



THE GOLF OPERATOR OF THE **FUTURE** (PART 1)

It's time to become the golf operator of the future

For too long the golf industry has lagged behind the technological curve. So many golf operators don't take advantage of modern advances in marketing, cloud, and management technology. The industry is facing so many challenges with reaching younger audiences, rising wages, high costs, and increasingly thin margins. We find it odd that golf operators aren't looking more seriously towards modern technology to ease these pain points.

This is the guide for you If you want to keep your golf course competitive with the hundreds of courses that are adopting cloud technology, digital marketing strategies, mobile applications, and more. We're here to help you understand why and how these technologies can help you streamline operations, cut management costs, attract young audiences, and improve member services.

In part one of this two part whitepaper we'll break down two key technology themes:

- **Knowing your customers**
- **Communicating with your customers**

All golf operations can now benefit from advanced technologies that traditionally were only available to big box retailers and ultra high-end golf operations. We know you're itching to get your course out of the dark ages, so get familiar with these concepts and you too can bring your golf operation into the future.

Knowing your customer

Modern business intelligence (B.I.) is changing how golf operators understand their customers. Increasingly sophisticated algorithms coupled with artificial intelligence (A.I.) have the power to drastically improve the ability of golf management to market to its customers. With the vast array of technologies available to golf operators it's crucial that the underlying benefits are understood. Golf operators can tailor their offerings with exactness, while streamlining operations and delighting customers by implementing these B.I. and A.I. based strategies.

Business intelligence gives you the power to:

- A. Identify exactly what your customers want
- B. Segment your customers into highly specific groups
- C. Know exactly when your golfers play

Identify exactly what your customers want

Imagine a scenario where your customer lands on your website only to see an advertisement showing the exact golf shoe they've been drooling over in the golf shop after every round of golf. It wouldn't be surprising if a moment like that instigated a purchase, either online or at the pro shop after the player's next round.

Millennials have grown up in the digital world, everything they've interacted with has involved a screen, a keyboard, the internet or social media. Even though they don't mind getting their hands on products and trying things on in person at your pro shop, millennials are much more likely to respond to online promotions and order through a webstore like Amazon or even your pro shop's ecommerce site.

Young people increasingly see themselves as having a unique identity, and are fiercely loyal to specific brands and styles. As a result, they tend to purchase only from retailers offering those names and looks. In short, if you show a TaylorMade commercial to a Titleist fan, a positive response (if any) is unlikely. Instead, a special web offer on a set of Titleist irons timed to reach loyal advocates of the brand will elicit a much stronger response and generate more sales.

So, how do you get all this vital information? Mine your point of sale. For any of these strategies to work you need to start off with a point of sale (POS) that can collect information about customer purchase patterns, brand preferences, and product desires. In the modern era your POS is so much more than just an accounting tool. In fact, your POS is quite simply the most important source of business intelligence available to your golf course.

Once you start collecting data from your POS you can quickly discern four important metrics:

- A. Top spenders
- B. New customers
- C. At-risk customers
- D. Customers that have defected

When you bucket your customers this way it is so much easier to know who to re-engage out of those who are falling off the radar. Knowing these customers and the potential value you're at risk of losing will allow you to change the message. In fact, we are seeing a trend where instead of electronically trying to win this customer back, operators are picking up the phone and calling. Being unique with this group can really turn this type of customer around.

On the other side, identifying your newest and most loyal customers is key to squeezing more revenue out of your operation. You want to make sure these customers keep coming back, while turning new customers into top spenders. Use POS-sourced business intelligence to monitor spending and playing habits. This kind of information will detail what items and categories they buy most, what food and drink they like at the restaurant, and how much they are using your services. Simple actions taken thanks to this data can help optimize pro shop and restaurant offerings, course hours, and social events.

Instituting a loyalty program or even giving a gift to your most loyal customers is one clear cut solution for rewarding those who spend the most cash at your pro shop while encouraging your less engaged customers to keep coming back.



