiations with more knowledge than they've had in the past. Because, just when you think you've made a great deal, someone else is getting a better one.

Documented within this guide is invaluable information, statements, displays, and data from academia, golf industry experts, and the very peers who, like you, keep the grass green and short every day so golfers can enjoy the game we all love.

We believe this report to be definitive regarding the considerations that must be taken into account when bartering tee times to Online Tee Time Agents (OTTAs) and technology providers. We'll happily take the credit if barter fades from view and OTTAs and technology providers conduct business without relying upon other peoples' product for payment—tee times.

Commissions, as but one example, provide a viable alternative, especially if capped at a price that is truly equivalent to the products and services a course may have received from an OTTA.

This model makes it incumbent upon the OTTA to perform, to market your available tee times, with your pricing, to the golfing public. If they fail to do that, it's on them.

Commissions also eliminate the floor-price argument, rate integrity issues, and overbooking—just about everything outlined in the research. Sure, golfers would have to be convinced to pay an upfront fee to reserve—again, that's on the OTTA and how it markets the service. But the course maintains complete control of its tee sheet and rates and knows upfront exactly how much it will end up paying for technology, or the service.

Perhaps the largest takeaway from these results comes down to the importance of “control” and “ownership” of your products and databases.

As the Golf USA Tee Time Coalition actively advocates, it is critical to your relationship with the OTTA to ensure it is a) beneficial to you, the owner/operator, and, b) has the requisite level of management controls so your price and brand are protected.

Best practices were pulled from our survey responses and research contributions to this guide and are included in the **Afterword**. It is far from an all-inclusive list of practices, as the range of relationships possible between course operators and OTTAs is always evolving, but proven practices are presented to help your business.

In conclusion, and to be sure, we do not advocate the demise of OTTAs. They have their place in golf just as OTAs have their place in hospitality. Rather, as we enter the third decade of this millennium, we advocate a change in how they do business.

“The last thing golf courses need is more people playing free golf.”

Jay Karen, CEO, National Golf Course Owners Association

Afterword and Best Practices

Jay Karen, CEO

National Golf Course Owners Association

Trade associations like NGCOA are prohibited from engaging our members in ways that directly aim to increase the price of their products or services to the general public. But we are not prohibited from warning our members about business practices that are resulting in substantial, widespread and illogical decreases in price. Such warnings are paramount when our industry has seen a corresponding slide in demand for our product.

Through this resource, we are attempting to shine light and bring clarity to a relatively dark and opaque business practice. When it is difficult to measure the “quo” in a quid pro quo, a healthy amount of skepticism should be present. When we see golf courses bartering their inventory, thereby ceding pricing authority over their inventory to disintermediaries, it becomes critical to understand the complexities and consequences.

We believe course operators should not engage in barter methods of compensation with online tee time agencies unless the conditions and results are measurably and indisputably favorable to your business. Key to that condition is that you can actually measure what you are getting in return. If you are not extracting proper value from it, and you cannot measure that value, then you are simply allowing a vendor to provide you service while giving them unfettered access to your till.

Below is a sampling of terms and conditions you should ensure are part of your relationship with your OTTA.

Data

- Calculate your Cost of Barter and Barter Opportunity Cost. If you're not able to calculate your return on the investment, nor the Barter Opportunity Cost, seek an alternative method of compensating your OTTA.
- Learn how to use the data in your own systems and implement strategies to focus on areas of improvement. Benchmarking (with Sagacity) is NGCOA's recommended tool for doing this.

- Retain ownership of all customer data in all situations.
- Ensure that you receive all relevant contact information (name and email at minimum) automatically and regularly of every customer who books at your facility through an OTTA.
- Do not allow OTTAs the ability to market their services to your homegrown database of customers. Their value is supposed to be about bringing you new customers, so they should not be able to harvest what you built over many years.
- Require OTTAs to give the customer an opportunity to share their email with your golf course when booking at your course via an OTTA.
- Make it a high priority among your staff the task of collecting customer data/emails. Help your staff better understand the importance of this to the success of the operation and their employment.

