GB GOLF BUSINESS

FORGING A NEW PATH

AFTER YEARS OF TAKING A BACK SEAT TO GAMING, GOLF IS ATTRACTING A NEW BREED OF CUSTOMER TO ATLANTIC CITY

REFINED RADIANCE
5 STRATEGIES THAT ARE SHINING A NEW LIGHT ON MARKETING

MANAGING CHANGE
TIPS TO EFFECT POSITIVE CHANGE

BY DAVID GOULD

Refined Radia

5 STRATEGIES THAT ARE SHINING A NEW LIGHT ON OLD WAYS OF MARKETING

Knowing what makes golfers tick is an ongoing challenge for course owners. The game is tradition-minded, but new preferences and buying patterns keep cropping up. Owners and operators certainly spot clues to the national mood from their own operations—for example, a new membership package that proves popular or a clinic series that fills up every week.

Additional hints come to light as one studies the strategies that drive marketing and promotional campaigns by national brands in various categories. For that reason, *Golf Business* has selected a handful of current consumer products and services that seem to provide a useful window into the mind of the American golfer. The chosen brands represent apparel, accessories, golf balls, new-wave instruction and practice-aid technology, to get a cross-section.

Through quantitative research, focus groups and sheer instinct, these five businesses are trying to "crack the code" of golfer demand. Here's a set of snapshots that indicate what they've observed and how they're targeting the market.

1 **OnCore Golf** - Whether an industry is growing, contracting or treading water, it can always use an inspiring startup story, and ball manufacturer OnCore Golf offers one. Its attributes include a Karsten Solheim-style design breakthrough (patented hollow steel core), a Rust Belt headquarters in Buffalo, New York, and a pair of tireless young entrepreneurs with humility appropriate to their challenge.

Marketing of this brand, which actually got its initial funding on Kickstarter, won't reach a Madison Avenue phase anytime soon. Currently, there's no ad-spending nor even a glossy public relations campaign; OnCore's approach is to let the product itself be the marketing message.

"If you try to carve a thin slice of the premium golf ball market with incremental innovation, you'll get nowhere," says Steve Coulton, co-founder of the company with Bret Brakely. "You have to come to market with a totally different angle of attack."

For this fledgling firm—with its 200-plus accounts and tiny roster of home-pro staff members—one press release changed everything. It went out to the media in October 2013 after OnCore Golf caught lightning in a bottle by achieving official conforming status from the USGA. Perimeter weighting is the design advantage you get when you can hollow out the core. It reduces sidespin and therefore brings some extra accuracy to a player's long game. A major element in the company's early messaging is simply to send out emails about the product-design awards it wins, including accolades from Golf.com, *USA Today* and a prominent annual forum on startup ventures. Course owners will be glad to know as well that on-course selling is the chosen avenue for Coulton and Blakely.

To date, word of mouth has been the product's primary advertising medium, although the unique sound of the OnCore MA 1.0 golf ball at impact also lands on golfers' ears and spurs interest. "The point of difference in our design technology is hidden, unlike an early PING putter with its heel-toe weighting," Coulton says. "But the sound at impact is pretty dramatic, and it starts conversations."

Already the company has built its social-responsibility apparatus into the business plan. True to the millennial spirit that's well-documented in business journals and research papers, alignment with good causes that fit the spirit of your enterprise is second nature to this generation. "Golf already has a heritage of giving back," Coulton observes. "We want to build on that and create a company that succeeds in benefitting society."

2 **Golftec** - The in-house marketing and advertising group at this instruction giant comes to work each day with the tagline "Attack Your Game" in mind. That energetic mindset has helped fuel continued growth for the 30-year-old company, both domestically and now overseas. Colorado-based Golftec is a chart-busting success story with revenues up 37 percent so far in 2015 versus the same period in 2104—and that's a spike that comes after long years of steady incremental growth.

Commercials on Golf Channel programming—mainly The Golf Fix and Golf Channel Academy—help spread awareness and brand recognition. But it's the company's longer-form YouTube videos that offer a better means of understanding the coach/player relationship Golftec is built on.

"When a golfer comes to one of our Improvement Centers for the first time, we can expect them to return 17 times—that's on average," says Paul Wise, newly hired as head of Golftec marketing. An Evans Scholar with deep golf roots, Wise arrives at a time of heavy opportunity for the brand. "Our home market

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in North America is only at 25 percent of saturation," says Wise. "We're also recently established in Tokyo, Seoul and other promising markets."

