

ALTERNATIVE GOLF EXPERIENCES

FINAL REPORT

*December
2015*



BACKGROUND

There are a wide variety of golf-related experiences that are off-shoots of the traditional game. Their one common thread is that their inception was inspired by traditional golf.

Golf 20/20's Alternative Golf Experiences (A.G.E.) Task Force was formed to evaluate these various activities with the intention of identifying those which have the largest potential for growing the traditional game.

The A.G.E. Task Force identified a “short list” of four alternative golf experiences that warranted further investigation.

A.G.E. Researched

Video Game Golf | Topgolf | FootGolf | Simulator Golf

Surveys completed:

n=3,700

n=1,400

n= 351

n=127

The National Golf Foundation was commissioned to delve into each of the individual A.G.E. to evaluate their characteristics including their health, unique attributes, participant profiles, and relationship with the traditional game of golf. Online surveys were conducted with participants in each of the four A.G.E.



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KEY FINDINGS

- Although many A.G.E. participants are golfers, these experiences also bring in a significant audience of non-golfers (with diverse demographics) and expose them to the concept of traditional golf
 - A.G.E. exposes golf in a comfortable, fun, non-threatening environment, yet highlights many of the most appealing aspects of traditional golf, e.g., friendly competition, social camaraderie, etc. Importantly, all A.G.E. average 2 hours or less
- Compared to the general population of non-golfers, a much higher proportion of A.G.E. non-golfer participants have an interest in playing traditional golf (30-50% vs.11%)
- A third or more of A.G.E. participants indicate their experience with A.G.E. increased their interest in playing traditional golf
- Many A.G.E. participants interested in playing the traditional game aren't aware of beginner programs to get started
- A.G.E. are not hurting the traditional game of golf. They increase engagement and frequency of play among current golfers
- A.G.E. increase interest in golf fandom

Net: There is an opportunity to leverage A.G.E. as a pathway to traditional golf



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ALTERNATIVE GOLF EXPERIENCES

QUICK FACTS



FOOTGOLF



QUICK FACTS

Awareness (unaided)	25,000,000^a
Interested in playing (after concept shown)	42,000,000^a
Average rounds played per year	16
Average length of time played	~2 hours
Typical size of group	4 people
Average \$ spent (per person)	\$17 in playing fees & \$8 in F&B
Locations	445 facilities^b
Estimated rounds played	840,000^b



HEALTH OF ACTIVITY

Very likely to continue playing	87%
Have recommended to a friend	94%
Median. # of people recommended to	15
Satisfied with FootGolf	81%

a) NGF, 2014

b) American FootGolf League, 2015

What's most important to FootGolfers?

- ✓ Fun
- ✓ Being with friends
- ✓ Friendly competition

Relatively more important to FootGolfers than to other A.G.E. Participants

- ✓ Comfortable/non-intimidating environment
- ✓ Game variety
- ✓ Ability to share the experience



TOPGOLF

QUICK FACTS

Play (in 2015)	8,100,000 ^b
Awareness (unaided)	29,000,000 ^a
Interested in playing (after concept shown)	61,000,000 ^a
Average visits per year	4.5
Average length of time played:	~2 hours
Typical size of group	3-4 people
Average \$ spent (per person)	\$43 in hourly rates & \$38 in F&B
Locations	20 facilities
Estimated games played	23,000,000



HEALTH OF ACTIVITY

Very likely to continue playing	90%
Have recommended to a friend	93%
Median. # of people recommended to	8
Satisfied with Topgolf	88%

a) NGF, 2014
b) Topgolf, 2015

What's most important to Topgolfers?

-  Fun
-  Customer service
-  Value for the money

Relatively more important to Topgolfers than to other A.G.E. Participants

-  Food and beverage
-  Ability to share the experience

SIMULATOR GOLF

QUICK FACTS

Play	4,000,000*
Average rounds played per year	24
Average length of time played:	~2 hours
Typical size of group	2 people
Average \$ spent (per person)	\$34 in hourly rates & \$14 in F&B