Pricing, Integrity, Brand, and Discounts

- Trademark your course name. Protect your brand and make sure third-parties don't abuse it.
- Maintain full price control through better contract negotiations with OTTAs.
- Ensure your agreement prohibits OTTA coupons and promos from being used on your non-bartered tee times, which could result in the circumnavigating of "floor pricing" agreements.
- Forecast your low demand times and search for added value alternatives to discounts, such as food and beverage bonuses, merchandise draws, on-course competitions, etc.
- Do your own "daily deals". Control your own pricing 100% of the time and barter nothing. It will be a little more effort, but well worth it in the end. Ask your GMS provider if functionality exists to highlight and post special rates and deals similar to how the OTTAs post their "deals."
- Ensure you are not promoting barter times on your own course website. Why divert traffic from your own website?
- Focus on "right pricing"—think about consumer price, not net rate, and be sure to charge enough for walk-ins.
- Inelastic demand days (gathered from data) do not need discounts to move tee time inventory. Understand the inelasticity of tee time inventory.
- Maintain control of last-minute bookings. Do not assume dropping your rates will stimulate demand. Your last customer should have the highest rate, not the lowest rate. Educate the market to NOT wait until the last minute.
- If you choose to barter, negotiate a maximum discount on the trade times, and ask for a percentage of the revenue earned from the green fee.

General

- Tight on cash? Set up a technology fund using one tee time a day, or at a periodicity that supports your requirements. If third parties can sell that time at 30%, 40%, or 50% off, so can you

and you keep the money.

- Promote “Best Rate Guarantee” prominently on your website, emails, and social media. Train customers - especially new ones - to look to you first, not the OTTA, for any promotions.
- Get a market analysis from an expert. Use it to calculate your share of the market and determine what kind of OTTA relationship you need, or don't.
- Compete on your merits, including conditions, value, and relationships with your customers.
- Make sure you have a secure, up-to-date website and booking engine, and maintain it regularly. Your web presence can and should be as impressive as the OTTAs.
- Strategically allocate your golf rounds to various channels. Booking choices must be managed strategically. Be careful whom you select as partners.
- Create your own market, within your portfolio of courses, or as a collection of independent courses in a region and build loyalty within.
- Create your own customer loyalty program.
- Manage your contract and hold your OTTA accountable. Incorporate AND track a price floor and time restrictions. The time restriction is incredibly important.
- Demand alternatives to barter, including commission and cash payment for services, assuming the cash payment options reflect reasonable, market-driven prices for such services. In other words, the cash price should not be inflated to drive business towards barter.
- Always remember, OTTAs sell price, not product. Plan accordingly.

Oftentimes a single course operator feels, at best, seduced by great promises to boost their business, and at worse helpless and powerless at the negotiating table with an OTTA. In the end, it's important to remember this: OTTAs need you more than you need them. If they went out of business, you would not. If golf courses went out of business, so would the OTTAs.

As long as course owners and operators are participating in barter as we know it, online tee time agencies will continue to peddle free golf and the unnecessary, deep discounting of your tee times. If more course operators implement terms that are inherently favorable to them or simply don't do it, the center of gravity will shift to where it should be: at the golf course.

Addendum

Survey Results

The good, the bad, and the ugly...

As noted at the beginning of this report, the NGCOA sent a survey to members in April 2019 to capture viewpoints on barter from our members who are currently bartering for services and/or products, have used barter in the past and have stopped and/or have never considered barter, or may consider barter in the future.

This chapter includes responses to the following questions:

- **Yes, we use barter (currently using)**
- **No, but we once did**
- **No, we've never considered it**

No course names or names of respondents are provided, as we promised confidentiality, and we have edited and/or paraphrased some responses for clarity and brevity.

Many responses were similar, so not all responses have been included. You will see an equitable distribution of responses that aligns with the equal distribution of responses to the survey questions.