A handful of Golftec locations are green-grass, but the business model leverages indoor teaching, with its climate control, privacy factor and ever-increasing technology. Across the golf instruction landscape, quick-fix teaching is disappearing and a strong message about motor-skill acquisition is replacing it. Golftec has been singing that tune for years, with a one-two punch of video and digital motion measurement on screen to guide the physical changes and track each student's progress.

For Golftec, the marketing effort includes a lot of internal market research. Daily operations across its learning centers throw off mountains of data about golfers, golf swings and overall usage patterns.

"We've taught 50,000 women golfers, and we expect to build on that and generally do better outside our core, which is the avid male golfer age 38 to about 58," Wise says. "The millennial golfer seems to be more responsive lately, as well. They identify with Jordan Spieth and Rory McIlroy, and are ready to take their game up a few notches."

One core principle heard often from Golftec marketers is that golf still draws people based on its difficulty—the game is hard and that's part of its allure. In the digital age, with all its distractions, that's a reassuring thought for course owners.

3 Antigua Group - Over his decades in golf apparel, Ron McPherson has noticed a subtle truth: It's a market that's easy to be in, but difficult to be all-in. The Antigua Group CEO has long positioned his brand as "the whole package" for trade accounts, with the "all-in" traits of deep inventories, extensive industry partnerships, experienced reps, reliable order fills and a design group that is bold but not reckless.

The green-grass golf market gets distracted when iconic names and sexy micro-brands from retail apparel drift into view, but that problem lessened dramatically after the 2008 economic crack-up. Now, as 2015 winds down, McPherson is looking at dollar sales that put Antigua 8 percent ahead of last year, and he's got market-share data that tells him, in his words, "We're winning some skirmishes." That's essential, apparently. "To grow in golf nowadays," says McPherson, "you can't count on a rising tide—you have to win business from somebody else."

Plenty of Antigua's recent success (the Scottsdale-based firm posted all-time record sales in 2014) has come via stronger designs on the women's side. More experimentation and investment was required to deliver those goods and gains, but the trade marketing double-down that supports it can be seen in moves like Antigua's new multi-year agreement with the Executive Women's Golf Association, through which that group becomes a national licensed vendor. Women's golf groups are growing in size and importance, which attracts Antigua because the company's DNA is all about establishing partner status with golf entities as they flex their organizational muscle. It's also a way of emphasizing that the Antigua women's line has become sharper, more contemporary and well-accepted with a discerning audience.

"There are multiple ways to boost your visibility in any segment," says McPherson. "In women's golf, we'll sign a Stacy Lewis and share in Stacy's LPGA Tour success, we'll work to earn and keep the Solheim Cup uniform contract, and then we'll partner with a group like the EWGA."

It's all part of being all-in, so that a smaller apparel market like golf can still give you the makings of a pretty big business.

4 Arccos – Are you checking your customers' wrists for "wearable tech" from companies like JawBone or FitBit? The popularity of these fitness-and-wellness trackers should indicate how much acceptance a golf-based performance technology like Arccos might manage. PGA Tour players have benefitted for years from the information Shotlink pours out, that much we know. The object for Connecticut-based Arccos is to get waves of amateurs to gradually become as geeked up over the "moneyball" facts of their 18-hole rounds. Unlike those wristbands or other clip-on types of technology, Arccos sensors inserted in the grip caps of each club feed the computer on-screen analytics program.

Marketing people are generally hoping to either get trial or build loyalty so they can improve market share. Arccos is doing a bit of both, at one time. "We're actually fortunate to have competition," says marketing director Stephanie Boms, referring to rival companies like ShotbyShot and GameGolf. "It means we aren't by ourselves trying to create a product category."

Especially for a startup, marketing and branding can take lots of cues from the product name, logo and tagline. The name Arccos is taken from trigonometry and means the inverse of cosine. The logo is a refined, crown-like object that could suggest data lines, connected clubs, the arc of the ball or, indeed, a crown. "The No. 1 Performance Tracker in Golf" is the Arccos tagline. Golf is big on having its "No. 1" products, so why not this niche, as well?

Partnerships are another key factor in startup marketing, and Arccos is pleased to have Callaway Golf as its official "Innovation Partner." In particular as the Callaway relationship with Topgolf deepens (Callaway is part owner of the entertainment-center giant), there could easily be a triangle effect in which Arccos provides technology that eases a millenial's transition from fun and games at the hip mega-range to actual rounds of golf at a course.