*Learn more about how
a loyalty program at
the golf course
works!*

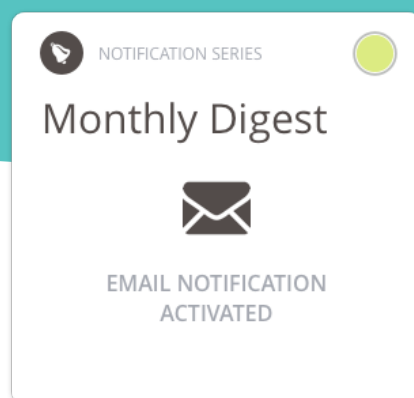
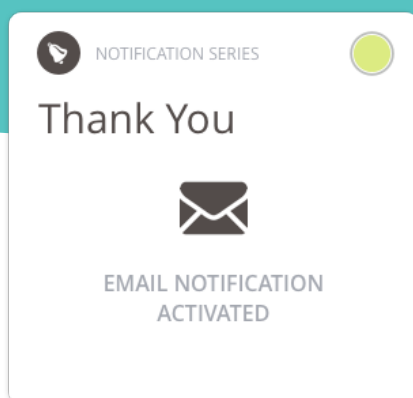
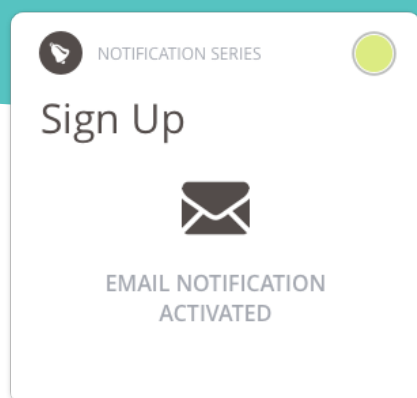
Of course, this isn't where the usefulness of business intelligence ends. For the Golf Operator of the Future, knowing your customer means taking your POS data and using it to market your products online. Modern golf courses should share their pro shop offerings on their website if they want to drive more sales from millennials.


Unlike behemoth online retailers, golf courses are blessed with captive audiences that frequent their websites. Even better, course operators can use their POS to generate valuable business intelligence. This makes it possible to get to know their website audience extremely well. Golf operators are now able to tailor product offerings for the exact golfer who logs in to the course's online booking system. This allows the pro shop to couple the power of business intelligence with artificial intelligence and produce perfectly timed advertisements for products specific to the player's brand and product preferences.

Segment your customers into highly specific groups

Most golf operators have segmented their customer databases into a few different groups. You have most likely further segmented only your members, separating them by wide age categories and general access levels. Over the past 20 years this strategy has become the accepted segmentation strategy in the golf industry, and for the most part it served its purpose well. Member segmentation helped accounting understand the different pricing for each member type and aided staff in knowing when different players booked their rounds. We know that segmentation is crucial to running a successful golf operation, but limitations either relating to legacy software or lack of knowledge are now disappearing. More robust software combined with strong BI offers more segmentation options than ever before, especially for your public players. Now, golf operators must ask themselves how segmentation can help with understanding all customer habits, course pricing strategies, and seasonality throughout the year.

If your club management software integrates with Thirdshelf loyalty marketing software it's possible to extend your segmentation strategy even further. Once you've taken your customer list and added detailed segmentation information, you can tailor specific automated messages for each group. Basic functions include automated welcome emails for new customers, birthday offers, and thank you notifications for completed sales. However, you can get very specific with custom messages that send to specific audiences you've already built. Better still is the ability to schedule seasonal and event related offers that are sent automatically. You can even send automated retention emails to customers that Thirdshelf identifies as slipping away. Using a «win back» campaign is an excellent way to efficiently re-engage those who are at-risk of defecting entirely.




 RETENTION SERIES

☐

We Miss You

Active customers may be slipping away. Do not let that happen. Simply active this automated retention campaign to bring them back.

START

 RETENTION SERIES

☐

Win Back

Customers may have ignore previous attempts to bring them back. Launch this last resort campaign to win them back.

START

Thirdshelf allows businesses to measure customer relationships at an incredibly high level of detail. The software segments customers into five groups: first time, repeat, loyal, at-risk, and dormant. This real time dashboard gives a quick overview of how your customer segments are moving through the customer lifecycle funnel and will tell you which customers you're profiting from most and whom you're at risk of losing.



Make sure you know who your millenials are

Golf operators struggle to reach, attract, and retain millennials. Most likely you have a few millennial customers who play at your course either as members or public customers. Don't be afraid to give them some special treatment, an early investment into these young customers could translate into long term lifetime value. You need to identify them as specific customers who get their own special classification. In fact you need to segment your entire customer base, including public players, into groups based on age, income, playing habits, and more. Modern golf management software offers you the ability to segment players into an unlimited number of player types who each get specific pricing and access rules.