HEALTH OF ACTIVITY

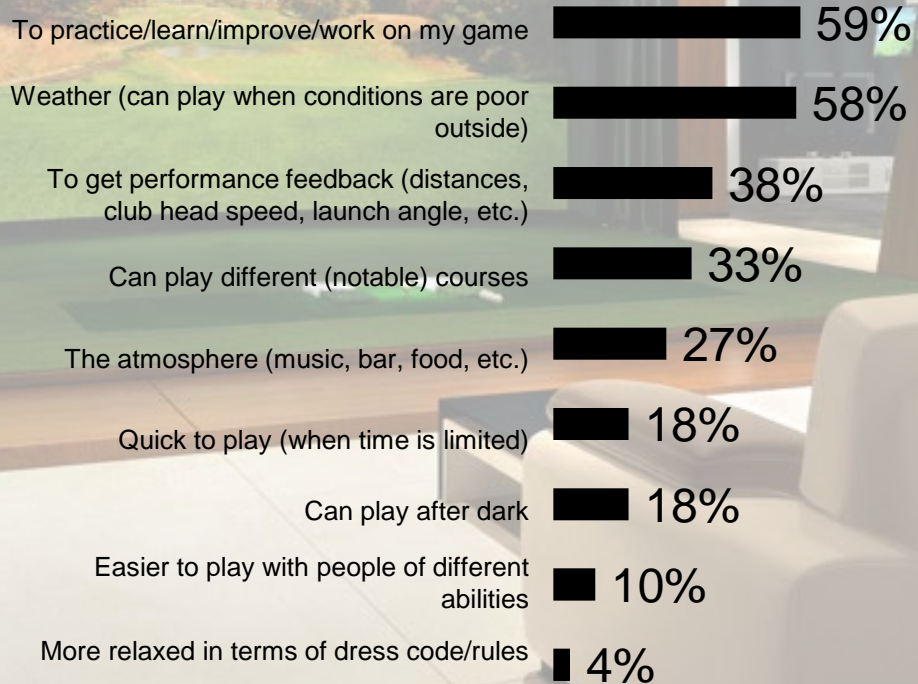
Very likely to continue playing	87%
Have recommended to a friend	90%
Median # of people recommended to	10
Satisfied with Simulator Golf	81%

* NGF PAC

What's most important to simulator golfers?





-  Fun
-  Value for the money
-  Customer service
-  Being able to play in a short amount of time

Reasons simulator golfers play



VIDEO GAME GOLF

QUICK FACTS



Play	Tens of Millions
Average sessions played per year	239  42 
Average length of time played:	~1.5 hours ^a
Average annual \$ spent (per person)	\$103  \$41 

HEALTH OF ACTIVITY^a

Very likely to continue playing	90%
Have recommended to a friend	66%
Median # of people recommended to	5
Satisfied with VGG	69%

a) Average of WGT and EA Sports PGA Tour

What's most important to video game golfers?

-  Fun
-  Value for the money
-  Rendering/Graphics

Relatively more important to Video Game Golfers than to other A.G.E. Participants