We have indicated “SCO” or “MCO” to indicate whether the comment is from a Single-Course Owner/Operator (SCO), or a Multi-Course Owner/Operator (MCO). The results follow:

Yes, we use barter...

This set of comments is from courses currently using barter. Respondents include those who believe in the benefit for their property, those who are generally neutral on the subject, and those who continue to use barter with some level of disdain or concern.

"If you do not do anything in regards to marketing your course and just want players in the door at any price, then bartering is probably an option." (Unknown SCO or MCO)

"We have negotiated a maximum discount of X% on the trade times, and OTTA returns X% of the revenue they generate back to us." (MCO)

"We lost our legacy status (using FORE! Reservations) with GolfNow and were forced to barter tee times until we change PoS systems again. We do not believe in bartering tee times. I think it hurts the whole industry in a big way." (SCO)

"I believe the concern for barter is valid but must be viewed on an individual course level." (MCO)

"It has increased our exposure in a very oversupplied marketplace." (MCO)

"I am now with GolfNow only and trading 2 times per day for PoS, Tee Sheet, E-Mail marketing, and website. As long as golfers continue to search on GolfNow, I think it is important to have a presence on their site." (SCO)

"Bartering our tee times helps when we don't need to put out cash to pay for our software, especially in the early spring and late fall seasons when money is very tight. We realize this ends up costing us more, but cash flow is sometimes a real problem for us." (SCO)

"We purchased the course in 20xx and are using the platform to help develop our database and gain exposure. We do have a pricing floor at X% off the posted rate. The long term is to eliminate the bartering and remove ourselves from the platform once we feel we have built up our database and can market to our golfers ourselves." (SCO)

"We use third-party distribution channels and closely monitor ROI through each channel. We also have procedures in place that we feel gives us a great chance to turn that golfer into someone who books directly through our own channel the next time they play. The third-party trade times are subject to a price floor and time restriction. The time restriction is incredibly important." (MCO)

"We use GolfNow because we have to keep up with our competing clubs for Non-Member Daily Tee Times. I feel GolfNow has ruined the industry and is directly responsible for clubs going out of business." (SCO)

"It has been a decent experience for us. They do not advertise our times any lower than our agreed amount. I think they can be a useful tool that helps us overall, and the times that we are trading are not normally very busy." (SCO)

“Price integrity in the market is the biggest challenge with bartering.” (MCO)

“Perhaps the worst idea ever to hit the golf market, it’s a circular firing squad. We pay GolfNow an X% commission; they cannot sell a time before noon each day, we set the rate which is higher than what people can get on our website.” (SCO)

“Pros of barter: Don’t have to have cash to pay for PoS system and provides some limited marketing resources.

Cons of barter: Lose control of your brand and pricing, very expensive, conditions customers to shop for deals, upsets some customers who didn’t get as good a deal as the online customer, lose the interaction with your customer, your marketing looks just like your competitor’s, and lose understanding of your business.” (SCO)

No, but we once did...

The next set of survey comments are from golf course operators who bartered tee times at one time, and no longer do. Their experiences give us insights on why they abandoned the barter model, and what they’ve done to replace whatever service barter provided. These course operators are not shy about expressing their opinions. Neither are they hesitant to share the lessons they learned and how they’ve moved on successfully.

“We bartered with GolfNow and calculated that we lost \$5,000-6,000 that year as a result of the barter. Now we control all our own pricing 100% of the time and barter nothing!” (SCO)

“We used bartering to pay for our PoS with EZLinks - a losing proposition. We determined that our barter rounds were golfers that were just looking for a bargain. They never played our course other than the super discounted barter time. They also did not purchase items in our pro shop or snack bar. We left EZLinks and have not bartered again. We have had no impact in our rounds due to not being on EZLinks, GolfNow, or any other third-party tee time company.” (SCO)

“Last year the total number of rounds was over 600, which were sold on average for \$31 each and totals roughly \$18,600 that a third-party made off our product. We have since switched point of sale systems and will be paying roughly \$6,000 per year for this system. We will now offer (and fully control) our own ‘daily deal’ on our website - there are golfers out there who will simply only play when they can get something like that. Should we still sell 600 per year we will now see a net of \$12,000 (revenue \$ - cost of the new system) vs \$0. It will be a little more effort on our part for putting in the daily deals but well worth it in the end.” (SCO)