Know when your golfers play

Now that your database is highly segmented with detailed information on each player, you can track data and see exactly how different players are interacting with your course. You'll know when millennials are playing and when seniors are playing, meaning that you can tailor the course experience to each group based on the times that they like to play. Millennials are all about experiences, so if you want to make a real impact on this group make sure your course is offering a unique play experience and don't be afraid to break those traditional golf rules. For example, you could let them play music on the course during their desired play times, do away with attire rules, and offer beverages and food that appeal to them (craft beer and avocado toast!).

Of course, you don't want to alienate your older more loyal customers, so make sure you are continuing to serve them too. If you update your management software, ensure that the system is incredibly user friendly so that the older segments don't feel left behind. The general public is moving away from golf, each year an average of 2 million players leave the game. It's not easy to make every customer happy, but if older customers are moving away from your course, golf operators must find ways to instead reach millennials who are becoming the economy's big spenders.



Communicating with your customers

In the old days, golf courses had very limited communication options. Typically print ads, the phone in the pro shop, and snail mail were the standard channels used. Legacy software providers helped improve the communication process and slowly golf courses started introducing course websites, online booking, email newsletters, and social media to their communications repertoire. While very helpful, online booking, email, and social media are the norm in the golf industry and no longer represent the future of communications in the golf industry.

The future of communication in the golf industry is:

- Mobile
- Automated
- Social

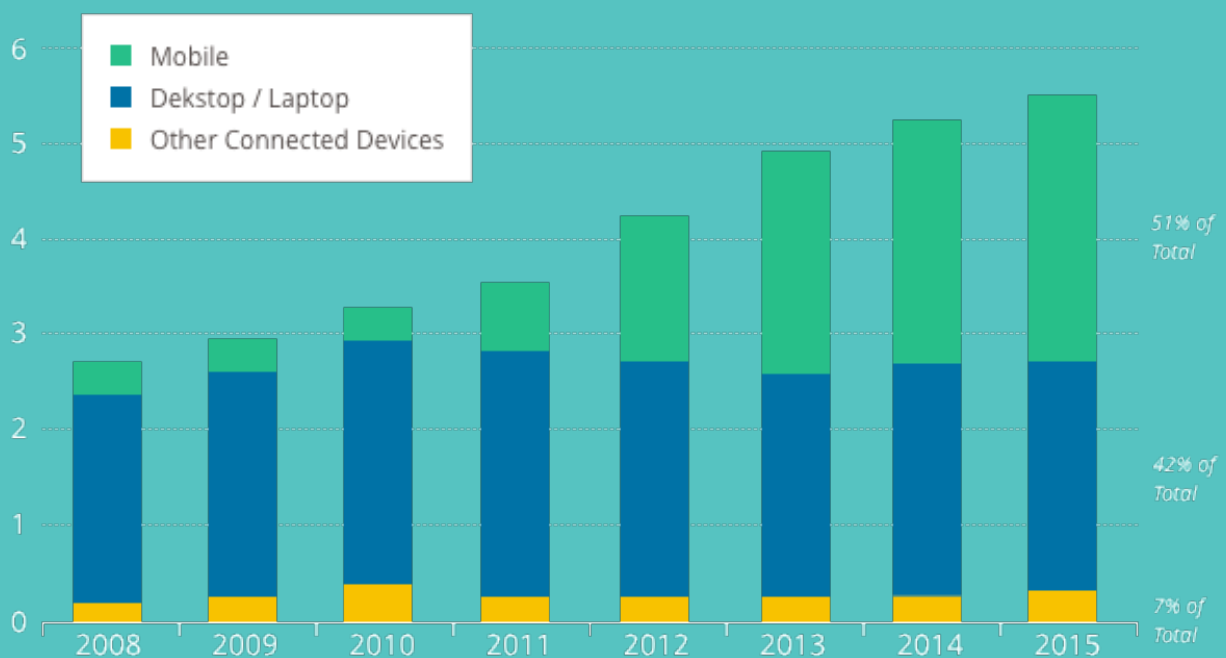


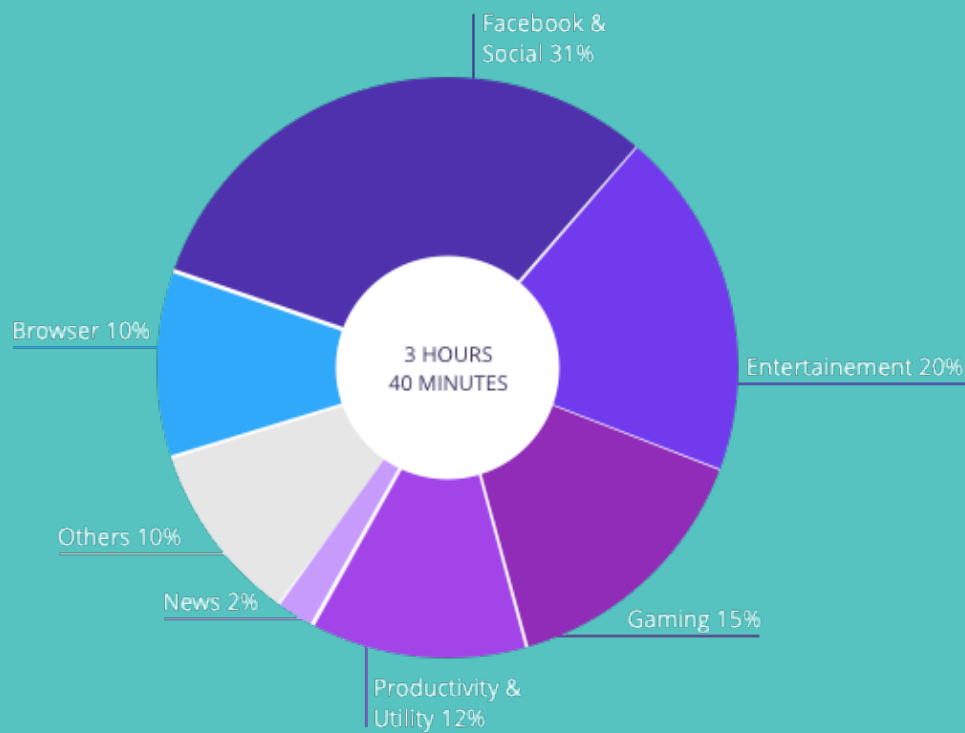
Mobile Communications

We live in a world that is shifting towards increased mobile usage amongst all consumers. Today, 68% percent of consumers use smart devices, and it's a safe bet that this ratio is even higher amongst golfers. The paradigm shift towards mobile demands a response from every business, including golf managers who want to leverage technology to maximize profits.

So, how should a proactive golf manager respond to the mobile revolution? It's time to move past dated, browser based, online booking software and move towards mobile app based online booking with mobile check-in. Studies tell us that of the time spent using digital media, 51% is spent on a mobile device and of that time, 90% is spent in an app.

Time spend per Adult User per Day with Digital Media, USA, 2008-2015



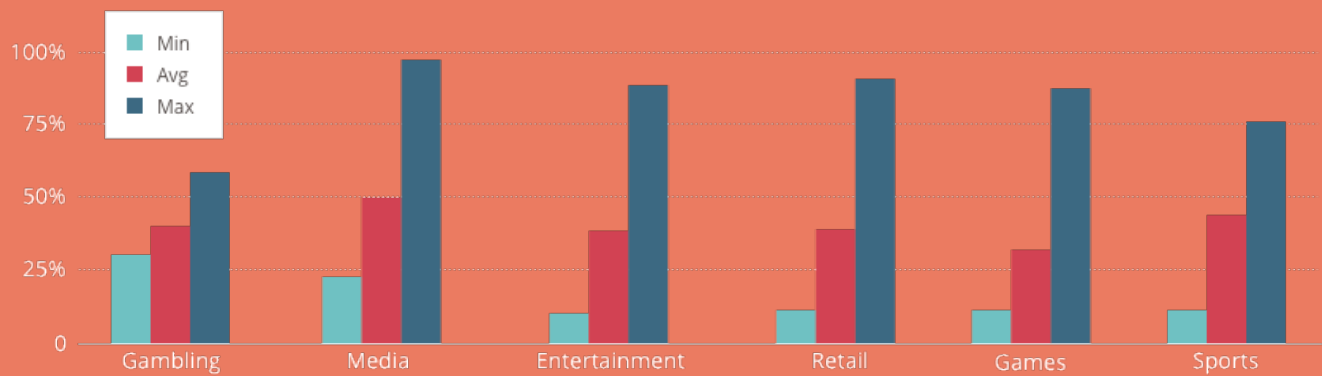


90% on Time on Mobile is Spent in Apps

What we know for sure is that golfers, especially the younger ones, love using apps on their phones. Sticking to browser based booking means a lost opportunity to impress your phone addicted customers with mobile app booking and check-in.