-  Game technology
-  Play in a short amount of time



ALTERNATIVE GOLF EXPERIENCES

AND TRADITIONAL GOLF



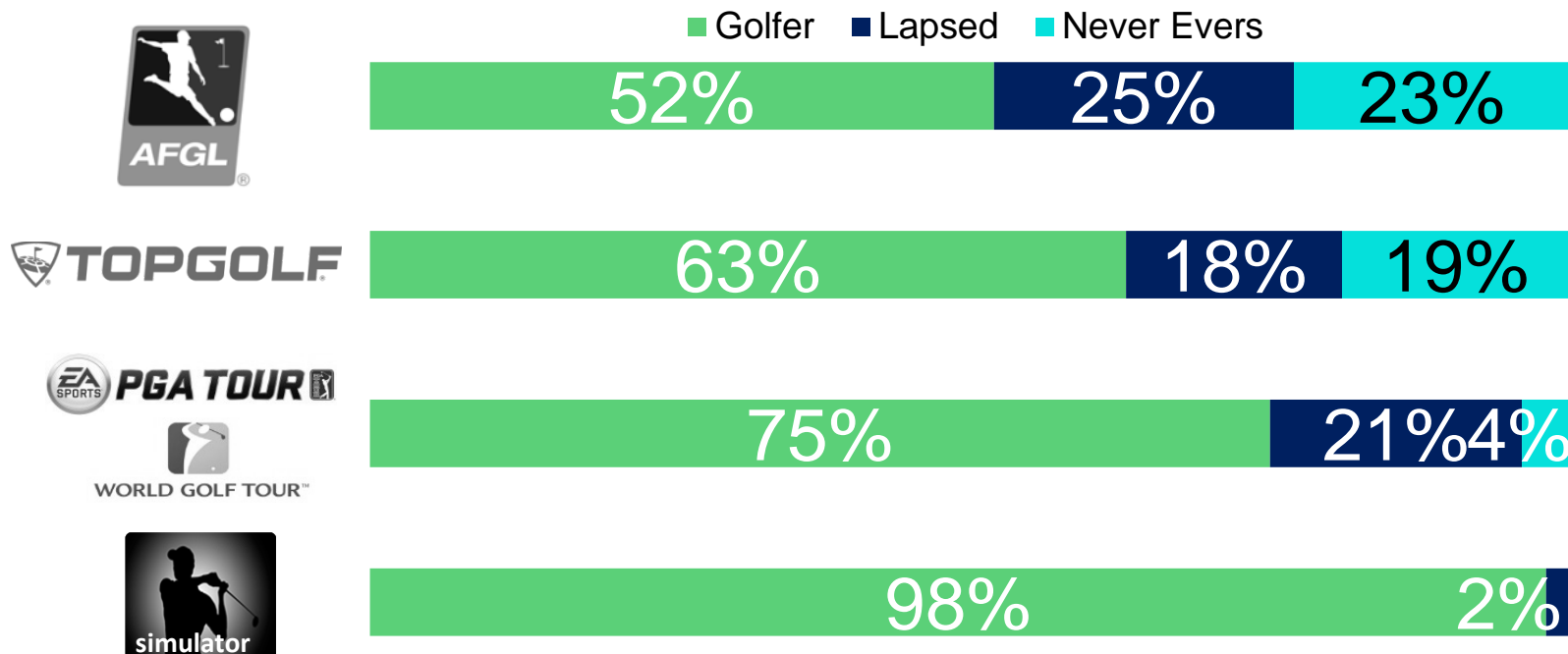
A.G.E. GOLFER STATUS

The majority of all A.G.E. participants have played traditional golf in the past year.

- For each A.G.E., the higher the percentage of traditional golfers, the greater the proportion of core (more frequent) golfers.

A.G.E. also attract both people that have left the traditional game and those who have never played.

- FootGolf and Topgolf have attracted the most “never evers”.



A.G.E. DEMOGRAPHICS

While many who participate in A.G.E. are golfers, these off-shoots of the traditional game also attract a large number of non-golfers with diverse demographics, reaching an audience where traditional golf is under-developed.

Compared to traditional golfers and beginner golfers participating in Get Golf Ready, both FootGolf and Topgolf attract younger crowds. Topgolf draws in a higher proportion of females vs. traditional golf and FootGolf has a large Hispanic following.