One last point about all these devices and platforms that golfers acquire because they want to hit better shots and shoot lower scores: They also throw off operations data that can be harvested or at least flagged for use by golf facilities. "Pace of play is a data point that our product generates as a collateral outcome," Boms notes. That's something to bear in mind as your teaching crew is deciding how valuable an Arccos-type device might be for golfer improvement.

5 Ben Hogan Company – No pro-line hardgoods brand has had its story retold or its reset button hit more times than this one. But the Ben Hogan Company iteration that came to market last year under industry veteran Terry Koehler doesn't have to target sales quotas in the same way it did under previous owners Callaway, Spalding AMF or Cosmo World. Koehler is answerable to the Perry Ellis Company, which owns the brand, but his somewhat retro and decidedly offbeat product design plan was approved in advance as he assumed the CEO slot.

"There has always been brand equity in the Hogan name, in that script-signature logo and in the serious, devoted approach Mr. Hogan took to everything he did," Koehler says. "What's happening now is that the wedges and irons we're manufacturing fix some big problems the industry has created for itself. They're about logically covering all your distance increments and hitting targets so you can shoot a score."

The soles of the Hogan irons being shipped to the company's early-adopter accounts have "24," "32," "40" and so forth on them, instead of the usual "5," "6," "7." The reason? There's no more standard grid of iron loft angles to rely upon, and golfers are well-accustomed to identifying their wedges, woods and hybrids by the actual static loft angle.

There's plenty more to be said about the "set-mapping" approach to clubfitting Koehler's company now uses, and lots to add about the head design concept. The Hogan marketing story—the main concern here—reflects the post-bubble return to value-minded, steak-over-sizzle approaches that many industry watchers see unfolding.

"Product cycles are stretching back out," Koehler says. "Our customer will keep their clubs a long time, and growth for Ben Hogan will come from that golfer describing his [or her] experience with the product and persuading friends to try them."

This business model relies on old golf values, but it also benefits from some very new developments. "Our early interest comes from people with a longtime Hogan affinity, but also from the 'gear-head' niche of the equipment market," says Koehler, pointing out that websites like GolfWrx.com spread the news of new products swiftly among these must-know types. Likewise, the rapid spread of rangefinders, with their exact reports of how much carry and roll a shot produced, add fuel to the argument that this reinvented company's "Ft. Worth 15" irons deliver on their brand promise.

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David Gould is a Massachusetts-based freelance writer and frequent contributor to Golf Business.

Digging Deeper

On the surface, the marketing challenges of a product or service provider may not seem to translate to golf course ownership. Dig a bit deeper, however, and you'll discover you truly can glean lessons from most any situation. Consider:

The golf-operations equivalent to **BEN HOGAN COMPANY** could be an 18-hole facility with the standard clubhouse and driving range closing down, renovating and coming back as a 12-hole skills-building course with a fitness center, performance trainers and specialized competitions. Then again, it could follow the Hogan "tradition of precision" message and simply renovate tees and greens—with every inch lasered and perfect for play.

ONCORE GOLF represents a market position that mixes underdog/upstart status with bold ideas about how a basic product can be redesigned and built. The lesson from this brand is about the conference-room brainstorming work that just might produce a better mousetrap.

ARCCOS sends a message that the way to a golfer's heart may be through the analytical left side of his or her brain. The company's message intertwines performance science with a tug at the heartstrings—because better ball-striking and scoring will always send bolts of joy through any golfer. At the green-grass level, you might adapt this notion by setting up a family format performance competition, applying lots of skills metrics to a makeshift tournament in which teams composed of mom-dad-son-daughter try to outpoint each other.

To borrow from **ANTIGUA GROUP**'s playbook, you probably need a bit of extra scale compared to your competition—the 27- or 36-hole facility could follow the brand's lead most readily. What you're marketing is super-consistent service mixed with a series of new product tweaks: menu brainstorms in the grill room or perhaps the first five-hole golf league ever offered in your market. Meanwhile, add partnerships, endorsements, important local relationships and all the goodwill you can muster.

No brand in this fivesome of vendors is more attuned to consumer loyalty and long-term personal relationships than **GOLFTEK.** To succeed as a golf operation the way Golftek succeeds at its business, you have to keep proving to the golfer that you're enhancing their enjoyment of the game. Visit by visit, you have to deepen the bond. Translation: Don't just send them a play-here-on-your-birthday email offer, tell them they can have the tee time their customer profile suggests they prefer, plus a lunch discount featuring the craft beer their profile says they favor. Whatever it takes, personalize the offer. —D.G.