Mobile applications make your marketing so much easier with push notifications that can advertise tee times, round invites, as well as restaurant and pro shop promotions. Younger demographics will absolutely love the ability to book, manage, and invite friends to tee times over their phones and then record their scores, browse course information, and calculate handicaps during and after their rounds. Best of all, golf managers will reduce time spent managing reservations over the phone and in person by making use of curbside check-in.

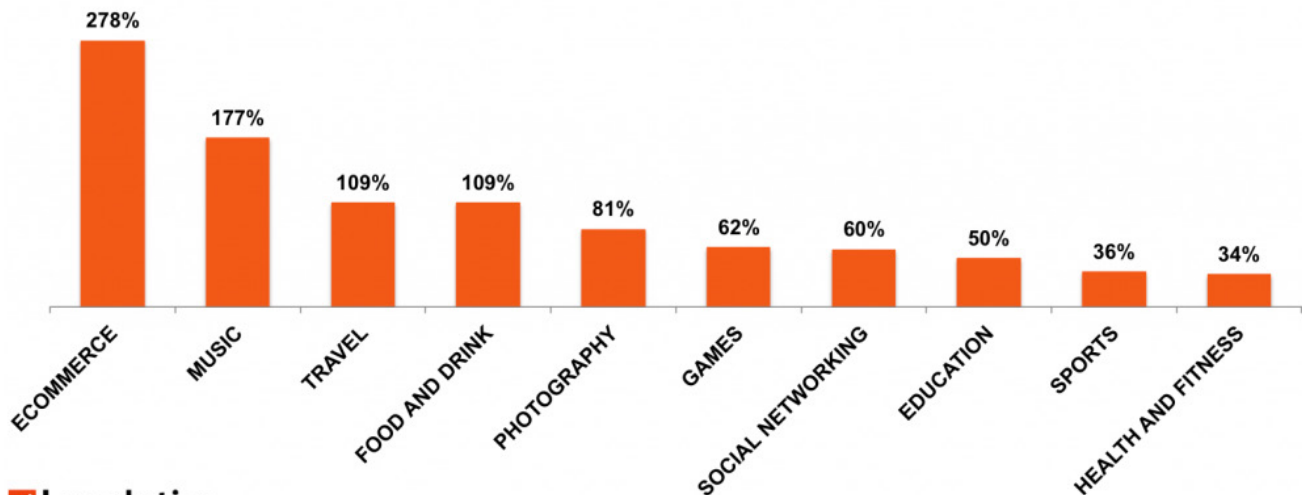
The research is there, when your golfers enable push notifications the rate of engagement with your mobile app is much higher. What's incredible is that most users actually choose to have push notifications enabled, they want their mobile apps to send them information directly to the front of their smartphones.