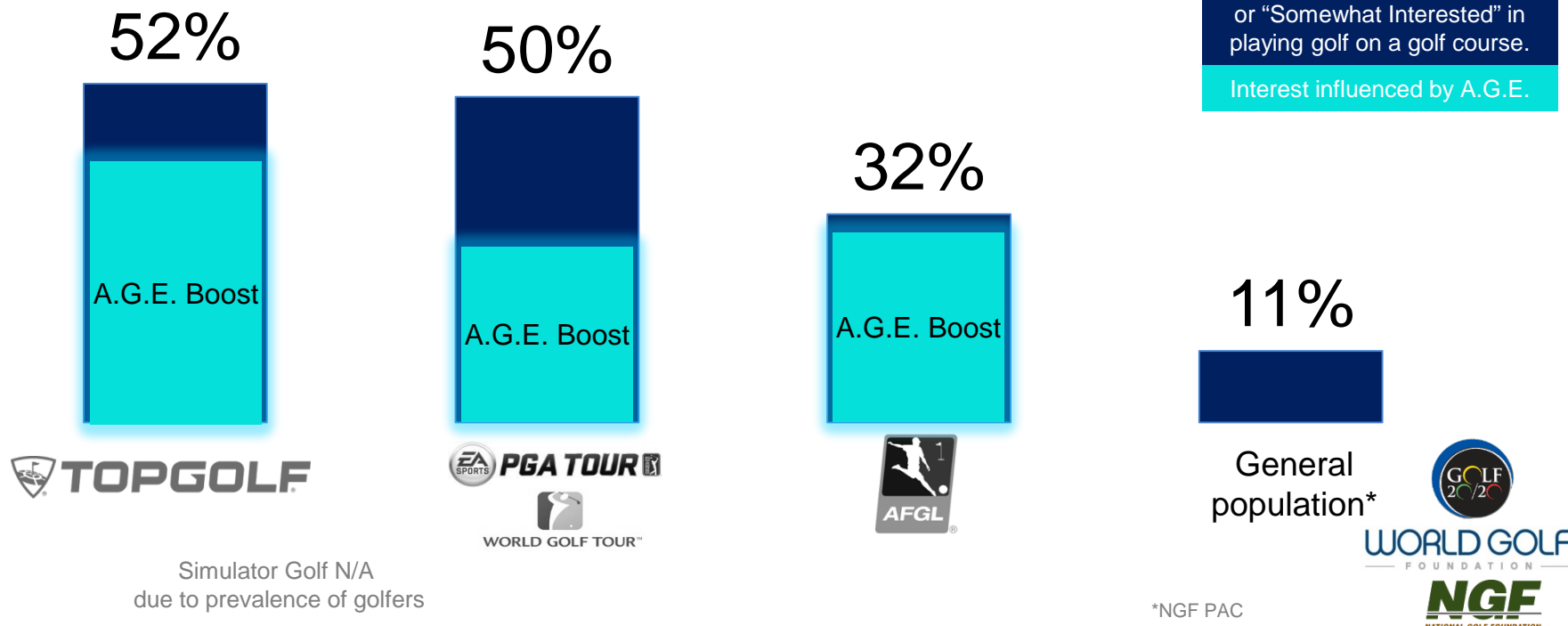
		Golfers	Get Golf Ready	Index	FootGolfers	Index	Topgolfers	Index	Simulator Golfers	Index	Video Gamers	Index
Age	18-34	29%	29%	100	45%	155	48%	166	30%	104	15%	52
	35-49	31%	31%	100	43%	139	30%	97	17%	56	28%	90
	50-64	25%	25%	100	9%	36	18%	72	40%	159	38%	152
	65+	15%	15%	100	2%	13	4%	27	13%	85	20%	133
Gender	Male	79%	38%	48	83%	105	68%	86	83%	105	98%	124
	Female	21%	62%	295	17%	81	32%	152	17%	79	2%	10
Income	<\$50,000	22%			33%	150	22%	100	17%	75	32%	145
	\$50K-\$99K	35%			35%	100	35%	100	33%	94	39%	111
	\$100,000+	44%			32%	73	43%	98	50%	115	29%	66
Ethnicity	White/Caucasian	82%	79%	96	75%	91	78%	95	90%	109	89%	109
	Hispanic	8%	4%	50	17%	213	11%	138	2%	30	2%	25
	Other	10%	16%	160	8%	80	11%	110	8%	80	8%	80
		From Annual PAC Survey	From Annual GGR Tracking		From AGE Survey		From AGE Survey		From AGE Survey		From AGE Survey	

NON-GOLFER IMPACT: INTEREST IN PLAYING TRADITIONAL GOLF

Compared to the general population of non-golfers, non-golfing A.G.E. participants are much more likely to have an interest in playing the traditional game (30-50% vs.11%).

Many A.G.E. participants indicated that their experience with A.G.E. has increased their interest in playing (“A.G.E. Boost” below). All impacts are significant, but Topgolf is especially effective.

*A.G.E. Latent Demand
(and A.G.E. influence)*



Simulator Golf N/A
due to prevalence of golfers

ACTIVATING LATENT DEMAND

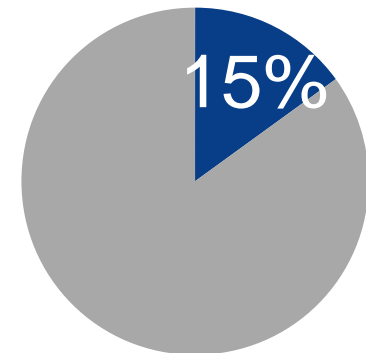
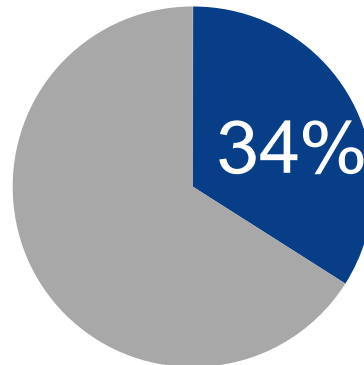
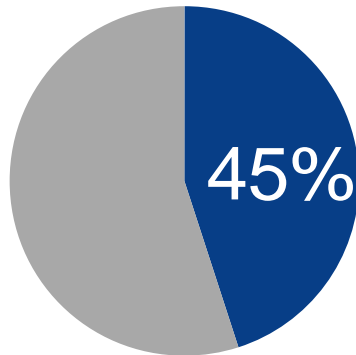
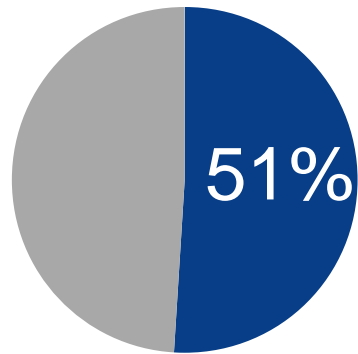
While Topgolf is the A.G.E. that shows the greatest opportunity for conversion of non-golfers, Topgolfers with latent demand for traditional golf have the lowest overall awareness of beginner programs of all the A.G.E. participants.