“For courses that have become dependent on OTTAs, I understand the fear of moving away. I can

only speak for our course, but there was no negative impact on revenue. My staff appreciates that there is no questioning on price and no negative interaction with the golfer regarding what our value is based on 'Hot Deal' rates. All golfers are treated the same and appreciate the value we have to offer. If you do not do anything in regards to marketing your course and just want players in the door at any price, then bartering is probably an option. It's just not something we care to be involved in." (SCO)

"They have probably done more to lower the perceived value of golf than any other factor with their hot deals, etc. Users have no idea the golf courses get no money from those tee times." (SCO)

"When we tried GolfNow, 90% of our GolfNow sales were the Hot Deal (bartered) times. Very few rounds were sold by GolfNow during the 'non-peak' times (as they touted during the sales pitch). We often ran into trouble with cart damage, dress code, and alcohol issues with the Hot Deal customers. When we had to address issues with Hot Deal customers, they would become argumentative and threaten to destroy us with horrible ratings on the GolfNow rating website (Golf Advisor). Since we had no recourse through GolfNow, we were held hostage by these hostile GolfNow 'bullies'. Our Club membership was very unhappy with the appearance, behavior, and highly discounted price brought in by the GolfNow Hot Deal customers. At the one-year mark, we terminated our trial run with GolfNow." (SCO)

"Our course at one time did have barter with GN but 3 years ago we decided to end our relationship with them due to their deceptive business practices, primarily their very secretive 'ResAssist' program which most courses are still unaware of. It works very much like the airline model where they overbook seats but in our case tee times. Guest believes we are the culprit, so we were squeezing times in and GN was making extra money on booking fees. Fast forward 3 years and we struck a deal with GN and instead of using barter times we pay them an annual fee to list times on their website. Bookings did not decrease during that time we were gone and in fact, revenues increased since there was no barter." (MCO)

"When all was said and done, we determined we could do much better on our own - knowing it required qualified people who have the expertise & extend great effort (called hard work) --- this is where many will fall short. We have chosen the path less traveled, and it has made all the difference." (Muni)

"All of the facilities we are fortunate to assist must agree to remove themselves from any barter agreements. We feel our success is a direct result of getting out of the toxic environment of bartering. Our profitability is the proof and, although that is not the only factor in building for future success, it is an imperative first step." (MCO)

"No noticeable increase in online bookings occurred during our time bartering tee times with a

third-party vendor. However, the vendor's tee time sold roughly 95% of the days. Once we canceled our relationship with the third-party vendor, our online bookings increased as we took control of our own tee sheet pricing. Our database has also doubled, since we are now collecting all email addresses from our website online bookers, instead of those email addresses being collected and stored in the third-party vendor database." (SCO)

No, we've never considered it...

Our survey found many courses that have never bartered with an OTTA. How and why they've resisted are shown in the following selected statements.

"Price integrity is extremely important. Bartering erodes that integrity. The 'cost' of bartering is staggering when evaluating the big picture." (MCO)

"An understanding of basic economics and how it impacts consumer buying habits is instructive on why bartering will not work long term. Bartering company revenue is purportedly derived from 'tee times,' which they sell in order to get paid, but in fact, they get more value from the golfer contact data and history of spending habits of the golfing public. Consumers get drawn into the promise of a 'best rate' value proposition...and develop their habit of looking first at the barter sites for the best 'deal' at any number of courses. Armed with golfer contact info, the barter company is then positioned to make direct contact with 'our' golfer population and bypass our course web sites. Allowing barter companies to control and market our tee times undermines the 'stickiness' value proposition of a good experience at our course, with a 'perceived' value of lower cost golf alternatives." (Unknown SCO or MCO)