Push Notification Opt-in Rate by Industry

% Higher Engagement with Push Enabled

As Measured by App Launches



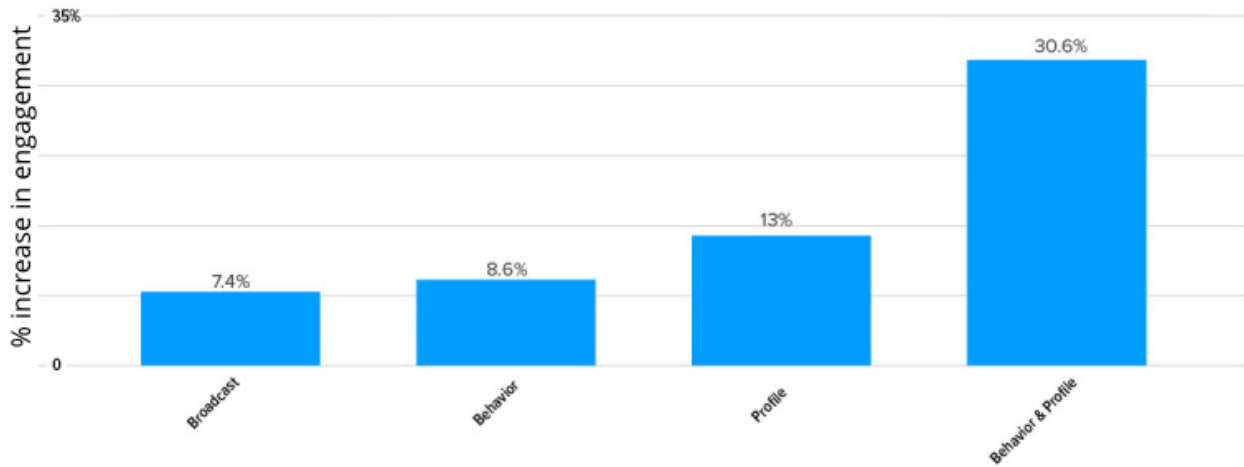
 Localytics

Source: Localytics, August 2014

Remember all that big data you've been collecting with your POS? If you use segmented data with a mobile app you can use your business intelligence to send personally tailored push notifications directly to the golfers you already have within your database. Again, the research suggests that send these kinds of personalized push notifications have the ability to really drive engagement more than ever before, especially when you send information tailored for the segment's behavior and consumer profile.

Segment Push Notifications by Behavior AND User Profile

As Measured by Average Click Rate



Source: Localytics 2015

The usefulness of mobile applications is practically boundless. In-app messaging allows management to quickly relay course related information to users, while allowing players to send messages directly to staff from the green or beyond. Now your kitchen can take orders directly from hungry players on the 14th hole and your pro shop can push a ball promo to a player who had a rough game. The research backs up investment in this technology. When it comes to marketing, mobile applications have the ability to open so many new doors. What better way is there to reach millennials other than by communicating with them where they truly thrive, on their smartphones.

Save money with automated communication

Golf management is increasingly concerned with saving money. With minimum wages expected to rise to \$15.00 an hour, a lot of golf managers are seriously concerned about shrinking bottom lines and higher salary costs. State of the art water management systems promised managers lower utility costs over the past decade, but with water costs doubling in some places, where else do golf operators have to turn?

Automated check-in, mobile check-in, frictionless payment, and self serve POS systems are new strategies the golf operator of the future can use to cut frontline staff costs in the pro shop and in the restaurant. With mobile check-in, players can check-in to their tee time slot from the parking lot, go to their starting hole and tee off without speaking to even one employee. When the round is over they can either make a food and drink order from the green on their mobile phone or from a self serve kiosk in the restaurant. This reduces the need for staff to take and process orders and payments, increases order fulfillment accuracy in the kitchen, and creates a high tech experience for your younger smartphone loving audiences.

Research suggests that 52% of consumers like using kiosks to pay for items. At restaurants 96% percent of 18-34 year olds reported that having a kiosk ordering system is a benefit while 63% of consumers said they would use a self order kiosk to place an order at a quick service restaurant. In one study, a bar reduced service wait times and staff got better at discussing beer selections when the ordering process turned into a self order system.

Technology that was once available only to airports and big box retailers is now available for small businesses. For the golf operator of the future there's no doubt that automated check-in and ordering is the future of streamlining operations and reducing frontline staff costs.



Make online booking a social experience

By now every golf manager knows the importance of social media for communicating with a broader audience. The golf operator of the future knows a golf courses entire booking experience should be social. Golf is a social game, every golfer looks forward to playing a round with his or her friends. It's crucial that golf operators capitalize on this reality by turning the booking process into a social experience.

Nowadays, players only want to book a round with their best pals on the weekend. Sometimes it's not so simple to get all the right information to the right players in time, instead use a booking system that already knows what players are most likely to play with one another. Using Artificial Intelligence (A.I.) the system should be able to determine the most optimal tee time that works for everyone. Players should simply be able to submit a list, however long, of ideal playing partners and then receive a tee time that works perfectly for everyone. A.I is a powerful tool that will optimize not only the play experience of your members, but also the social aspect of the game.



How to bring your course into the future

If you're reading this and thinking to yourself "well great, this new technology seems pretty interesting but how on earth can I implement at my operation" you definitely aren't alone. It can be very hard to wrap your head around some these concepts, especially if you aren't comfortable with digital marketing concepts or buzzy sounding words like A.I. or cloud computing. Our goal is keep things as simple as possible while you learn about all these new opportunities. What we know for sure is that your course stands to benefit from at least one of these technologies. The good news is that there are a lot of people who want to help operators like yourself, people who are tired of seeing the industry lag behind and want to help golf courses move into the future.

Now is a better time than ever to get your operation up to date. Adopting a new system is easier than you think and it's not hard to find a specialist in the industry who can help you find and on-board the best solution for your unique operation.



pro.chronogolf.com