The pies below represent the entire population of latent demand among each A.G.E.

*Awareness of starter programs
(among A.G.E. latent demand)*

Aware of a beginner program

Unaware of a beginner program



General population*

* NGF, 2014



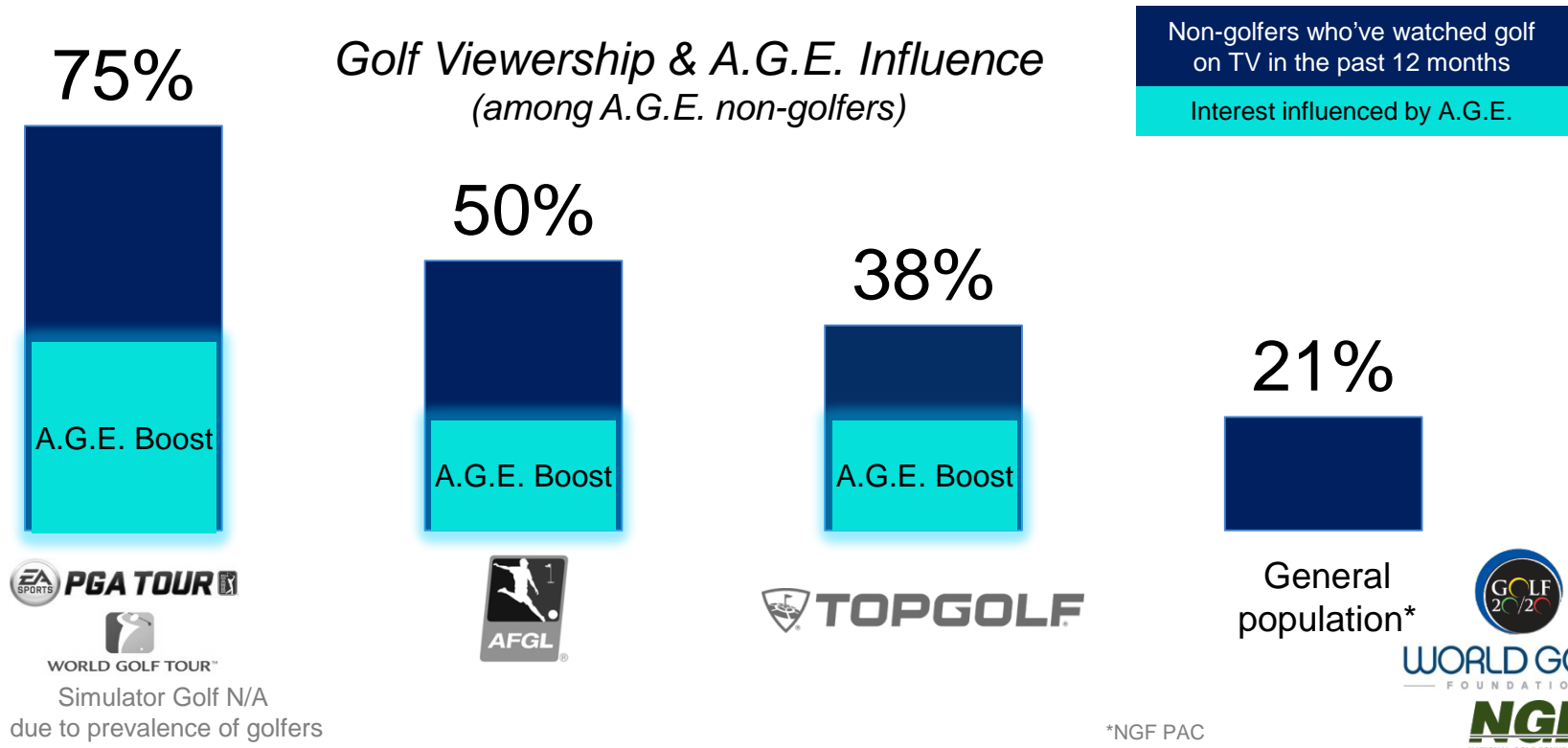
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NON-GOLFER IMPACT: INTEREST IN WATCHING TRADITIONAL GOLF

Even though generally non-golfing participants in these A.G.E. don't consider themselves fans of the traditional game, participation in an A.G.E. also has a positive effect on golf's fandom.