"We made the decision early on to never use third-party resellers, barter, or fee-based. We have never sold one round through third parties and never will. And we manage most of the municipal golf in a large urban market. We have our own loyalty and rewards program with reciprocal privileges between the various municipalities for which we manage, as well as a central reservation center, so golfers in the market are incentivized to golf within our portfolio of courses. As a result, third party resellers have never taken hold and destroyed our market as they have done in many other markets." (MCO)

"We take pride in our facility and the service we provide to the customer. I really think if operators go out of their way to take care of the customer, they will, in turn, support you." (SCO)

"We do not understand why we would give inventory to an OTTA that is going to try to lure our customers away from us by offering underpriced golf." (SCO)

"I would never barter tee times. It creates a downward spiral of rates when someone sells your

product at a reduced rate. Your best rate should be one the course owner or operator sells. I don't use a third party marketing firm and if I did, I would compensate them with commission only." (SCO)

"I own a small golf course (revenue <350k), and I will never barter with an OTTA. I will leave the OTTAs to my larger competitors and I will compete on conditions, value and the relationships with my customers." (SCO)

"We have always considered bartering as a bad business model. It promotes underpricing your product with no control. Long term, it will be used against you in the open market. That is my short answer." (SCO)

"It reminds me of when I was in the petroleum business where people will drive a mile out of their way for a penny and then never set foot in your store to patronize your entire business model. They have zero loyalty, and bartered times (customers) are no different." (SCO)

"I don't barter tee times because it is my strong conviction that I am the only one to sell my product. We do rent a tee time management program and also distribute tee times online. But as I said: we RENT the program, and I am willing to pay for that because I set the price and I sell." (SCO)

"Third-party distributors' marketing campaigns are designed about delivering rounds of golf at a discount, period. So currently, the message is solely one of discounted golf. This helps deliver the brand promise of the third-party distributor and it does nothing to develop the brand of the golf course." (Unknown SCO or MCO)

"There would be a great value to the golf courses if the entire bartered inventory was moved to a separate site. This would confirm to the golfer that they bought the tee time from a third party. A disclaimer of who owns the tee time and who sold it would be made clearer for both the buyer and the golf course that must service the golfer. There are real issues that pop up at the golf course counter that can and do create issues and confrontations between the golfer and the operator. Rain checks, aeration issues, double-booked times and golfers showing up early or late for their bartered times are just a few of the issues that are created when bartered times and non-bartered times appear simultaneously on the same page." (SCO)

Credits and Contacts

Thank you to all who participated in the production of this guide.

To our NGCOA owners and operators, thank you for taking the time from your busy schedules to respond to our survey with details regarding your relationships with OTTAs. What you share allows us to further educate the members of our Association on issues and practices related to barter.

To Harvey Silverman, co-founder of Quick.golf, our lead researcher and author of this guide, including survey-question creation, analysis of all results, engagement with survey respondents, collection of expert golf industry analysis from additional contributors, and the formulation of all this data into a guide and tool we believe will help our owners significantly, the NGCOA extends our sincere appreciation for all of his efforts in producing this publication.

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Interested in becoming a member?

Please contact Jay Andersen, Director of Membership at jandersen@ngcoa.org and visit ngcoa.org to learn how the NGCOA helps our members be more successful through a range of education, advocacy, purchasing programs and initiatives.

END



THE NGCOA IS A VALUABLE SOURCE OF INFORMATION AND EDUCATION FOR THE INDUSTRY'S GOLF COURSE OWNERS AND OPERATORS.

Owners and operators of golf courses throughout the U.S. and the world—from those who run 9-hole facilities in rural locations to owners of the largest golf course portfolios in the most popular golf destinations—look to the National Golf Course Owners Association as a valuable source for information and education, and an advocate for their best interests.

Established in 1979 and headquartered in Charleston, S.C., the NGCOA is the leading authority on the business of golf course ownership and management. The Association represents the industry's key decision makers with ultimate responsibility for golf courses throughout the world. The not-for-profit organization is the only trade association dedicated exclusively to golf course owners and operators.

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