Many A.G.E. participants indicated that their experience with A.G.E. has increased their interest in watching golf on TV ("A.G.E. Boost" below). While all A.G.E. increase viewership interest, Video Game Golf is especially effective – albeit among a golf-engaged audience.



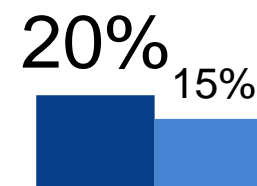
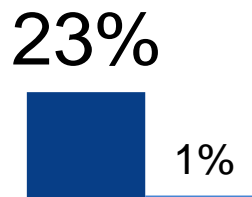
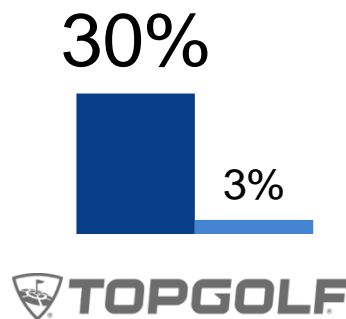
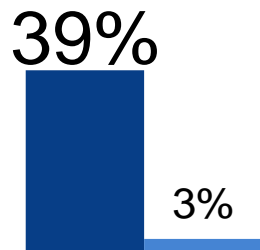
GOLFER IMPACT : TRADITIONAL GOLF ROUNDS PLAYED

A.G.E. does not negatively impact golfers' consumption of the traditional game of golf.

- In fact, A.G.E. generally increases golfers' engagement with the traditional game, including the frequency that they play.

The most evident of these relationships is Simulator Golf, where many turn to refine their game and then take it to the traditional course.

*Play traditional golf more often because of A.G.E. participation
(among A.G.E. traditional golfers)*



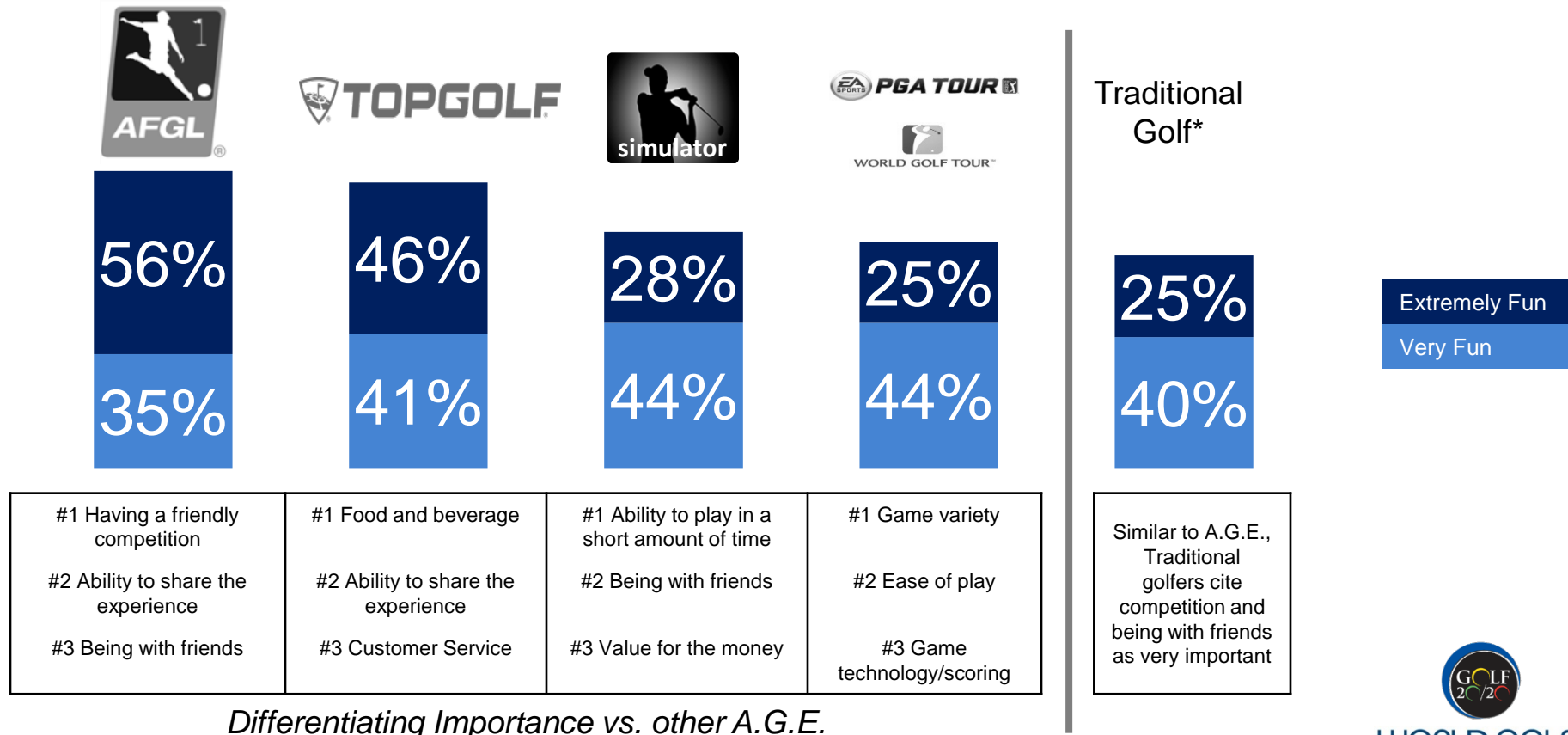
Play more

Play less



DELIVERING ON FUN

Having FUN is the number one desire of all A.G.E. participants. Traditional golf is comparable to simulator golf and video game golf, but lags behind the relatively newer activities of Topgolf and FootGolf

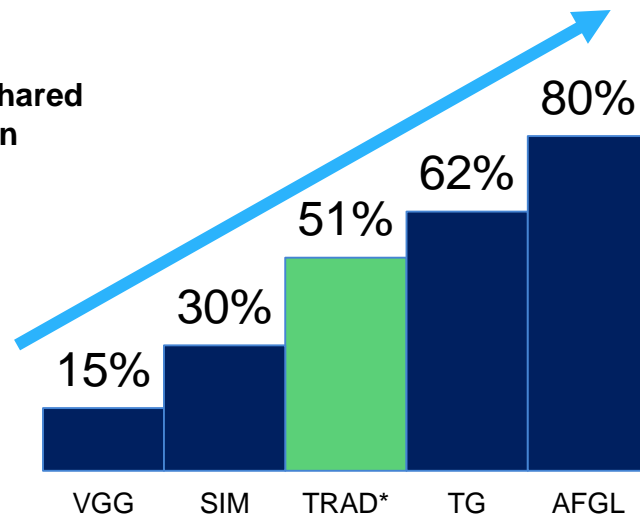


*NGF PAC

A.G.E. CREATE BUZZ

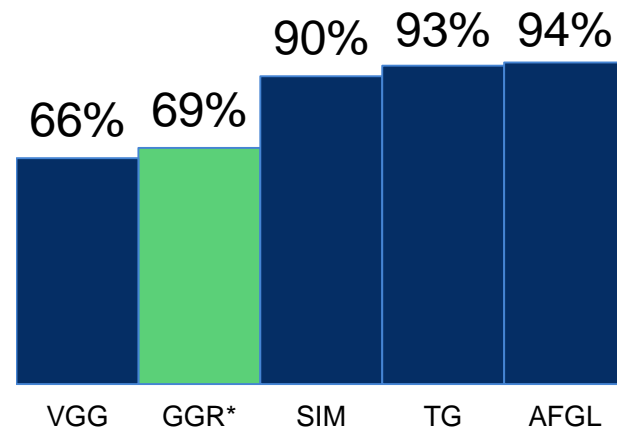
The fun participants are having with A.G.E. encourages people to share their experiences. FootGolf and Topgolf are the hottest A.G.E. when it comes to creating moments people consider “shareable” for social media. Traditional golf is right in the middle of the pack.

% who have shared experiences on social media



The desire to share the activity doesn't stop with social media. All of the A.G.E. have a large number of players who recommend them...the number one source of A.G.E. introduction.

% who have recommended to friends



Get Golf Ready, golf's flagship adult beginner introductory program, is also recommended, but at lower levels than A.G.E.

* NGF, 2014

A.G.E. IMPACT ON PERCEPTIONS

A.G.E. changes participants' opinions of traditional golf.

Non-golfers who said A.G.E. changed their opinion



55%

It's a new way to play an old game. It allows for even people who maybe aren't as great of golfers get experience in a low pressure setting.

Before Topgolf, I thought playing golf would be boring. Since going to Topgolf and playing on a course, I have realized how much fun it is.

The fun atmosphere influenced my desire to return and practice my golfing abilities.



41%

I see why people enjoy heading out to the course with friends for a few hours.

I've kind of become more aware of it once again, attending one local professional golf tournament as a spectator and watching the majors on TV.

The fun of being on the course with friends makes me realize that that is 1/2 the appeal of regular golf.



22%

The golfing experience on WGT enhances my appreciation for the sport and the amateur and professional people who actually get to play the game. I also have come to appreciate the whole golf industry and the jobs that it creates and especially the beautiful golf courses around the world.

WGT has given me a much greater appreciation for the finer points of golf and the mechanics involved. A much broader view of the game and course management.

ALTERNATIVE GOLF EXPERIENCES

CONCLUSIONS





OVERALL EVALUATION: EACH A.G.E. BRINGS SOMETHING TO THE TABLE FOR TRADITIONAL GOLF



Topgolf has the strongest potential for attracting non-golfers and converting them to traditional golf

Exposes many younger and demographically diverse (Young, Women, Minorities) non-golfers to the game



Video game golf is played by golf enthusiasts...if they don't play golf, many happen to be lapsed golfers who remain fans of the game

This A.G.E. acts as an additional source of engagement for this group; keeping them interested in watching the game on TV



FootGolf brings a new demographic to the golf course (Young, Hispanic, Middle Income)

Generates the most "buzz"...It's the most shareworthy on social media, and is the most recommended by participants



Simulator players consist of mostly traditional golfers seeking game improvement.

The activity has a positive influence on golfers' engagement with the traditional game, including an increase in rounds played



WHAT GOLF CAN LEARN FROM A.G.E.

1. How can golf's player development programs dial up the "fun" and "shareability" factors? Consider the social environment, gameification, and customer service elements that A.G.E. provide.
2. The social aspects of A.G.E. are important to participant satisfaction. Non-golfers don't always recognize how social traditional golf can be (vs. what they see on TV).
 - Topgolf and FootGolf remind people that you don't really need to play well to have fun. It's about being with others and the experiences you have.
3. It seems more than a coincidence that A.G.E. sessions/rounds usually average about 2 hours. Most non-golfers think of golf as an all day affair, i.e. 4-5 hours. Potential golfers should know they can play with shorter time requirements. Are there other ways traditional golf can be served in "fun size" portions?

CONCLUSION

Alternative Golf Experiences have a positive impact on the traditional game, both attitudinally and behaviorally. They have the potential to have an even greater impact with the investment and support of traditional golf's stakeholders.

ALTERNATIVE GOLF EXPERIENCES

APPENDIX



A.G.E. QUICK FACTS OVERVIEW

FACTS

	Traditional Golf	Topgolf	FootGolf	Video game	Simulator
Estimated players	24.7M	8.1M	N/A	2M (WGT)	4M
Aware	N/A	29M	25M	N/A	N/A
Interest in playing A.G.E.	N/A	61M	42M	N/A	N/A
Interest in playing traditional golf	11%	52%	32%	50%	N/A
Average rounds played	18.6	4.5	16	239(WGT) 42 (EA)	24
Time to play	<4.5 hours	<2 Hours	<2 Hours	<1.5 hours	< 2 Hours
Average spend: fees/rounds	\$32 ^a	\$43	\$17	\$103 (WGT) \$41 (EA)	\$34
Average spend: F&B	N/A	\$38	\$8	N/A	\$14
Locations	15,372	20	445	N/A	N/A
Rounds played	458M	23M	840k	N/A	N/A

HEALTH

Very likely to continue A.G.E.	N/A	90%	87%	90%	87%
Very likely to continue playing golf	78% ^b	89%	61%	88%	98%
Recommend to friends	94% ^c	93%	94%	66%	90%
Median # recommended	N/A	8	15	5	10
Satisfied with experience	N/A	88%	81%	69%	81%

a) Estimated from NGF facility database, average public greens fees including resort facilities

b) Among core golfers (8+ rounds played per year)

c) Data from Project M showing top 2 box likelihood to recommend

RESEARCH NOTES

- Surveys were conducted between July and October of 2015.
- All survey participants were qualified as past 12 month participants in the A.G.E.
 - Participants were recruited from databases from each respective A.G.E.
- Video game participants only represent EA Sports PGA Tour and World Golf Tour. Many other golf video games exist and have large followings including Golden Tee and Wii. Results may not be representative of those consumers.
- FootGolf participants were recruited from cooperating FootGolf golf courses. A total of 77 courses provided access to their customers.
- Simulator participants came primarily practice-oriented facilities. Social/entertainment-oriented simulator venues had limited response to survey requests, and are therefore under-represented in survey results.